

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary - Public

Date: 10/2/2009

GAIN Report Number: TW9059

Taiwan

Post: AgTaipei

Taiwan 2009 CSQ Rice Quota Update - October 1 Tender Results

Report Categories:

Grain and Feed

Approved By:

Mark Dries

Prepared By:

Chiou Mey Perng

Report Highlights:

On October 1, Taiwan successfully awarded 19,200 tons of U.S. CSQ rice quota under normal tenders to three U.S. rice handlers who offered competitive bidding prices (DDP -- delivered duty paid) at destination place of NT\$27,290/mt (\$847.52/mt) for medium-grain brown rice and NT\$31,399/mt (\$975.12/mt) for medium-grain milled rice. All are awarded and contracted for delivery to Council of Agriculture (COA) designated warehouses by February 28, 2010.

To date, Taiwan has completed 49,800 tons of its 2009 CSQ quotas for public sector imports – marking a 53-percent tender completion rate. As for the U.S. CSQ rice quota completion rate, it stands at 51 percent or 33,000 tons of the quota completed.

Executive Summary:

On October 1, Taiwan successfully completed the Tender GF4-980-191 for 10,000 tons of U.S. origin medium/short grain rice. Two U.S. rice handlers won 6,000 tons and 4,000 tons of the tender to fill the U.S. CSQ, respectively, at the same offered bidding price DDP (Delivered Duty Paid) at destination place of NT\$27,290/mt (\$847.52/mt). Taiwan also partially completed the Tender GF4-980-192 for 8,700 tons U.S. origin medium/short rice. Two U.S. rice handlers won

4,000 tons each at the same offered bidding price of NT\$31,399/mt (975.12/mt). These two tenders are contracted for delivery to COA-designated warehouses by February 28, 2009. The remaining 700 tons (on a milled basis) of U.S. CSQ rice quota is scheduled for the second tendering process by the end of 2009.

As of reporting date, Taiwan has completed tender procedures for 33,000 tons of the 2009 U.S. CSQ rice quota -- a 51-percent completion rate. This includes 9,200 tons of U.S. CSQ rice quota already successfully completed under Simultaneous-Buy-Sell (SBS) tendering and 4,600 tons of U.S. CSQ rice quota awarded on the September 15th normal tender along with yesterday's 19,200 tons. The remaining 31,634 tons of the 2009 U.S. CSQ rice quota will be offered in three tranches of normal tenders, which are anticipated to be completed by the end of 2009.

The remaining 4,000 tons of unsuccessful Australian CSQ rice quota under Simultaneous-Buy-Sell (SBS) tender which had already failed three tendering processes is now scheduled for an October 30 tender on a global quota basis.

In summary, Taiwan has completed 53 percent or 49,800 tons of its 2009 CSQ rice quotas for public sector imports (via normal and SBS tenders). This includes the aforementioned purchases of 33,000 tons of U.S. rice under, along with 2,500 tons of Egyptian CSQ, 8,300 tons of Thai CSQ, and 6,000 tons of Australian CSQ. [Note: Australia has filled just 190 tons of its CSQ rice quota, as the remaining 5,810 tons has been re-allocated for tendering on a global basis.]

General Information:

1. Details of October 1, 2009 Normal Tender Results (Exchange rate: \$1 = NT\$32.20)

This year, there was a total of five U.S. rice handlers that participated in the bids for U.S. CSQ rice quota for normal tenders that have been announced so far. Please note that one of the five handlers was competitive and won bids for U.S. rice normal CSQ quota in both of the October 1 tenders (GF4-980-191 and Gf4-980-192).

GF4-980-191 for 10,000 tons U.S. origin medium/short brown rice:

Taiwan successfully completed the tender.

The same three bidders who participated in the bid for the September 15th Tender GF4-980-171 also participated in today's bid. Two of the three bidders won the bid for 4,000 tons and 6,000 tons, respectively, all at the same offered bidding price of NT\$27,290/mt (\$847.52/mt) DDP at destination place.

GF4-980-192 for 8,700 tons U.S. origin medium/short milled rice (10,005 tons brown equivalent):

The same three bidders who participated in the September 15th Tender GF4-980-172 offered bids on October 1. Two of the three won the bids for 4,000 tons each at the same offered bidding price of NT\$31,399/mt (\$975.12/mt). The remaining 700 tons is pending for the second tendering process.

2. Announcement of the Re-tender Schedule for Unsuccessful SBS Tender:

GF4-980-154 for 4,000 tons of Australia-origin rice, will now be tendered on a global basis:

The tender had failed three tendering processes on August 25th, September 3rd and September 15th because of short supply. The tender has now been scheduled for October 30 on a global basis.

Table 1 – Taiwan’s 2009 Country-Specific Quota (CSQ) for Public Sector Imports (10/01/2009 update)

Country	SBS System	Normal Tender System	Total
Egypt	2,500	0	2,500
Thailand	8,300	0	8,300
Australia	10,000	8,634	18,634
USA	9,200	55,434	64,634
2009 Total	30,000	64,068	94,068

Taiwan completed the first tranche of 18,000 tons for SBS tender by 3/11/2009, and completed 8,000 tons of the second tranche for SBS tender as of 09/15/2009. The remaining 4,000 tons is scheduled for 10/30/2009. In addition to the 4,600 tons of U.S. CSQ awarded on September 15 under normal tender, 19,200 tons of U.S. CSQ under normal tender was awarded on 10/01/2009. As of 10/01/2009, Taiwan has completed 49,800 tons of its 2009 quotas for public sector imports – marking a 53-percent completion rate.

Table 2 – Summary Tender Schedule & Results for the 2009 CSQ Quota (10/01/2009 update)

Tender Type	Tendering Process	Tender Number and Country Origin
SBS - Tranche 1 for importation by 12/31/2009	1 st tender: 12/30/2008	GF4-970-271 for 6,000 tons U.S. origin: completed at the 1 st tendering process at various markup prices -- 2,110 tons at NT\$0.6/kg (\$18.18/mt); 1,500 tons at NT\$0.59/kg (\$17.88/mt); and the remaining 890 tons at NT\$0.581/kg (\$17.61/mt).
	1 st tender: 12/30/2008	GF4-970-272 for 6,000 tons Australia origin: Awarded 190 tons at the 1 st tendering process -- 150 tons at NT\$2.5/kg (\$75.76/mt) and 40 tons at NT\$2.0/kg (60.61/mt).
	2 nd tender: 01/14/2009	TGF4-970-272-1 for the remaining 5,810 tons failed at the 2 nd and 3 rd tendering processes because no bidders participated in the bidding.
	3 rd Tender: 01/21/2009	
	4 th Tender: 02/11/2009	GF4-970-272-1 for 5810 tons on a global basis. 2,500 tons were awarded at the 4 th tender to six bidders at the range of NT\$8.2/kg to NT\$9.0/kg .
	5 th tender: 03/11/2009	GF4-970272-2 for 3,310 tons on a global basis. The 5th tender was awarded to 3 bidders among 14 with respective quota amounts of 1,000 tons, 2,000 tons, and 310 tons all at one price NT\$6.022/kg .
	1 st tender: 12/30/2008	GF4-970-273 for 6,000 tons Thai origin rice: The tender was completed at the 1 st tender processing and was awarded to four importers handling Thai rice at the same offer price of NT\$8.8/kg (\$266.67/mt).
Sub-total: 18,000 tons (completed 03/11/2009)		

SBS – Tranche 2 for importation by 04/31/2010	1 st Tender 08/25/2009	GF4-980-153 for 3,200 tons U.S. origin: 650 tons completed at the 1 st tender process held on 08/25 of which 160 tons was awarded at NT\$0.501/kg (\$15.22/mt), and 460 tons at NT\$0.720/kg (\$21.87/mt).
	2 nd Tender 09/03/2009	2,460 tons completed at the 2 nd tender process held on 09/03 of which 2,000 tons was awarded to one U.S. rice handler and 460 tons to another U.S. rice handler -- all at NT\$0.503/kg (\$15.27/mt).
	3 rd Tender 09/15/2009	The remaining 90 tons was successfully awarded to one U.S. rice handler at NT\$0.610/kg (\$18.67/mt).
	1 st Tender 08/25/2009	GF4-980-154 for 4,000 tons Australia origin rice: Failed because no bidders participated in the bid.
	2 nd Tender 09/03/2009	Failed at the second tendering process because of no bidders participated in the bid again.
	3 rd Tender 09/15/2009	Failed at the third tendering process because of no bidders participated in the bid again.
	Re-tender on a global basis on 10/30/2009	The tender had failed three tendering process and is opened on a global quota basis.
	1 st Tender 08/25/2009	GF4-980-155 for 2,300 tons Thai origin rice: Tender successfully concluded and was awarded to 3 out of 20 bidders participating in the bid at NT\$8.720/kg (\$264.96/mt).
	1 st Tender 08/25/2009	GF4-980-156 for 2,500 tons Egypt origin rice: Failed because only one bidder participated in the bid, which is invalid for competition.
	2 nd tender 09/03/2009	2,000 tons completed at the 2 nd tender process held on 09/03 of which 1,000 tons was awarded at NT\$0.560/kg (\$17.01/mt), and another 1,000 tons at NT\$0.660/kg (\$20.04/mt).
	3 rd Tender 09/15/2009	The remaining 500 tons was successfully awarded to one Egyptian rice handler at NT\$0.660/kg (\$20.20/kg).
Sub-total: 12,000 tons (w/ 8,000 tons completed)		
Total SBS Quota: 30,000 tons		
Normal Tender- 1 st Tranche of 20,005 tons on brown for delivery by 01/31/2010	1 st Tender scheduled on 09/15/2009	GF4-980-171 for 10,000 tons U.S. origin medium/short brown rice Three bidders participated in the bid. The tender failed because offered bid prices exceeded the pre-set ceiling price level, with the lowest bid offered at NT\$27,995/mt (\$856.90/mt)

(4,600 tons awarded)	1 st Tender scheduled on 09/15/2009	GF4-980-172 for 8,700 tons U.S. origin medium/short milled rice (10,005 tons brown equivalent) Taiwan awarded 4,000 tons (4,600 tons on brown basis) to one out of three bidders that participated in the bid at NT\$30,499/mt (\$933.54/mt). The remaining 4,700 tons (5,405 tons on brown) will be scheduled for the 2 nd tender before the end of CY2009.
Normal Tender-2 nd Tranche of 20,005 tons on brown for delivery by 02/28/2010	1 st Tender scheduled on 10/01/2009	GF4-980-191 for 10,000 tons U.S. origin medium/short brown rice The tender was completed successfully. Two of the three bidders that participated in the bid were awarded 6,000 tons and 4,000 tons, respectively, at the same offered bidding price of NT\$27,290/mt (\$847.52/mt) DDP at destination.
	1 st Tender scheduled on 10/01/2009	GF4-980-192 for 8,700 tons U.S. origin medium/short milled rice (10,005 tons brown equivalent) The tendering of 8,000 tons was successfully completed, with the remaining 700 tons pending for the 2 nd tendering process. Two of the three bidders that participated in the bid were awarded 4,000 tons each at the same offered bidding price of NT\$31,399/mt (\$975.12/mt)
Normal Tender -3 rd tranche	TBD	15,424 tons U.S. origin
	TBD	8,634 tons Australia origin
Total Normal Tender Quota: 64,068 tons		