

Voluntary Report – Voluntary - Public Distribution

Date: March 11, 2026

Report Number: TW2026-0008

Report Name: Taiwan Extends Tariff and Business Tax Cuts for Selected Imported Agricultural Commodities

Country: Taiwan

Post: Taipei

Report Category: Agricultural Situation, Agriculture in the News, Grain and Feed, Oilseeds and Products

Prepared By: Oscar Lin

Approved By: Steven Burgoon

Report Highlights:

On March 4, 2026, Taiwan announced the extension of tariff and business tax exemptions for several agricultural commodities until the end of September 2026. The tariff on beef and selective butter products and milk powder is reduced by 50 percent, the tariff on wheat and the business tax on imported corn, soybeans, and wheat are waived. These measures, originally set to expire at the end of March 2026, represent the 17th wave of tax reduction measures since their initial implementation in December 2021. The government aims to keep the annual Consumer Price Index (CPI) growth rate below two percent.

On March 4, 2026, Executive Yuan Vice Premier Cheng Li-chun convened the "Price Stabilization Task Force" meeting and [announced](#) the extension of tariff and tax cuts on several agricultural and food commodities until the end of September 2026. These measures are aimed at alleviating high commodity prices and easing the burden of operating costs for domestic businesses.

This marks the 17th wave of tax reduction measures since the government first initiated this policy in December 2021 (the measure was first reported in [TW2021-0054](#) and fourth extension in [TW2022-0048](#)). This most recent extension was decided in response to conflicts in the Middle East that have caused significant volatility in international oil and gas prices. Brent crude oil spot prices reached \$83.8 per barrel on March 3, representing an increase of over 16 percent in just a few days from \$72.01 per barrel on February 27.

Key Measures

The government will continue the following tariff and tax reduction measures for agricultural commodities through September 30, 2026:

Business Tax (waived completely)

- Soybeans: reduced from 5% to 0%
- Wheat: reduced from 5% to 0%
- Corn: reduced from 5% to 0%

Import Tariffs

- Wheat: reduced from 6.5% to 0% (waived completely)
- Butter: reduced from 5% to 2.5% (50% reduction)
- Anhydrous milk fat: reduced from 8% to 4% (50% reduction)
- Milk powder for baking: reduced from 10% to 5% (50% reduction)
- Beef: reduced from NT\$10/kg to NT\$5/kg (50% reduction)

Additional Stabilization Measures

In addition to extending the tax reduction measures, the Executive Yuan's Price Stabilization Task Force will hold temporary price stabilization meetings to monitor the latest developments and enable government agencies to respond promptly to changing conditions.

Economic Context and Rationale

For agricultural commodities covered by these measures (corn, soybeans, wheat, and beef), Taiwan relies heavily on imports for its supply. Given the recent volatility in international energy and commodity markets, the government determined that extending these tax reduction measures was necessary to address current price pressures and maintain price stability.

The government emphasized that despite international price volatility, the goal of maintaining annual CPI growth below two percent remains unchanged. By extending these tax reduction measures, the government aims to reduce the operational burden on domestic businesses and prevent commodity price fluctuations from significantly impacting households.

The measures are designed to provide advance protection against inflation risks while the government continues to closely monitor international market conditions and their potential domestic impacts.

Attachments:

No Attachments.