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## Taiwan

### Oilseeds and Products

### July 2004 Update

### 2004

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**Report Highlights:**

The Taiwan soybean import estimate for 2003/04 is revised down two percent to 2.25 million metric tons. The market share for U.S. soybeans is also expected to fall to 60 percent, 10 percentage points lower than in 2002/03. The expected decreases in both soybean imports and U.S. market share will likely be a result of high prices caused by tight U.S. supplies.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Taipei [TW1]  
[TW]

### Soybean Imports Down...

The Taiwan soybean import estimate for 2003/04 is revised down to 2.25 million metric tons, a two percent decrease from the previous estimate. The United States is expected to take a 60 percent share of total soybean imports, down from 70 percent in 2002/03. The decreases in both soybean imports and U.S. market share will likely be a result of high prices caused by tight U.S. supplies.

According to industry sources, Taiwan imports from April to September 2004 will be almost completely supplied by South America because the price difference between U.S. and other origins is at a record high of \$50 to \$60 per ton. This spread far exceeds the premium of \$10 per metric ton that most Taiwan importers are willing to pay for U.S. soybeans. The forecast modest recovery in U.S. soybean exports in 2004/05 is based on an assumption of slightly lower soybean prices and a smaller price gap between U.S. and other suppliers.

### ...Meal and Oil Imports Up

Overall demand for oilseed meal and oil are not expected to change during the forecast period. As a result, soybean meal and oil imports will likely increase to partially replace falling soybean imports and a Taiwan crush that is estimated to fall seven percent from 2002/03. Consequently, soybean meal imports are estimated at 70,000 metric tons. This up by more than 4-fold from 17,000 metric tons in 2002/03. Import estimates for non-soybean meals under HS2306 are also expected to total 230,000 tons, a 40,000-ton increase from the earlier estimate.

The soybean meal and oil consumption estimates for 2003/04 are revised downward by 1 and 4 percent, respectively. While soy oil imports are expected to remain at around 450,000 tons, palm oil imports are expected to fill the void left by the reduced local soybean crush. This substitution will be particularly pronounced in the HRI sector where soybean and palm oil are competitors.

The dynamic in the HRI sector should not markedly affect household oil consumption where imported sunflower and canola oil are expected to continue competing strongly with soybean oil. Although sunflower oil consumption will likely continue to increase because of a successful promotion program by the National Sunflower Association, it is not expected to increase faster because of falling soybean oil availability.

### Soybean Trade Update

Taiwan Customs arrival statistics for October 2003-March 2004 showed soybean imports running at a higher pace than a year earlier. This trend is expected to reverse direction starting in April 2004.

#### Arrival Statistics for October 2003/March 2004

Imports (arrival)	2003/2004	2002/2003	Change	U.S. share
Soybeans	1,226 tmt	1,204 tmt	+2%	91%
Soy oil	16 tmt	18 tmt	-11%	less than 1%
Soy meal	57 tmt	15 tmt	+280%	10%

Source: Taiwan Customs

Table 1 – Total Soybean Production, Supply and Demand

PSD TABLE						
Country	Taiwan					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	2002	<b>Revised</b>	2003	<b>Estimate</b>	2004	<b>Forecast</b>
	USDA Official [Old]	<b>Post Estimate [New]</b>	USDA Official [Old]	<b>Post Estimate [New]</b>	USDA Official [Old]	<b>Post Estimate [New]</b>
Market Year Begin		<b>10/2002</b>		<b>10/2003</b>		<b>10/2004</b>
Area Planted	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
Area Harvested	3	<b>0</b>	3	<b>0</b>	3	<b>0</b>
Beginning Stocks	220	<b>220</b>	165	<b>165</b>	110	<b>160</b>
Production	6	<b>0</b>	6	<b>0</b>	6	<b>0</b>
MY Imports	2351	<b>2351</b>	2200	<b>2250</b>	2375	<b>2310</b>
MY Imp. from U.S.	1655	<b>1655</b>	1400	<b>1350</b>	1675	<b>1700</b>
MY Imp. from the EC	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
<b>TOTAL SUPPLY</b>	<b>2577</b>	<b>2571</b>	<b>2371</b>	<b>2415</b>	<b>2491</b>	<b>2470</b>
MY Exports	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
MY Exp. to the EC	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
Crush Dom. Consumption	2151	<b>2151</b>	2000	<b>2000</b>	2110	<b>2050</b>
Food Use Dom. Consump.	261	<b>255</b>	261	<b>255</b>	261	<b>255</b>
Feed,Seed,Waste Dm.Cn.	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
<b>TOTAL Dom. Consumption</b>	<b>2412</b>	<b>2406</b>	<b>2261</b>	<b>2255</b>	<b>2371</b>	<b>2305</b>
Ending Stocks	165	<b>165</b>	110	<b>160</b>	120	<b>165</b>
<b>TOTAL DISTRIBUTION</b>	<b>2577</b>	<b>2571</b>	<b>2371</b>	<b>2415</b>	<b>2491</b>	<b>2470</b>
Calendar Year Imports	2500	<b>2543</b>	2200	<b>2200</b>	0	<b>2300</b>
Calendar Yr Imp. U.S.	2100	<b>2201</b>	1900	<b>1600</b>	0	<b>1700</b>
Calendar Year Exports	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
Calndr Yr Exp. to U.S.	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>

Table 2 – Total Soybean Meal Production, Supply and Demand

PSD Table						
Country	Taiwan					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Crush	2151	2151	2000	2000	2110	2050
Extr. Rate, 999.9999	0.785681	0.785681	0.7855	0.785	0.78436	0.785366
Beginning Stocks	81	81	98	98	79	88
Production	1690	1690	1571	1570	1655	1610
MY Imports	17	17	75	70	40	20
MY Imp. from U.S.	0	0	5	0	5	0
MY Imp. from the EC	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	1788	1788	1744	1738	1774	1718
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1690	1690	1665	1650	1680	1640
<b>TOTAL Dom. Consumption</b>	1690	1690	1665	1650	1680	1640
Ending Stocks	98	98	79	88	94	78
<b>TOTAL DISTRIBUTION</b>	1788	1788	1744	1738	1774	1718
Calendar Year Imports	17	17	20	70	0	20
Calendar Yr Imp. U.S.	9	9	12	10	0	10
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 3 – Total Soybean Oil Production, Supply and Demand

PSD Table						
Country	Taiwan					
Commodity	Oil, Soybean				(1000 MT) (PERCENT)	
	2002	<b>Revised</b>	2003	<b>Estimate</b>	2004	<b>Forecast</b>
	USDA Official [Old]	<b>Post Estimate [New]</b>	USDA Official [Old]	<b>Post Estimate [New]</b>	USDA Official [Old]	<b>Post Estimate [New]</b>
Market Year Begin		<b>10/2002</b>		<b>10/2003</b>		<b>10/2004</b>
Crush	2151	<b>2151</b>	2000	<b>2000</b>	2110	<b>2050</b>
Extr. Rate, 999.9999	0.16504	<b>0.16504</b>	0.1685	<b>0.165</b>	0.168246	<b>0.165854</b>
Beginning Stocks	98	<b>98</b>	65	<b>65</b>	41	<b>50</b>
Production	355	<b>355</b>	337	<b>330</b>	355	<b>340</b>
MY Imports	39	<b>39</b>	50	<b>50</b>	65	<b>60</b>
MY Imp. from U.S.	10	<b>10</b>	1	<b>10</b>	10	<b>10</b>
MY Imp. from the EC	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
<b>TOTAL SUPPLY</b>	492	<b>492</b>	452	<b>445</b>	461	<b>450</b>
MY Exports	2	<b>2</b>	1	<b>0</b>	1	<b>1</b>
MY Exp. to the EC	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
Industrial Dom. Consum	15	<b>15</b>	15	<b>15</b>	15	<b>15</b>
Food Use Dom. Consump.	410	<b>410</b>	395	<b>380</b>	403	<b>385</b>
Feed Waste Dom. Consum	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
<b>TOTAL Dom. Consumption</b>	425	<b>425</b>	410	<b>395</b>	418	<b>400</b>
Ending Stocks	65	<b>65</b>	41	<b>50</b>	42	<b>49</b>
<b>TOTAL DISTRIBUTION</b>	492	<b>492</b>	452	<b>445</b>	461	<b>450</b>
Calendar Year Imports	32	<b>37</b>	50	<b>50</b>	0	<b>60</b>
Calendar Yr Imp. U.S.	12	<b>11</b>	15	<b>10</b>	0	<b>20</b>
Calendar Year Exports	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
Calndr Yr Exp. to U.S.	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>