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Report Highlights:

MY2022/23 wheat production is forecast flat at 6,000 MT, unchanged from the previous two MYs. Australia recovered its market share thanks to drought recovery but the United States remains the chief supplier with 66 percent market share. To stabilize commodity prices, Taiwan removed the import tariffs and/or business taxes on wheat over a period of four months until June 30, 2022. MY2022/23 corn imports are forecast to increase 50,000 MT to 4.4 MMT. In 2021, the United States regained the largest market share for corn, though competition with South American producers remains strong. Shipping logistics issues continue to act as a drag on the volume of U.S. corn exports to Taiwan, which rely heavily on container shipments. MY2022/23 rice production is forecast to decline 50,000 MT to 1.15 MMT due to renewed efforts from COA to manage rice production. MY2021/22 rice production is estimated to recover 100,000 MT to 1.2 MMT, due to a combination of increased area but decreased yield after the 2020-21 drought.

Sources and Common Terms

Acronyms in this Report Include:

AFA – Agriculture and Food Agency of Taiwan
AIT – American Institute in Taiwan
ASF – African Swine Fever
BOFT – Bureau of Foreign Trade of Taiwan
COA – Council of Agriculture of Taiwan
CSQ – Country Specific Quota
DDGS – Distiller’s Dried Grains with Solubles
FAS – Foreign Agricultural Service
FMD – Foot and Mouth Disease
FSI – Food, Seed, and Industrial
GOT – Government of Taiwan
HA – Hectares
KT – Kiloton (1000 MT)
MRL – Maximum Residue Limit
MT – Metric Tons
MMT – Million Metric Tons
MOEA – Ministry of Economic Affairs of Taiwan
MY – Marketing Year
TFMA – Taiwan Feed Manufacturers’ Association
TRQ – Tariff Rate Quota
TY – Trade Year
TDM – Trade Data Monitor
USDA – U.S. Department of Agriculture

All COA data in this report is from 2020 unless otherwise noted. COA national grain and feed data lags one year behind and is updated annually in August or September. All import data is taken from BOFT/MOEA unless otherwise noted. Annual rice production is based upon AFA’s annual rice survey report. Other data sources in the report are referenced directly.

For any questions on any information found in this report, please contact the Agricultural Section at the American Institute in Taiwan.

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WHEAT

Production

Taiwan produces a small amount of wheat with planting in November and harvest in March of the following year. MY2022/23 wheat production is forecast flat at 6,000 MT, unchanged from the previous two MYs. COA provides rice farmers incentives to grow corn, wheat, soybeans, and other coarse grains in rotation with rice to reduce import dependence and decrease rice acreage. However, the impact of these domestically grown grains is negligible due to Taiwan's limited arable land, subtropical climate, and more favorable rice subsidy program.

COA has a breeding program to develop wheat varieties adapted to Taiwan's soil and climate. About 90 percent of wheat grown in Taiwan is Taichung Choice #2, a medium protein hard red wheat variety that was initially bred nearly four decades ago. In 2017, COA's Taichung District Agricultural Research and Extension Station (DARES) introduced a new variety Taichung #35, a low protein white wheat with improved yield of 17 percent over Taichung Choice #2. DARES-bred variety Taichung #36 was released in 2019, a medium protein white wheat variety which is resistant to powdery mildew and lodging. Planting acreage of the newer varieties remains limited as farmers and processors continue to optimize planting and production methods.

Consumption

MY2022/23 wheat consumption is forecast stable at 1.325 MMT. MY2021/22 wheat consumption is forecast unchanged at 1.325 MMT based on COA statistics, MOEA flour production statistics, and consumption trends. MY2020/21 wheat consumption was flat at 1.325 MMT based on COA statistics.

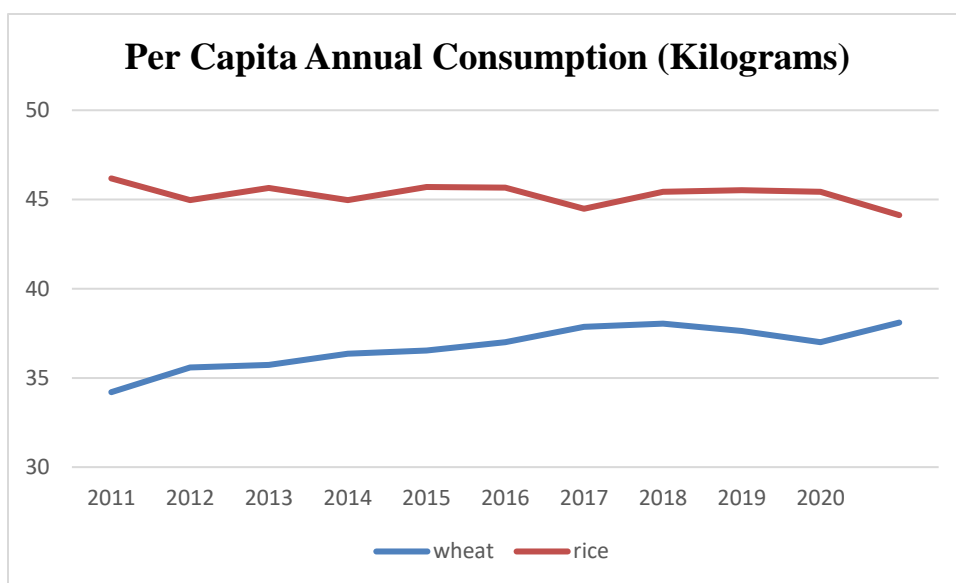
In the third quarter of 2021, Taiwan implemented strict COVID-19 restrictions during its most significant outbreak to date. As case numbers gradually returned to the previous levels of near-zero community transmission, most of these measures were relaxed. (Taiwan remains effectively closed to most foreign visitors and requires strict quarantine measures for all arrivals.) Based on data from the Department of Statistics, MOEA, the business volume of the Hotel, Restaurants, and Institutional (HRI) sector bottomed out in June 2021 and gradually recovered to a level close to the pre-COVID period by early 2022. However, as the cost of dining out and takeout continues to rise, consumers are likely to return to home cooking. The government is considering or implementing various tools to stabilize prices for daily necessities and boost the local economy, including tariff or tax reduction, issuing stimulus vouchers, cautiously re-opening the border to foreign visitors, among other measures. Overall, total consumption is forecast to remain stable in 2022.

Per capita wheat consumption is gradually increasing in Taiwan as people enjoy access to a diverse range of wheat-based products that meet consumer demands. Taiwan has a vibrant baking industry, with wheat noodles and buns being a particularly popular part of local dishes. However, demographic trends are expected to offset some of the recent increase in wheat consumption, as Taiwan's population is rapidly aging. In 2019, based on statistics from the Department of Household Registration, Ministry

of the Interior, Taiwan's population hit an expected peak. 2020 marked the first year of a declining total population and the trend continued in 2021.

According to the most recent COA statistics for 2020, per capita wheat consumption increased 3 percent to 38.1 kg and per capita rice consumption decreased 2.9 percent to 44.12 kg (see Exhibit 1). COA promotes rice consumption and has dedicated resources to developing new uses such as rice flours to substitute for wheat flour and new types of rice snacks. These efforts have had limited success to date.

Exhibit 1: Taiwan Per Capita Annual Consumption of Wheat and Rice (KG)



Source: COA

MY2022/23 FSI consumption is forecast stable at 1.25 MMT. MY2021/22 FSI consumption also remains flat at 1.25 MMT. In 2021, about 13,300 MT were used for food fermentation (e.g., soy sauce production), while most of the rest was milled into flour. According to local market intelligence, approximately 30 percent of flour is used for noodles and 50 percent of flour is used for baking and steamed buns. Taiwan's milling capacity is estimated at 2 MMT on a 24-hour/300-day operational basis. Current capacity utilization is estimated at 60 percent.

Feed and residual consumption in MY2022/23 is forecast to remain stable at 75,000 MT, unchanged from MY2021/22 at 75,000 MT. Taiwan mostly utilizes corn and soybeans for feed; very limited volume of wheat is used for feed production.

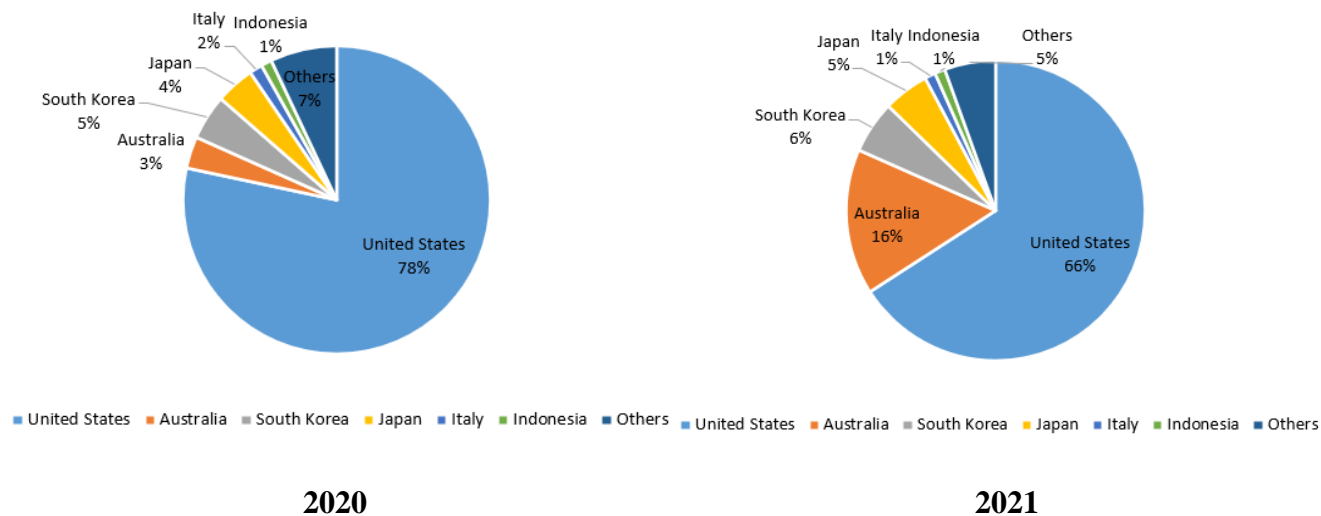
Trade

Taiwan relies on imports for over 99 percent of its wheat, so imports closely track consumption. MY2022/23 wheat imports are forecast stable at 1.4 MMT. MY2021/22 imports are unchanged at 1.4 MMT based on customs statistics and consumption trends. MY2020/21 imports were 1.386 MMT based on customs statistics.

In addition to the challenges of high agricultural commodity prices, high freight costs, and shipping logistics issues, the uncertainties from the Russia-Ukraine conflict are putting further pressure on wheat prices. Absent any significant change in demand, importers will continue purchasing at much higher prices. Because wheat contracts are typically planned several months in advance, the increased cost will eventually be reflected in consumer prices.

In 2021, the United States continued to hold the dominant market share for imports of wheat and wheat products by value (See Exhibit 2, which combines all wheat products. For wheat grain in isolation, the U.S. market share is closer to 90 percent). Australia regained some of its market share after production bounced back from its drought.

Exhibit 2: Taiwan Wheat Market Share; Value in USD*



Source: TDM

*Value is the aggregated sum of wheat grain, wheat flour, pasta and couscous products.

Taiwan’s baking industry relies on imports to meet demand for wheat flour and dairy ingredients. Taiwan’s normal tariff on wheat grains (HS 1001) is 6.5 percent, and the tariff on flour (HS 1101) is 17.5 percent. This tariff structure is designed to protect and encourage the domestic milling industry. Flour and other processed wheat products account for only five percent of Taiwan wheat imports. Most of Taiwan’s minor wheat exports are flour and other processed products. However, to help stabilize commodity prices and ease the burden on consumers purchasing food, Taiwan announced moves to temporarily remove the import tariffs and/or business taxes (normally 5 percent) on wheat and several dairy products for baking over a period of four months until June 30, 2022. The measures’ impacts are likely less than necessary to offset the increased costs and many bakery products are still rising in price. Assuming demand stays strong while the pandemic remains under control in Taiwan, the trade is forecast flat.

The Taiwan Flour Millers' Association (TFMA) uses group purchases to import U.S. wheat via bulk vessels. These purchases accounted for approximately 87 percent of imports in MY2020/21. Containerized shipments from Australia and Canada accounted for about 12 percent. In 2021, 55 percent of U.S. wheat imported through group purchases was Dark Northern Spring (DNS), 32 percent was Hard Red Winter (HRW), and 13 percent was low protein wheat.

Stocks

Millers typically hold at least one to two months of stocks to avoid operational disruptions. Stocks are forecast at 206,000 - 207,000 MT in MY2022/23 and MY2021/22.

Production, Supply, and Distribution

Wheat Market Begin Year	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Taiwan						
Area Harvested	3	3	3	3	0	3
Beginning Stocks	217	217	205	205	0	206
Production	6	6	6	6	0	6
MY Imports	1386	1386	1400	1400	0	1400
TY Imports	1386	1386	1400	1400	0	1400
TY Imp. from U.S.	1211	1211	0	0	0	0
Total Supply	1609	1609	1611	1611	0	1612
MY Exports	79	79	80	80	0	80
TY Exports	79	79	80	80	0	80
Feed and Residual	75	75	75	75	0	75
FSI Consumption	1250	1250	1250	1250	0	1250
Total Consumption	1325	1325	1325	1325	0	1325
Ending Stocks	205	205	206	206	0	207
Total Distribution	1609	1746	1611	1611	0	1612
Yield	2	2	2	2	0	2

(1000 HA), (1000 MT), (MT/HA)

CORN

Production

MY2022/23 corn production is forecast stable at 80,000 MT. MY2021/22 corn production is forecast at 80,000 MT based on COA estimates and production trends. MY2020/21 production is estimated at 74,000 MT based on preliminary COA production statistics. COA provides rice farmers incentives to grow corn, wheat, soybeans, and other coarse grains in rotation with rice to reduce import dependence and decrease rice acreage. However, the impact of these domestically grown grains is negligible due to Taiwan's limited arable land, subtropical climate, and more favorable rice subsidy program.

Farmers mostly plant field corn during Taiwan's second cropping season because rice yields are lower compared to the first crop. In recent years, total planted acreage for field corn hovers between 13,000 to 16,000 HA with limited expansion. Taiwan's production volume of field corn accounts for less than 2 percent of use.

Consumption

MY2022/23 total corn consumption is forecast stable at 4.6 MMT. MY2021/22 total corn consumption is also 4.6 MMT based on preliminary feed and animal production estimates. MY2020/21 total corn consumption is adjusted to 4.65 MMT based on COA statistics and animal production estimates.

Corn consumption closely tracks total feed production in Taiwan. Demand for animal products has remained strong during the pandemic and the trend is expected to continue as Taiwan bounced back from its 2021 COVID-19 outbreak and the pandemic situation is considered well under control. However, prices for corn and other feed ingredients continue to increase. High feed prices will force producers to find ways to control costs, such as changing feed formulas to incorporate cheaper substitutes or reducing the number of animals on farms. Overall, total consumption is forecast to remain stable in 2022.

Feed production is forecast to decrease 100,000 MT to 8.47 MMT in 2022. Feed production in 2021 is estimated to decrease 70,000 MT to 8.57 MMT based on preliminary feed and animal production estimates. Based on 2020 COA statistics, feed production is revised up to 8.64 MMT. Poultry feed accounts for 46 percent of total feed, followed by hog feed at 44 percent. Dairy cows and aquaculture account for most of the remaining percentage.

Feed Production (MMT)

	2017	2018	2019	2020(revised)	2021*	2022*
Total Feed	7.62	7.71	8.63	8.64	8.57	8.47
Hog Feed	3.21	3.20	3.74	3.83	3.7	3.7
Poultry	3.66	3.76	4.1	4	4.1	4
Others	0.75	0.75	0.79	0.77	0.77	0.77

Sources: COA

* Post estimates

Hog production is forecast to decrease slightly to 8 million heads in 2022. Hog production is estimated decreased to 8.034 million heads in 2021 based on preliminary COA statistics. COA has been

successful at combatting animal diseases in hogs. To date, Taiwan has had no confirmed cases of ASF infection despite proximity to China. Since June 2020, the World Organization for Animal Health (OIE) recognizes Taiwan as FMD-free without vaccination. COA is working to reopen export markets for local pork and pork products though classical swine fever still poses challenges to the goal of expanding fresh pork market access. Taiwan’s potential export volume is also expected to be small because of high production costs and limited capacity to increase herd size.

Poultry production is forecast to decrease by 20 million birds to 410 million birds in 2022. Poultry production is estimated increased by 10 million birds to 430 million birds in 2021 based on preliminary COA statistics. Since 2018, poultry has surpassed pork as the most consumed meat in Taiwan; production and imports are both increasing in recent years. 2020 COA statistics show a 7 percent per capita increase in poultry consumption to 43 kg, while pork per capita consumption decreased four percent to 35 kg.

Pig and Poultry Supply (Number of Animals Slaughtered)

Year	Pig (1,000 heads)	Poultry (Million birds)
2015	8,200	357
2016	8,144	379
2017	7,947	376
2018	8,073	393
2019	7,980	412
2020 (revised)	8,184	420
2021 (preliminary)	8,034	430
2022*	8,000	410

Source: COA * Post estimates

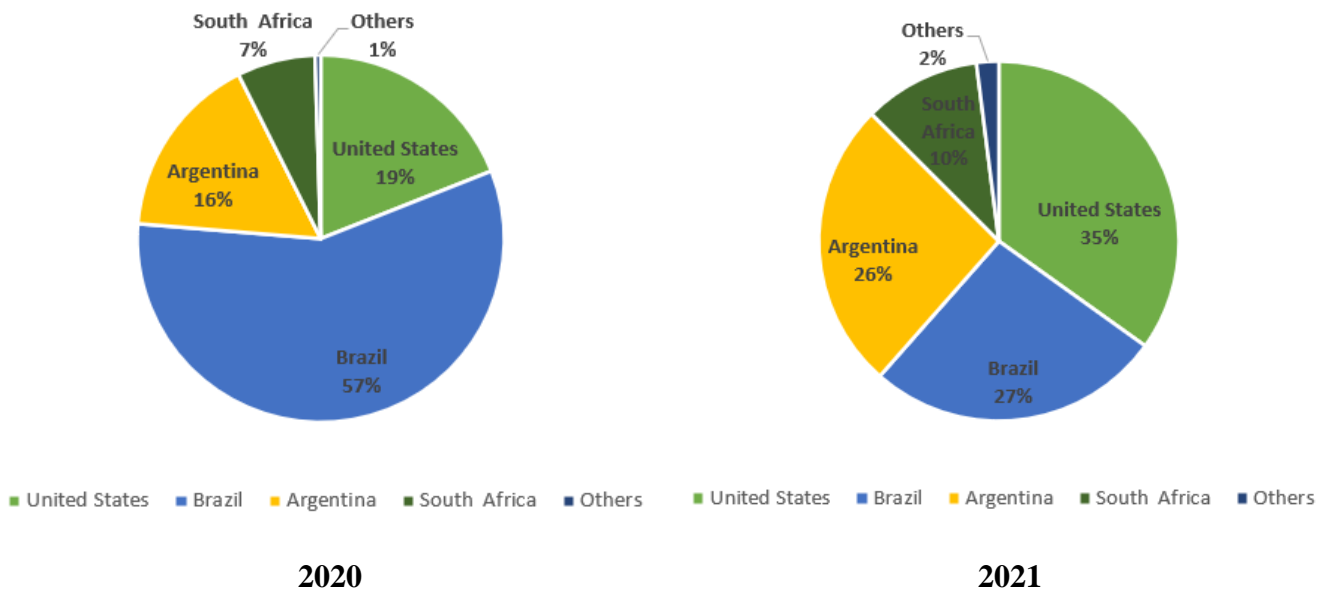
Trade

MY2022/23 corn imports are forecast to increase 50,000 MT to 4.4 MMT. MY2021/22 corn imports are estimated decreased 150,000 MT to 4.35 MMT based on COA statistics, MOEA feed production statistics, and import trends. MY2020/21 corn imports were 4.341 MMT based on customs statistics. The challenges from high agricultural commodity prices and freight costs have pressured feed manufacturers to increase feed price several times since the beginning of 2021. As long as feed demand stays strong as expected, importers will continue to purchase at higher prices. However, raising feed price will force farmers to find ways to control costs, such as changing feed formulas to incorporate cheaper substitutes or reducing the number of animals on farms. Overall, corn import volume is forecast slightly lower in 2022 and 2023.

Taiwan’s feed industry relies on imports to meet demand for feed production. To help stabilize feed prices and lessen the burden on livestock and poultry industry, the government announced policies to waive the five percent business tax on corn and soybean imports over period of four months through June 30, 2022. This tax reduction is insufficient to offset the increased costs and feed prices continue to rise. The livestock and poultry industry is absorbing most of the feed price increase, while retail prices for meat products are rising similar to other food inflation.

The Russia-Ukraine conflict is expected to have comparatively little direct impact on feed production in Taiwan. Exhibit 3 shows the relative market shares of Taiwan’s corn imports. Taiwan did not import corn from Russia in 2021 and imported a very limited volume of corn from Ukraine in 2021 (less than 2 percent).

Exhibit 3: Taiwan Corn Market Share by Exporting Country; Value in USD



Source: Taiwan customs

In 2021, The United States regained the largest market share for corn, accounting for 35 percent of Taiwan’s corn imports. South American producers remain very competitive, though Brazil declined significantly to 27 percent due to unfavorable weather, while Argentina increased to 26 percent due to good harvest. About 13 percent of corn imports were shipped via container in 2021 and the majority of these came from the United States. In 2020 containerized shipments accounted for 15 percent. Shipping logistics issues such as container availability, port congestion, labor shortages continue to act as a drag on the volume of container shipments.

Corn faces some competition from other grains and feed products such as DDGS and corn gluten feed. Year-to-year import volume changes closely track with price fluctuations and availability, while feed inclusion rates for DDGS vary depending on relative prices of other feed grains. For example, Taiwan imports most barley from Australia, which offers a price advantage of about 30 percent less than U.S. barley. With sorghum, China used to export the greatest volume to Taiwan. China’s price surged 50 percent in 2021, allowing Australia to take over the top place and increase its export volume by eightfold. China plants a variety known as waxy sorghum which is suitable for producing a local

sorghum spirit *kaoliang*. Australian sorghum has a similar quality, but U.S. sorghum is less suitable for liquor production and thus has a very minor market share.

Imports of Other Feed Ingredients (in 1,000 tons)

Feed Ingredient/HS Code	MY2018/19	MY2019/20	MY2020/21
1003: Barley	32	40	30
1007: Sorghum	70	40	56
2302.10: Bran, sharps & residues of maize (corn gluten feed)	24	21	24
2303.10: Corn gluten meal and feed	39	39	44
2303.30: DDGS	219	231	204

Source: Taiwan Customs

Stocks

Feed mills and corn processors generally hold one to two months of stocks. Feed mills use smaller container shipments and joint purchases to help manage stock levels and reduce inventory costs. MY2022/23 ending stocks are forecast to decrease 120,000 tons to 462,000 tons. MY2021/22 ending stocks are estimated to decrease 45,000 tons to 582,000 tons based on COA statistics and import and consumption trends. Industry sources expect stocks to remain at low levels due to increasing commodity prices and freight costs. Importers have been conservative, supplying corn demand hand-to-mouth in order to avoid the risk of keeping stocks at a high price level.

Production, Supply, and Distribution

Corn Market Begin Year	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	13	13	14	14	0	14
Beginning Stocks	987	987	747	752	0	582
Production	74	74	80	80	0	80
MY Imports	4386	4341	4500	4350	0	4400
TY Imports	4386	4341	4500	4350	0	4400
TY Imp. from U.S.	1726	1551	0	0	0	0
Total Supply	5447	5402	5327	5182	0	5062
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	4500	4450	4500	4400	0	4400
FSI Consumption	200	200	200	200	0	200
Total Consumption	4700	4650	4700	4600	0	4600
Ending Stocks	747	752	627	582	0	462
Total Distribution	5447	5360	5327	5182	0	5062
Yield	5.69	5.69	5.71	5.71	0	5.71

(1000 HA), (1000 MT), (MT/HA)

RICE

Production

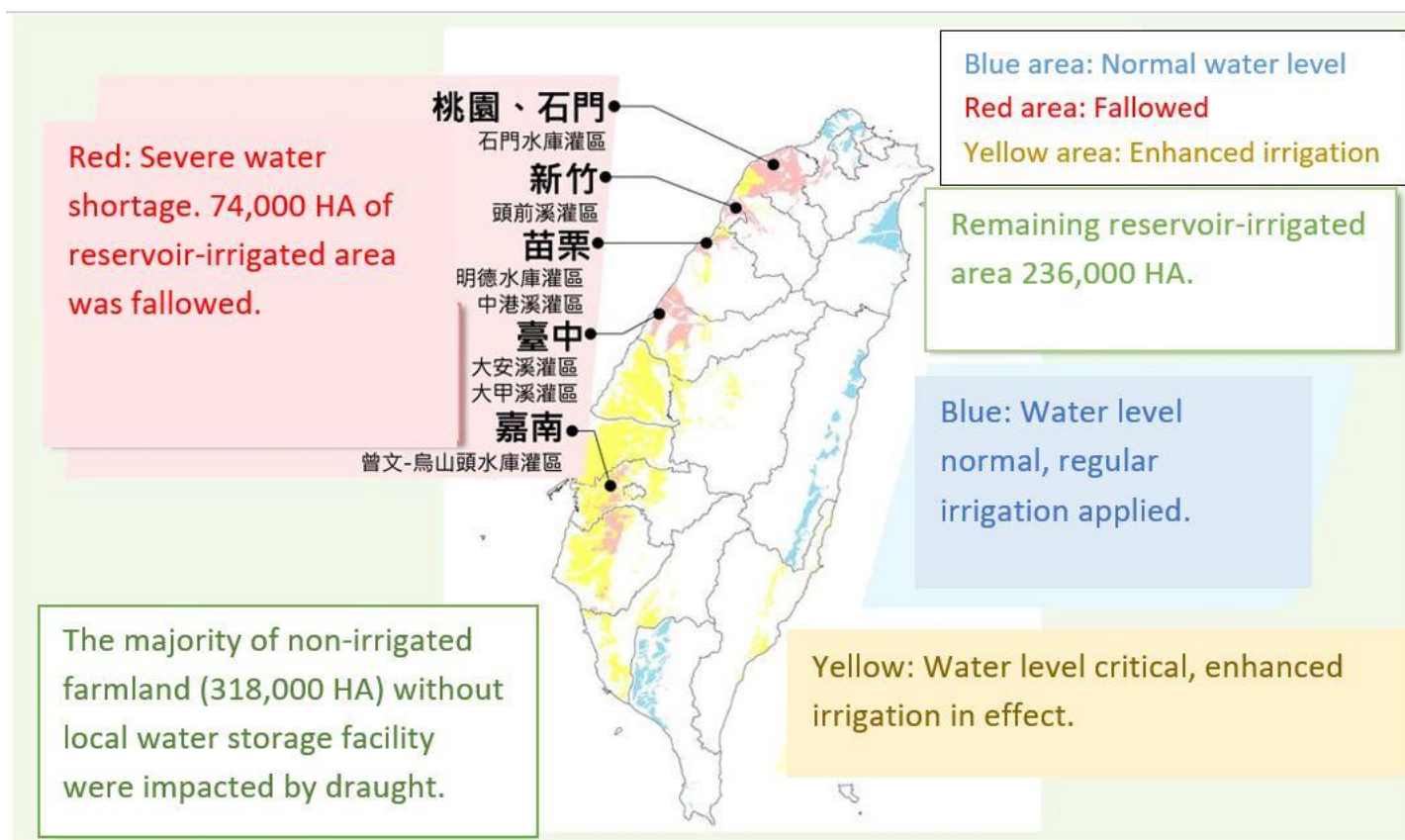
MY2022/23 rice production is forecast to decline 50,000 MT to 1.15 MMT due to renewed efforts from COA to manage rice production. MY2021/22 rice production is estimated to recover 100,000 MT to 1.2 MMT, due to a combination of increased area but decreased yield stemming from the 2021 drought. MY2020/2021 rice production was 1.1MMT according to COA data.

Taiwan experienced a serious water shortage from late 2020 through the first half of 2021. For the first time in 56 years, no typhoons passed through Taiwan in 2020 to replenish its reservoirs. To conserve water, Taiwan stopped irrigating 74,000 hectares of first crop rice in 2021, representing 24 percent of total planted area (see Exhibit 4). The last comparable year was 2004, when 65,000 HA were fallowed. (See GAIN Report [TW2021-0037](#))

In MY 2020/2021, planted/harvested area was 20 percent lower than the previous MY, but actual production only declined by 13 percent, since less productive land was the first to be fallowed (Yield had increased by nine percent). The drought situation was alleviated during the second half of 2021.

Due to an aging population and dietary changes, COA estimates that Taiwan's rice supply exceeds demand by about 200 KT (brown rice basis) per year. To better manage excess rice stock, beginning in 2021 COA is implementing a new policy in which farmers can only grow rice three of out four crop cycles (per two years) for delivery to reserve and receive direct subsidies. During the non-rice crop cycle, farmers can choose to maintain the land, grow rice under contract, grow non-rice crops, or receive a fallowing subsidy. Rice fields which are certified organic, environmentally sustainable, or with traceability are exempted from the rules. COA projects that this will reduce production by 100 KT (brown rice basis) per year. If successful, this would relieve some pressure from the overstocked government reserve.

Exhibit 4: Taiwan's 2020-2021 Drought Impact on Rice Production



For 2021 first crop rice, the fallowed area represented 24 percent of planted area.

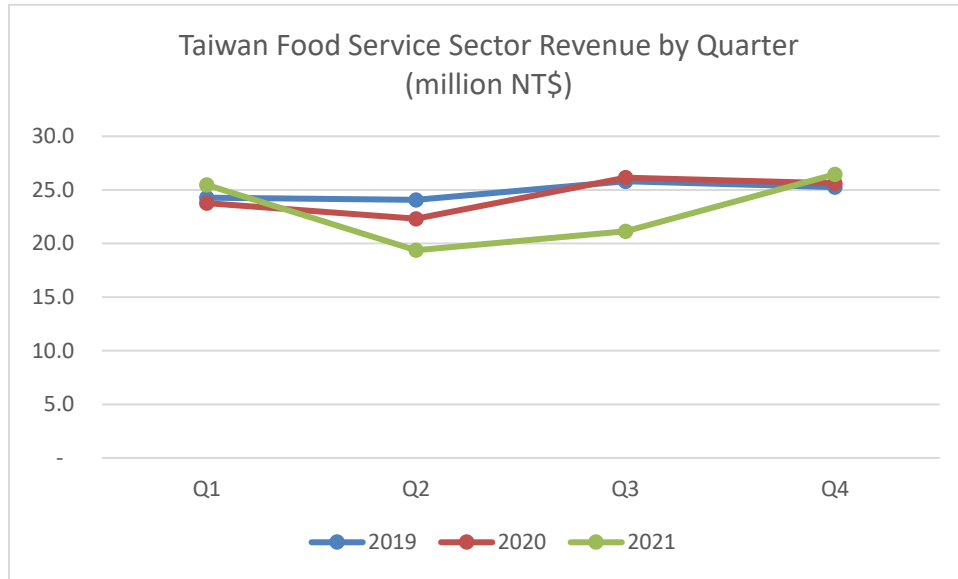
Source: COA

Consumption

MY2022/23 and MY2021/22 rice consumption are forecast at 1.10 MMT based on consumption trends. MY 2021/22 consumption is expected to recover from MY 2020/2021 due to the gradual relaxation of COVID-19 control measures.

MY2020/21 rice consumption is adjusted down 100,000 tons to 1.0 MMT. Rice consumption was impacted when Taiwan implemented strict COVID-19 related measures (see Exhibit 5 below on food service revenue drop in Q2-Q3 2021) and consumption was curtailed when dine-in eating was prohibited or discouraged, which impacted the hotel and catering sector.

Exhibit 5: Taiwan Food Service Sector Revenue by Quarter



Source: MOEA

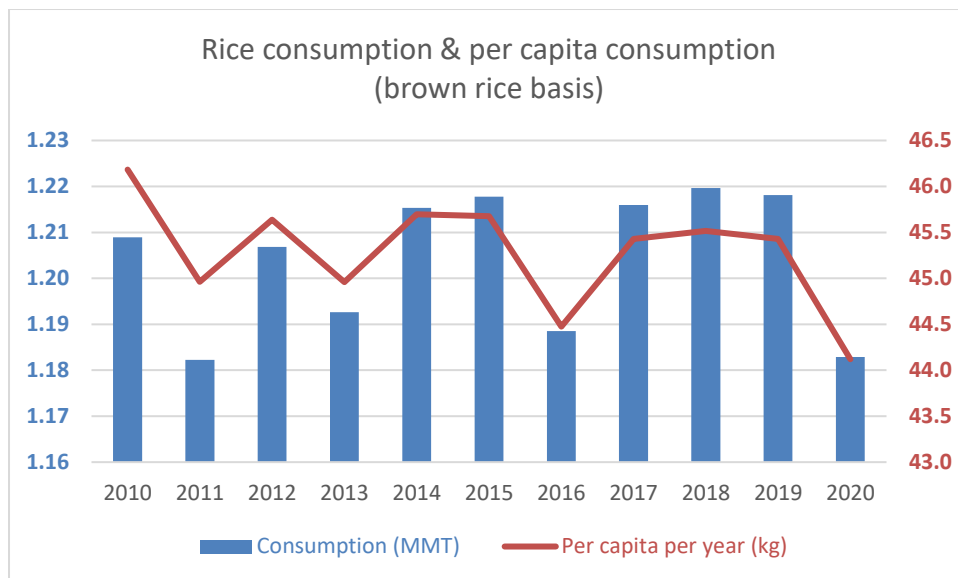
Taiwan's aging and decreasing population limits any potential consumption growth. Faced with gradually declining rice consumption and strong production, COA is under pressure to reduce publicly held rice stocks through exports, food aid, and feed and processing use.

COA has also been promoting increased rice consumption and alternative uses directly to Taiwan's populace. For example, at the March 2022 Taipei International Bakery Show, AFA dedicated an entire exhibition to promoting the different uses for rice flour. ([News](#) in Chinese)

It remains to be seen how successful these efforts will be as Taiwan's mature consumers continue to diversify staple food consumption.

According to COA statistics, 2020 per capita rice consumption further decreased 2.9 percent to 44.1 kilograms. The explanation offered is that COVID-19 reduced demand for the hotel, restaurant, and institutional (HRI) sector (see Exhibit 6 below).

Exhibit 6: Taiwan Total Rice Consumption & Per Capita Consumption



Source: COA

Trade

Imports

MY2022/23 and MY2021/22 rice imports are forecast at 100,000 MT. MY2020/21 imports were 101,250 MT based on customs data. Import data suggests that some WTO quota were not filled fully.

Based on WTO commitments, Taiwan's negotiated worldwide Tariff Rate Quota (TRQ) for rice is 144,720 MT (brown basis). The TRQ is divided into private sector imports (35 percent) and public sector imports (65 percent). The public sector quota is divided by country of origin and tender type.

Generally, out-of-quota imports are not commercially viable due to prohibitively high tariffs. The tariff rates are NT\$45/kg (\$1.58/kg) for brown rice and milled rice and NT\$49/kg (\$1.73/kg) for processed rice products.

For the Country Specific Quota (CSQ) for U.S. rice in 2020, Taiwan's purchases completed 99 percent or 63,829 out of 64,634 MT on a brown rice equivalent basis. In March 2021, a tender for 1,000 MT (1,150 MT brown basis) of U.S. Glutinous Short Grain Milled Rice was only partially filled for 300 MT (345 MT on brown basis) after three rounds of bidding and the failed final global round. (See GAIN Report [TW2021-0061](#))

Exports

MY2021/22 rice exports including food aid are estimated to decline to 150,000 MT, while MY2022/23 are forecast flat at 150,000 MT. Taiwan has exported more rice in recent years to relieve the pressure of

rising rice stocks. GOT will auction out old reserve rice to qualified exporters to export. If the previously noted policy changes on rice production are ultimately successful, it may also reduce the amount of rice Taiwan needs to export.

MY2020/21 rice exports are lowered to 190,000 MT based on customs data, of which food aid accounts for 25,180 MT. China and Papua New Guinea remain the largest destinations for Taiwan’s non-food aid exports. There were concerns that China might hinder rice imports from Taiwan, similar to import bans on Taiwan pineapple, wax apple, sugar apple it implemented during 2021. However, Taiwan’s export promotion programs for reserve rice are not tied to specific countries.

In 2002, AFA established [guidelines](#) (in Chinese) for overseas rice donation for humanitarian purposes. An annual ceiling was set at 100,000 MT. Government agencies and registered non-profit organizations can submit an application to donate. COA will invite inter-agency review for factors including the status of the recipient areas, the recipient parties, and the quantity of rice before giving approval. Recipients of Taiwan’s rice food aid are mainly the small subset of nations that maintain official diplomatic relations with Taiwan or FAO designated low-income food-deficit countries (LIFDCs). Frequent applicants to donate include the Ministry of Foreign Affairs, Tzu Chi Foundation, World Vision Taiwan, The Red Cross Society of Taiwan, and Rotary Club.

Taiwan 2021 Rice Food Aid Shipments

Recipient Destination	MT
Haiti	11,000
Eswatini	4,260
Guatemala	2,100
Honduras	1,600
Nicaragua	1,300
Philippines	1,000
South Africa	820
Sierra Leone, Rep. of	800
Zimbabwe	600
Somaliland	560
Mozambique	440
Lesotho	300
Other countries	400
Total	25,180

Source: COA

Stocks

MY2022/23 ending stocks are forecast at 669,000 MT on the assumption that COA's policy to align supply with demand will likely take longer than two years to realize results. MY2021/22 ending stocks are estimated at 669,000 MT due to production recovery from the 2021 drought. MY2020/21 ending stocks were 619,000 MT based on preliminary COA production data and consumption estimates.

Most stocks are government held and acquired through the domestic government purchase program or TRQ public tenders. Despite the drought in 2021, actual supply had decreased less than the acreage reduction. As a result, rice stock levels remain high.

In accordance to [Article 5](#) of the Food Administration Act, Domestic Rice Safety-stock Standard (in [Chinese](#)) stipulates the government should keep at least 3 months stock by consumption as reserve. In recent years, actual stock levels are at least 2 to 3 times that amount. COA frequently points out that Taiwan's rice stock is ample whenever supply chain disruptions capture public attention.

COA has utilized multiple approaches to reduce stocks, such as disincentivizing farmers to grow rice (discussed above), incentivizing rotation with other crops, providing rice as food aid, expanding export markets, promoting diverse processing use, and using aging stocks for animal feed. In early 2022, due to limited corn availability for feed due to delays of U.S. containerized shipments, COA released to livestock farmers 6 KT (up to 20 KT) of mashed brown rice from its reserve to be used in feed before Chinese New Year. Despite these efforts, rice stocks will likely remain at a high level unless farmers are successfully incentivized to produce less.

Production, Supply, and Distribution

Rice, Milled Market Begin Year	2020/2021		2021/2022		2022/2023	
	Jan 2021		Jan 2022		Jan 2023	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	262	225	260	260	0	245
Beginning Stocks	608	608	549	619	0	669
Milled Production	1226	1100	1225	1200	0	1150
Rough Production	1751	1571	1750	1714	0	1643
Milling Rate (.9999)	7000	7000	7000	7000	0	7000
MY Imports	115	101	100	100	0	100
TY Imports	115	101	100	100	0	100
Total Supply	1949	1809	1874	1919	0	1919
MY Exports	200	190	150	150	0	150
TY Exports	200	190	150	150	0	150
Consumption and Residual	1200	1000	1200	1100	0	1100
Ending Stocks	549	619	524	669	0	669
Total Distribution	1949	1809	1874	1919	0	1919
Yield (Rough)	6.68	6.98	6.73	6.59	0	6.71

(1000 HA), (1000 MT), (MT/HA)

Exchange Rate:

US\$1 to NT\$28.35 on 03/18/2022

Attachments:

No Attachments