

Required Report: Required - Public Distribution

Date: April 04, 2024

Report Number: TW2024-0016

Report Name: Oilseeds and Products Annual

Country: Taiwan

Post: Taipei

Report Category: Oilseeds and Products

Prepared By: Oscar Lin

Approved By: Erik Syngle

Report Highlights:

Taiwan's soybean imports are forecast at 2.65 MMT for MY2023/2024 and MY2024/2025, a slight recovery from the previous MY. Weakness in feed demand due to animal diseases was one of the causes for lower soybean imports and reduced crush for MY 2022/2023. Feed demand is expected to recover in MY 2023/2024 based on recovery in both the hog and poultry sector. In the first half MY2023/2024, logistics issues in both the Panama Canal and the Red Sea region have made U.S. bulk soybean shipments from the Gulf Coast challenging. Most U.S. soybeans shipping out of U.S. Pacific Northwest are in the form of containerized shipments. Since February 2022, Taiwan has waived business taxes on imported soybeans to stabilize commodity prices and reduce inflationary pressures. This measure is currently set to expire on June 30, 2024.

Oilseed, Soybean

Production

MY2023/2024 and MY2024/2025 soybean production are forecast at 6,000 MT. MY2022/2023 production was 5,600 MT based on Ministry of Agriculture (MOA*) statistics.

Taiwan's soybean production is minimal due to the predominance of rice and other crops, lack of available farmland, and the competitiveness of imports. Since 2013, the MOA's Agriculture and Food Agency (AFA) has offered subsidies for planting import-dependent crops in rotation with rice to decrease excess rice production and slightly reduce import dependence. However, planting expansion has been slow, with lower yields and lack of price competitiveness against imports limiting the market opportunities for domestically produced soybeans.

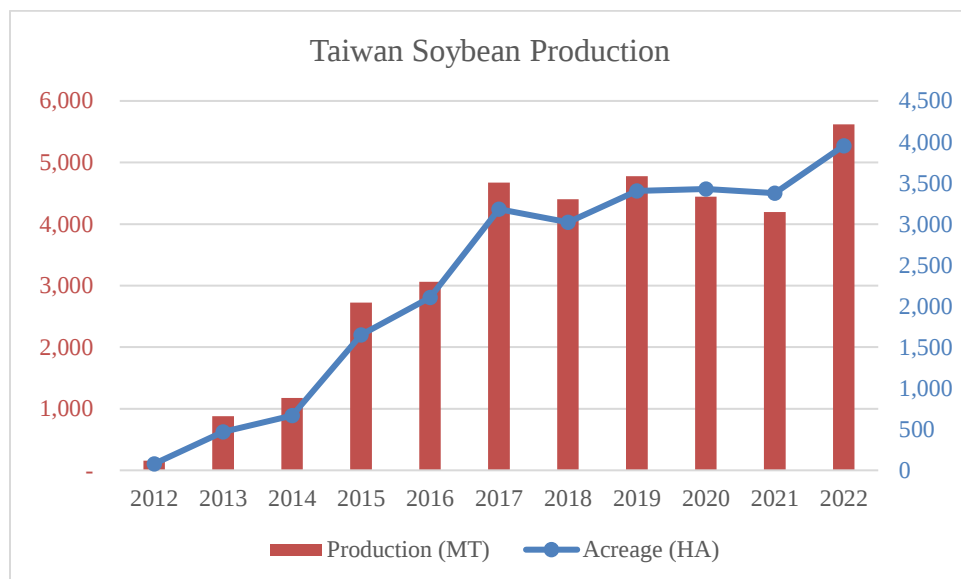
*(*Note: In August 2023, Taiwan's Council of Agriculture (COA) was upgraded to the Ministry of Agriculture.)*

In 2022, AFA made a renewed push for domestically grown soybeans as the issue of food security came front and center with the Russian invasion of Ukraine and its implications. AFA also encouraged the launch of the Soybean Industry Strategic Alliance to promote the domestic soybean value chain.

In July 2023, AFA re-emphasized its intention to increase planted acreage of an additional 5,700 HA over the next five years, which would increase total domestic production to about 14,000 MT (using average yields for Taiwan). If achieved, this would amount to slightly more than five percent of domestic consumption.

It remains to be seen how much actual production can be expanded when Taiwan is also aiming to increase corn and sorghum production. Due to higher production costs compared to imported alternatives, domestic soybean use is so far limited to higher-value products which promote local identity among conscious consumers.

Exhibit 1: Taiwan Soybean Production, 2012-2022 (by Volume and Area)



Source: MOA

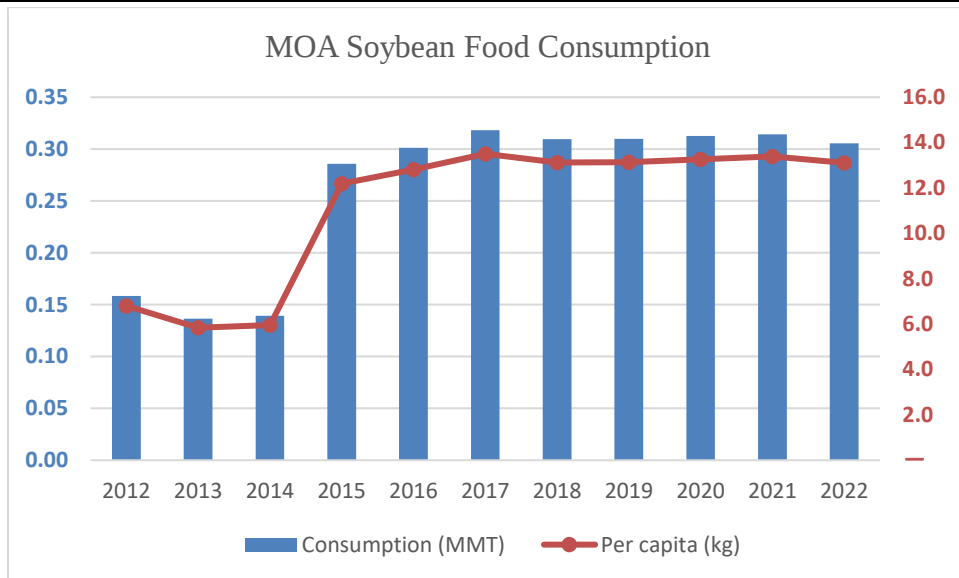
Consumption

MY2023/2024 and MY2024/2025 domestic consumption is forecast to recover to 2.65 MMT as feed demand recovers with restocking in both the poultry and hog sectors. MY2022/2023 consumption was 2.56 MMT based on a lower crush rate as well as weaker feed demand.

MY2023/2024 and MY2024/2025 soybean crush are forecast at 2.05 MMT. MY2022/2023 soybean crush is adjusted to 1.975 MMT based on reduced soybean imports and crush statistics from the Ministry of Economic Affairs (MOEA). Domestic meal consumption, exports, and soybean oil demand have sustained the crush rate. However, the limited growth opportunity for vegetable oil consumption as well as constraints on the local livestock industry continue to put a limit on future growth for soybeans.

MY2023/2024 and MY2024/2025 food consumption are forecast flat at 300,000 MT, unchanged from MY2022/2023. The largest components of food consumption are in the hotel, restaurant, and institutional (HRI) sector. In CY2023, despite record high revenue in the food service sector, foreign visitors to Taiwan were still not back to pre-COVID numbers. According to MOA's Food Balance Sheet, soybean food consumption has been stable since 2015. (See Exhibit 2.)

Exhibit 2: Taiwan Soybean Food Consumption, 2012-2022 (Total and Per Capita)



Source: MOA

MY2023/2024 and MY2024/2025 feed, seed, and waste consumption are forecast to increase to 300,000 MT. MY2022/2023 feed waste consumption is reduced to 280,000 MT due to weakness in feed demand.

The main item in this category is full fat soybeans, which covers the remaining protein feed needs from soybean meal and other oilseed meal substitutes. Buyers prefer full fat soybeans when vegetable oil supply is tight and prices are relatively expensive while crushers would decide to supply full fat soybean when the existing oil stock cannot further sustain production. Some of Taiwan's feed millers without associated soybean crush plants will also import soybeans directly to make use of full fat soybeans when it is economical.

Trade

Taiwan currently relies on imports to meet 98 percent of its soybean demand. MY2023/2024 and MY2024/2025 soybean imports are both forecast at 2.65 MMT, a slight increase from MY2022/2023. MY2022/2023 soybean imports were adjusted to 2.56 MMT, a decline of two percent YoY, based on Taiwan customs statistics.

Due to lessons learned from the COVID-19 pandemic's impact on container logistics, Taiwan's buyers continue to purchase regular bulk vessels and use containerized shipments as a supplement.

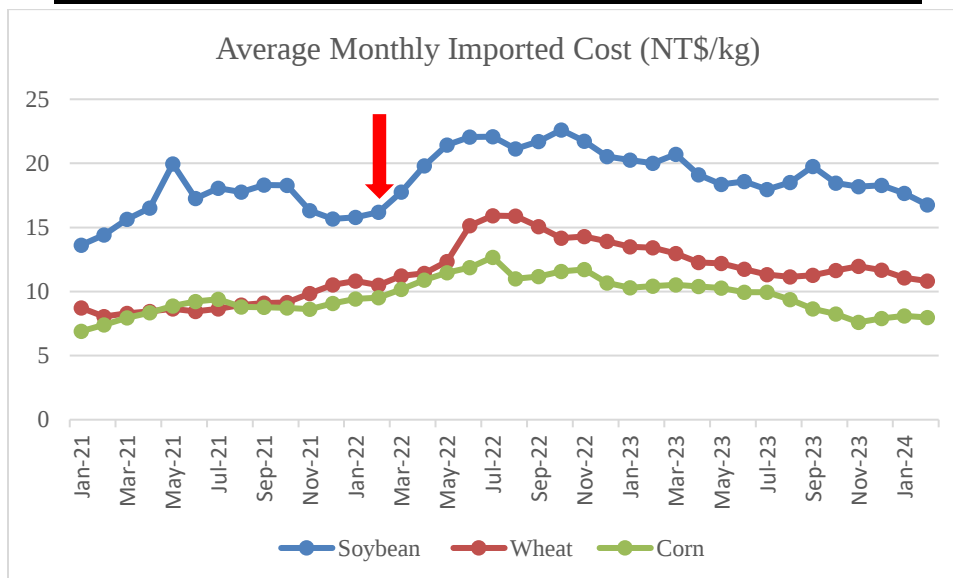
MY2023/2024 U.S. export sales are currently far behind the same period in the previous MY, largely due to the fact that U.S. bulk prices have not been competitive against Brazil. As a result of logistical issues in both the Panama Canal and in the Red Sea region, U.S. bulk gulf coast shipments remain challenging. Taiwan buyers generally prefer U.S. soybeans shipping in bulk from the east coast due to their higher protein content. Therefore, unlike the situation with U.S. corn, soybeans cannot benefit from the logistical advantage of shipping from the pacific northwest (PNW).

On the other hand, containerized shipping can originate from PNW and remains a U.S. export advantage. Buyers can arrange regular shipments and use the free time provided at port as a temporary storage solution.

Taiwan's feed industry relies heavily on imports to produce feed. As a measure to lessen the inflationary pressure from imports and stabilize feed prices, the government announced policies to waive the five percent business tax on corn and soybean imports. However, the business tax reduction was insufficient to offset increased costs at the beginning. Feed prices have since come down as feed ingredient prices have lowered. The measure has been extended several times and is currently set to expire on June 30, 2024. (See Exhibit 3; the red arrow represents the start of the business tax waiver.)

Due to the soybean market structure as well as the expectation for adequate supply in MY2023/2024, there has not been a rush on imports as there had been in December 2022. At that time, imports had been front-loaded in anticipation of the end of the tax reduction (though it did not materialize).

Exhibit 3: Monthly Imported Grain and Oilseed Cost (NTD/kg)



Source: Ministry of Finance

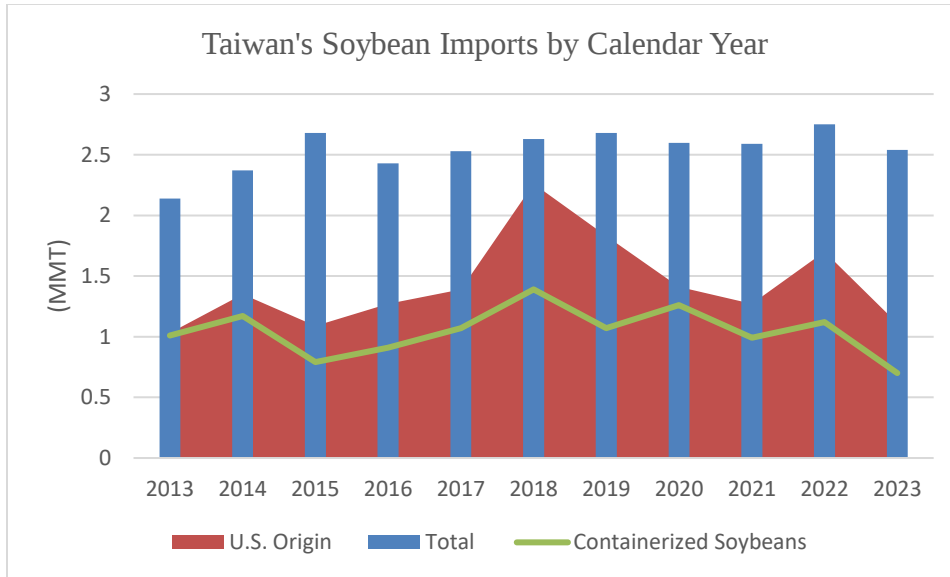
Containerized Soybean Exports from the United States

In CY2023, 14 percent of all U.S. containerized grain and oilseed exports went to Taiwan, making it the third largest destination market after Indonesia and China. (See the latest USDA [Agricultural Marketing Service report](#), p.27)

Containers offer flexibility and discretion versus bulk vessels. With limited grain storage facilities in Taiwan, buyers also value the free time and detention provided. Containerized shipping remains the preferred method for importing food grade and non-GE soybeans.

In CY2023, Taiwan imported 0.76 MMT (or 43 percent), of its soybeans through containers out of 2.54 MMT of total imports. For U.S. soybean imports, containerized shipments accounted for 63 percent, an increase of three percent over CY2022. This increase can be attributed to the lack of competitiveness of U.S. bulk against other origins. When U.S. bulk offers are not competitive, U.S. containerized shipment usually account for more. The total U.S. market share by volume declined from 59 to 44 percent.

Exhibit 4: Taiwan Soybean Imports from the United States and World, 2013-2023



Source: Taiwan Customs Statistics

Non-GE Imports

MY2022/2023 imports of non-GE soybeans were 82,576 MT, a decrease of five percent YoY. In MY2022/2023, Canada took 66 percent (54,427 MT) of the non-GE soy market share, followed by the United States at 29 percent (23,602 MT). The United States has lost market share in this segment due to uncompetitive pricing and availability. Non-GE exports are heavily dependent on containerized shipments.

HS Codes Separate Feed or Other Use

Since November 2014, Taiwan has required that GE and non-GE soybean shipments enter under separate HS codes. In May 2019, Taiwan further divided the codes for “other” or feed use. Soybeans are still imported mostly under “other” use, which has the flexibility to go into food or feed. In MY2022/2023, there were 25,073 MT of U.S. imports filed under the GE feed code. There were an additional 2,000 MT of Bolivian soybean in this category. Experts expect the majority of imports will continue to be within the “Other” use category because it retains the flexibility of end use. (See Exhibit 5.)

Exhibit 5: MY2022/2023 Soybean Imports Breakdown by Customs Code (MT)			
12019000916	GE Imports	Other Use	2,441,323
12019000925	Non-GE Imports	Other Use	82,576
12019000211	GE Imports	Feed Use	27,009
12019000220	Non-GE Imports	Feed Use	0

Source: Taiwan Customs Statistics

Black Soybean Imports

Black soybean is widely utilized in Taiwan for food processing and manufacturing due to consumer preference for its supposed health benefits. This is the only category of soybean for which imports from China are permitted. China has remained the biggest supplier, while the United States and Canada are a distant second and third. Taiwan has limited local production for black soybean (included in the soybean production statistics), mostly grown under contract. Domestic black soybean production expansion faces the same challenges as regular soybean. In MY2022/2023, 8,511 MT of black soybean were imported. Of those, 5,226 MT (61 percent) came from China and 1,956 MT (23 percent) from the United States.

Stocks

MY2024/2025 ending stocks are forecast at 152,000 MT. MY2023/2024 stocks are estimated at 146,000 MT, significantly down from the previous estimate. As the global market enters a phase of adequate supply, Taiwan buyers feel less urgency to purchase early and will likely keep a lower stock and purchase only when needed. MY2022/2023 ending stocks were 140,000 MT on final data.

Taiwan has limited storage options for imported grains and oilseeds. The two storage facilities in Taichung and Kaohsiung port are shared among imported corn, soybeans, and wheat. With regular bulk shipments and containerized shipments arriving in Taiwan, storage at plants is also limited.

Oilseed, Soybean: Production, Supply, and Distribution

Oilseed, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4	4	5	4	0	4
Beginning Stocks (1000 MT)	130	130	145	140	0	146
Production (1000 MT)	6	6	6	6	0	6
MY Imports (1000 MT)	2559	2559	2750	2650	0	2650
Total Supply (1000 MT)	2695	2695	2901	2796	0	2802
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	1950	1975	2100	2050	0	2050
Food Use Dom. Cons. (1000 MT)	300	300	310	300	0	300
Feed Waste Dom. Cons. (1000 MT)	300	280	300	300	0	300
Total Dom. Cons. (1000 MT)	2550	2555	2710	2650	0	2650
Ending Stocks (1000 MT)	145	140	191	146	0	152
Total Distribution (1000 MT)	2695	2695	2901	2796	0	2802
Yield (MT/HA)	1.5	1.5	1.2	1.5	0	1.5
(1000 HA) ,(1000 MT) ,(MT/HA)						

Soybean Meal

Production

MY2023/2024 and MY2024/2025 soybean meal production from crushing is forecast to recover to 1.62 MMT. MY2022/2023 soybean meal production declined to 1.56 MMT due to the weakness in feed demand and reduced imports.

Taiwan's annual soybean crush has fluctuated around 1.9 to 2.1 MMT in recent years. Crushers will optimize their crushing pace to keep their soybean meal and oil stock levels in balance. Crushing operations have consolidated with two large plants (Central Union and TTET) and two smaller crushing plants (Everlight and Tai-Sugar). Daily combined crushing capacity is 9,000 MT with annual total capacity at 3 MMT. The average capacity utilization rate is around 65 percent.

Taiwan crushers have developed export trade flows for soybean meal in recent years, which can serve as an alternative outlet when domestic demand is weak. Despite the challenges in feed demand, MY 2022/2023 crush was not impacted by much.

Consumption

Feed Demand

MY2023/2024 and MY2024/2025 soybean meal consumption is forecast at 1.6 MMT and 1.63 MMT, an increase from MY2022/2023 soybean meal consumption at 1.55 MMT. Soybean meal consumption closely tracks annual feed production in Taiwan.

According to MOA's 2022 Compound Feed Survey, Taiwan feed production was 8.6 MMT, of which poultry feed accounted for 49 percent and hog feed 42 percent.

Taiwan's on-farm production is concentrated in hog feed (86 percent). Non-integrated hog farmers still prefer buying corn and soymeal separately versus commercially produced feed. As a result, commercial poultry feed production is higher than hog feed. As consolidation in the livestock industry continues, commercial feed is expected to gain against on-farm feed. (See Exhibit 6.)

Exhibit 6: Taiwan Feed Production (MMT)						
	Total Feed	Feed type	Hog feed		Poultry feed	
2017	7.62	Commercial	3.21	1.23	3.66	3.52
		On Farm		1.98		0.14
2018	7.71	Commercial	3.20	1.25	3.76	3.61
		On Farm		1.96		0.15
2019	8.63	Commercial	3.74	1.30	4.10	3.82
		On Farm		2.43		0.28
2020	8.64	Commercial	3.83	1.34	4.05	3.82
		On Farm		2.48		0.23
2021	8.59	Commercial	3.75	1.40	4.09	3.91
		On Farm		2.35		0.18
2022	8.60	Commercial	3.62	1.47	4.20	3.97
		On Farm		2.15		0.22

Sources: MOA

Feed demand in MY 2022/2023 was hit by weakness in both the hog and poultry industry. MOEA feed production industrial statistics during MY2022/2023 showed that feed production declined by three percent to 6.0 MMT. Commercial feed production demonstrated its resilience despite the challenges facing the sectors in MY 2022/23. The larger impact was likely for on-farm feed production, for which data is less accessible.

Overall feed demand in 2024 is expected to recover as Highly Pathogenic Avian Influenza (HPAI) as well as hog diseases including Porcine epidemic diarrhea (PED) and Porcine Reproductive and Respiratory Syndrome (PRRS) become less of an issue.

According to MOA's latest twice-annual hog survey from November 2023, hog inventory had reversed its decline from the previous surveys as the industry recovers from the aforementioned diseases. For the first half 2024, 92 percent of hog producers intend to keep their herd sizes. Producers above 1000 head (currently accounting for 72 percent of total head) are expected to increase in proportion as small and less efficient operations close. The remainder were split almost evenly between expansion and contraction.

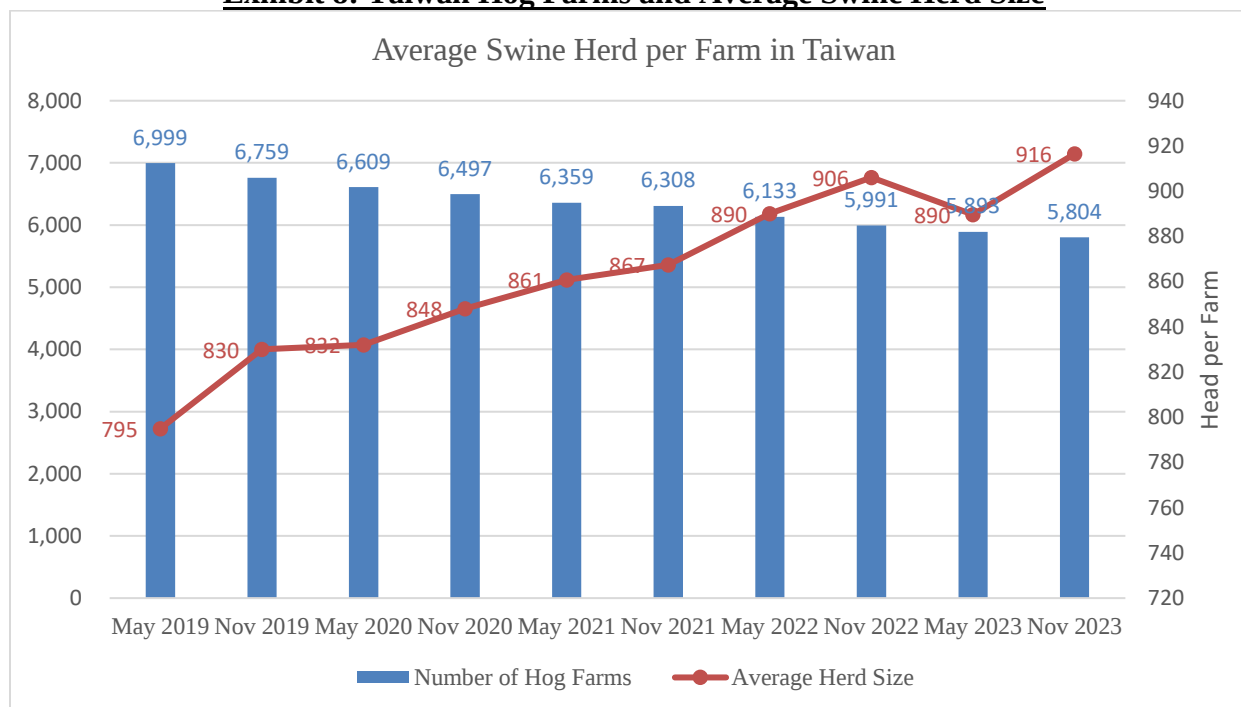
As global grain and oilseed prices continue to stabilize, feed cost is expected to become less of a factor in MY2023/2024. Consolidation in the industry is expected to continue as economies of scale benefit larger producers, as producers of less than 200 head continue to exit the industry (see Exhibits 7 and 8).

Exhibit 7: Taiwan Hog Producers Breakdown by Size

Producers by head	Number of producers	% of total head
<199 head	115	2%
>199 & < 999	2,263	25%
>999	1,561	72%

Sources: MOA

Exhibit 8: Taiwan Hog Farms and Average Swine Herd Size



Source: MOA

Taiwan's continued vigilance in preventing African swine fever (ASF) makes it, along with Japan, one of the only two producers within the region free from domestic ASF cases. Since June 2020, the World Organization for Animal Health (OIE) has recognized Taiwan as foot and mouth disease-free without vaccination. MOA continues to prioritize the effort certify Taiwan's classical swine fever-free status to pave the way for an eventual reopening of fresh pork exports.

However, the potential export opportunities are expected to be limited as Taiwan is unlikely to be competitive due to high production costs.

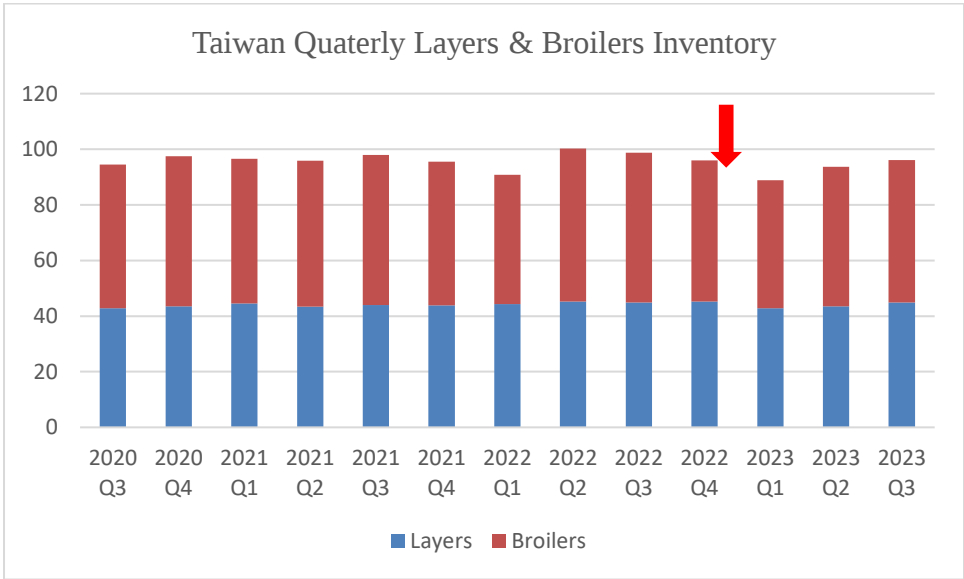
For poultry, Taiwan has been dealing with the lingering impact of an HPAI outbreak since the second half of CY2022. The island was desperately in need of imported breeder chickens to rebuild and replenish both meat and egg poultry stocks. The situation was alleviated in the second half of 2023. (See Exhibit 10, which shows the lowest inventory was in 2023 Q1.)

In CY2023, the supply shortage of eggs had become an even larger issue than the previous year.

To resolve the shortage, MOA encouraged egg imports to fill the gap, as well as importing egg-laying hens for replacement. In CY2023, Taiwan imported eggs from Brazil, Turkey, and Thailand, with imports reaching 15,770 MT, up from the 4,586 MT in CY2022.

Despite the short-term pressure on poultry feed demand, the longer-term impact should be minimal as replacement and restocking boost demand. The industry continues to consolidate while the better-managed operations benefit from scale.

Exhibit 9: Taiwan Layers and Broilers Inventory (million head)



Source: MOA

Demand for animal products was buoyed by domestic consumption as well as visitors from abroad. Foreign visitors to Taiwan started to reappear in Q4 CY2022. That quarter was also the first time that total meat consumption per capita was higher than total grain consumption per capita.

The government continued its effort in CY2023 to relive food inflationary pressures for consumers. This included several supportive measures on food production and manufacturing, including business tax deductions on imported feed corn and soybeans.

MOA’s Animal and Plant Health Inspection Agency (APHIA*) statistics also further show that both hog and poultry slaughter rates declined in CY2023 with the rest of demand filled by meat imports.

(*APHIA, previously known as the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), was upgraded at the same time as MOA in August 2023.)

Exhibit 10: Hog and Poultry Supply (Number of Animals Slaughtered)		
Year	Hog (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	8,184	420
2021	8,034	400
2022	7,845	399
2023	7,290	379

Source: APHIA

Trade

Soybean Meal and Substitutes Imports

MY2023/2024 soybean meal imports are estimated to increase to 70,000 MT, based on import data in the first half of current MY. MY2024/2025 is also forecast at 70,000 MT.

In MY2022/2023, soybean meal imports decreased to 42,745 MT, down 45 percent from the previous MY. The United States accounted for 62 percent of that volume.

The majority of soybean meal supply in Taiwan is produced domestically. Because the domestic crush industry consists of only a small number of players, crushers always aim to balance out supply and demand through production adjustments, making soybean meal imports arbitrage opportunities rarely profitable.

Taiwan does not possess the necessary port facilities or logistics to import or store meal-type feed ingredients in bulk. As a result, imports are containerized. The United States remains the main supplier of containerized soybean meal.

In the absence of any domestically grown meal substitutes, other protein meal substitutes come from imports. In MY2022/2023, soybean meal substitutes (see Exhibit 11), converted to Soybean Meal Equivalent (SME), were just over 344,000 MT. The largest two components were fishmeal, with a high protein content that is not easily substitutable, and DDGS. For comparison, soybean meal supply was about 1.66 MT.

Exhibit 11: Taiwan Imports of Soybean Meal Substitutes			
Meal/HS Code (1,000 MT)	MY 2020/21	MY 2021/22	MY 2022/23
2301.20: Fish meal	138	135	122
<i>SME (x1.445)</i>	<i>200</i>	<i>195</i>	<i>176</i>
2303.30: DDGS	204	210	242
<i>SME (x 0.5833)</i>	<i>119</i>	<i>122</i>	<i>141</i>
2306.49 Rapeseed meal	8	9	28
<i>SME (x0.7115)</i>	<i>5</i>	<i>7</i>	<i>20</i>
2306.50 Copra meal	10	10	9
<i>SME (x0.4515)</i>	<i>5</i>	<i>4</i>	<i>4</i>
2305: Peanut meal	3	2	2
<i>SME (x1.124)</i>	<i>3</i>	<i>2</i>	<i>2</i>
2306.60 Palm kernel meal	1	1	3
<i>SME (x0.3557)</i>	<i>0</i>	<i>0</i>	<i>1</i>
Total in SME	332	331	344
2304.40: Soybean meal	45	70	35

Source: Taiwan Customs Statistics; Trade Data Monitor, LLC

Exports

Market sources report that MY2022/2023 soybean meal exports were above 75,000 MT, higher than the volume tracked by standard HS codes for soybean meal (21,000 MT). Japan remained the largest destination for soybean meal exports, followed by Vietnam. MY2023/2024 and MY2024/2025 export levels are forecast at around the same level.

Soybean meal exports, though still relatively small, have become an outlet for domestic crushers to optimize local soybean meal inventory. Market sources report that Taiwan has exported soybean meal to Japan, South Korea, Vietnam, the Philippines, Malaysia, and Thailand. Both regular and higher-value fermented soybean meals are exported. The intra-Asia market can respond quickly to supply and demand imbalances. These export flows are expected to continue but timing and volume will depend on price arbitrage and availability of alternative supply.

Stocks

MY2024/2025 ending stocks are forecast at 39,000 MT. MY2023/2024 stocks are estimated at 49,000 MT on higher crush YoY. MY2022/2023 stocks were adjusted down to 34,000 MT, based on lower crush and imports.

As Taiwan's oilseed crushing industry relies on a constant stream of soybean imports. As long as there is a predictable flow of soybeans coming to Taiwan, crushers generally do not need to keep high stock levels. With limited storage space and shelf life, crushers can adjust their crush programs to reflect market demand and use exports as an outlet. In recent years, soybean meal stocks usually fluctuate between 30,000 to 70,000 MT.

Meal, Soybean: Production, Supply, and Distribution

Meal, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1950	1975	2100	2050	0	2050
Extr. Rate, 999.9999 (PERCENT)	0.7851	0.7873	0.7857	0.7878	0	0.7878
Beginning Stocks (1000 MT)	61	61	29	34	0	49
Production (1000 MT)	1531	1555	1650	1615	0	1615
MY Imports (1000 MT)	43	43	70	70	0	70
Total Supply (1000 MT)	1635	1659	1749	1719	0	1734
MY Exports (1000 MT)	21	75	15	70	0	70
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1585	1550	1700	1600	0	1625
Total Dom. Cons. (1000 MT)	1585	1550	1700	1600	0	1625
Ending Stocks (1000 MT)	29	34	34	49	0	39
Total Distribution (1000 MT)	1635	1659	1749	1719	0	1734
(1000 MT) ,(PERCENT)						

Soybean Oil

Production

MY2023/2024 and MY2024/2025 soybean oil production are projected to increase to 370,000 MT based on levels of soybean crush. MY2022/2023 production is adjusted to 355,000 MT on lower crush.

In recent years, Taiwan's soybean crush volume has been mainly driven by soybean meal demand. Soybean oil demand would act as a constraint when stock levels are too high.

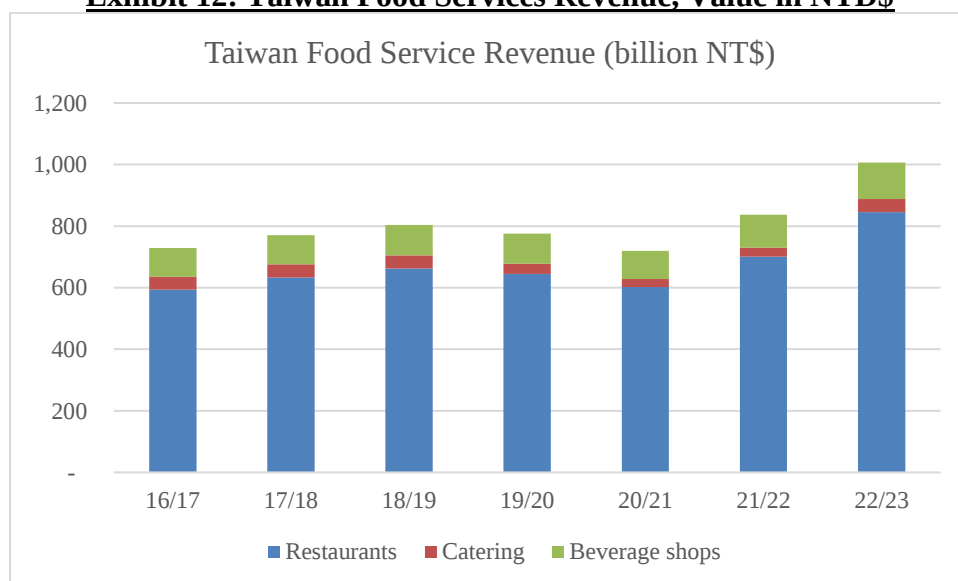
Consumption

MY2023/2024 and MY2024/2025 soybean oil consumption for food are forecast at 320,000 MT. MY2022/2023 consumption was adjusted lower to 300,000 MT due to higher palm oil imports.

The majority of soybean oil for food consumption is in the Hotel, Restaurant, and Institutional (HRI) sector, which mainly includes restaurants, public cafeterias, and catering. Soybean oil competes with palm oil on prices and availability.

MY2022/2023 food service revenue grew 20 percent over MY2021/2022 as Taiwan finally phased out all COVID-19 related restrictions and international travel in both directions fully resumed. However, market sources indicate that the increase in sales was driven more by increases in materials and labor costs rather than real increases in consumption. (See Exhibit 12.)

Exhibit 12: Taiwan Food Services Revenue, Value in NTD\$



Source: Ministry of Economic Affairs (MOEA)

Soybean oil consumption, like all basic commodities, faces the prospect of limited growth opportunity as Taiwan's population has plateaued and is predicted to decline in the 2030s due to an aging population and low birth rate.

For household consumption, health-conscious consumers usually prefer non-soy single oil alternatives (olive, sunflower, etc.) over blended vegetable oil products (including soybean oil), due to marketing and perceptions of quality.

Trade

Taiwan relies on soybean crush for its soybean oil supply. However, in recent years Taiwan has started to export an increasing amount of surplus soybean oil within the Asia region.

MY2023/2024 and 2024/2025 soybean oil exports are forecast at 35,000 MT. MY2022/2023 soybean oil exports were 43,146 MT. This was the second consecutive year of an increase of 10,000 MT over the previous MY and the highest on record.

Malaysia has become the top export destination at 15,182 MT, followed by South Korea at 14,454 MT, and Hong Kong at 6,536 MT (See Exhibit 13).

Exhibit 13: Taiwan Soy Oil Exports (MT) (Oct-Sep)

(Selected)	MY 2019/20	MY 2020/21	MY 2021/22	MY 2022/23
Total Exports	18,465	18,169	29,246	43,146
Malaysia	6,206	1,094	1,878	15,182
South Korea	3,017	104	4,357	14,454
Hong Kong	249	9,152	8,116	6,536
Japan	3,068	1,520	7,775	4,620

Source: Taiwan Customs Statistics; Trade Data Monitor, LLC

By exporting surplus soybean oil, crushers were able to sustain a higher level of crush without building excess inventory due to the constrained domestic demand for soybean oil.

Palm oil remains the main substitute for soybean oil by volume and has seen a recovery in imports in MY2022/2023, although there are other vegetable oil alternatives which are more consumer-oriented including canola (rapeseed) and sunflower oil. (See Exhibit 14.)

Exhibit 14: Taiwan Other Oil Imports (1,000 MT) (Oct-Sep)				
Type of Edible Oil	MY 2019/20	MY 2020/21	MY 2021/22	MY 2022/23
Palm Oil (HS1511)	224	216	209	267
Canola (Rapeseed) Oil (HS1514)	35	35	40	32
Sunflower Oil (HS1512)	20	20	16	18
Olive Oil (HS1509; HS1510)	10	11	13	10
Coconut Oil (HS151311; HS151319)	6	6	6	6
Total Non-Soy Oil Imports	295	288	284	333

Source: Taiwan Customs Statistics; Trade Data Monitor, LLC

Stocks

MY2023/2024 and MY2024/2025 ending stocks are forecast at 12,000 MT. MY 2022/2023 ending stocks were 17,000 MT.

Due to soybean oil being a co-product of soybean crush, crushers do not usually retain a large soybean oil inventory, especially with limited storage capacity and high storage costs. To maintain crush operations, crushers sometimes will decide to export or sell soybean oil at a discount to maintain soybean meal production.

Oil, Soybean: Production, Supply, and Distribution

Oil, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1950	1975	2100	2050	0	2050
Extr. Rate, 999.9999 (PERCENT)	0.1785	0.1797	0.1786	0.1805	0	0.1805
Beginning Stocks (1000 MT)	25	25	15	17	0	12
Production (1000 MT)	348	355	375	370	0	370
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	373	380	390	387	0	382
MY Exports (1000 MT)	43	43	25	35	0	35
Industrial Dom. Cons. (1000 MT)	15	20	20	20	0	20
Food Use Dom. Cons. (1000 MT)	300	300	320	320	0	320
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	315	320	340	340	0	340
Ending Stocks (1000 MT)	15	17	25	12	0	12
Total Distribution (1000 MT)	373	380	390	387	0	387
(1000 MT) ,(PERCENT)						

Palm Oil

Summary on Production, Trade, Consumption, and Stocks

MY2023/2024 and MY2024/2025 palm oil imports are forecast lower at 230,000 MT based on higher domestic soybean oil supply.

MY2022/2023 (Jan-Dec 2023) palm oil imports were 250,000 MT according to Taiwan customs data, an increase of nine percent over the previous MY due to competitive pricing and greater availability.

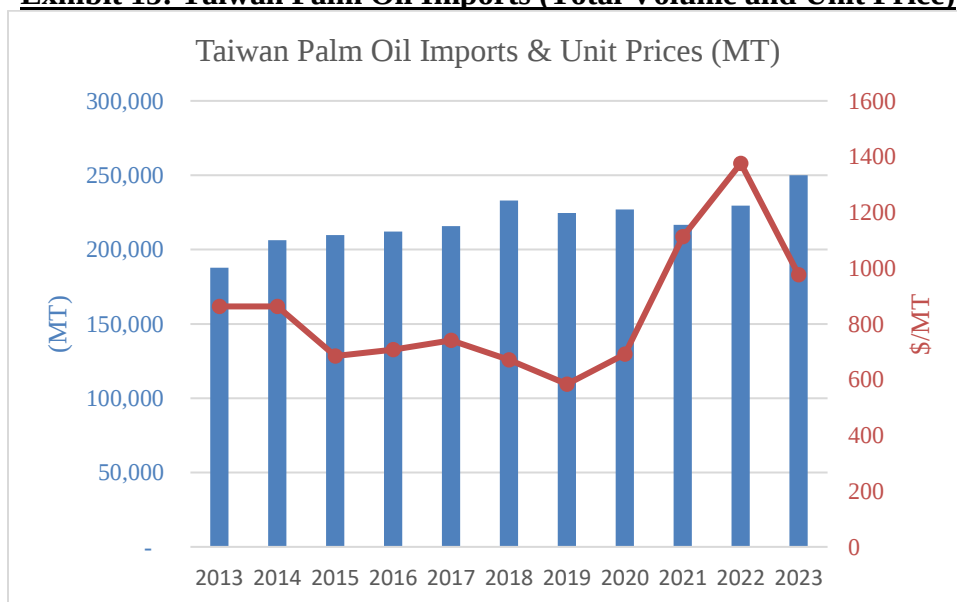
MY 2023/2024 and MY 2024/2025 ending stocks are forecast unchanged at 10,000 MT.

All of Taiwan's palm oil demand is met through imports. Palm oil serves as a cheaper alternative to locally crushed soybean oil and benefits from a zero percent import tariff. Palm oil also has other uses in the food manufacturing sector and for animal feed.

Palm oil and soybean oil are heavily used in the HRI sector. Higher palm oil prices will encourage substitutions mainly with soybean oil.

97 percent of Taiwan's palm oil imports originate from Malaysia due to existing joint ventures with Taiwan companies. This longstanding arrangement is not expected to change.

Exhibit 15: Taiwan Palm Oil Imports (Total Volume and Unit Price)



Source: Taiwan Customs, Trade Data Monitor, LLC

Oil, Palm: Production, Supply, and Distribution

Oil, Palm	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	10	10	5	10	0	10
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	240	250	240	230	0	230
Total Supply (1000 MT)	250	260	245	240	0	240
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	245	250	230	230	0	230
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	245	250	230	230	0	230
Ending Stocks (1000 MT)	5	10	15	10	0	10
Total Distribution (1000 MT)	250	260	245	240	0	240
Yield (MT/HA)	0	0	0	0	0	0
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						

Attachments:

No Attachments