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Taiwan

Grain and Feed

Results of 2nd Private Sector Rice Quota Allocation 2004

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Report Highlights:

On February 4, Taiwan allocated the second tranche of 20,652 mt of the 2004 private sector rice quota. The quotas were awarded to 16 importers out of 75 bidders through a competitive bidding at prices ranging from NT\$12.000/kg to NT\$10.368/kg, with a weighted average of NT\$10.954/kg. The weighted average was NT\$0.627/kg higher than for first tranche, indicating a continued healthy market for imported rice. The remaining 20,000 metric tons of quota will be allocated on April 14, 2004. Exchange rate: NT\$33.27 = U.S.\$1.00.

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

Private Sector Allocations for 2004, Second Tranche

On February 4, Taiwan allocated the second tranche of 20,652 mt of the 2004 private sector rice quota (see Table 1). The quotas were awarded to 16 importers out of 75 bidders through a competitive bidding at prices ranging from NT\$12.000/kg to NT\$10.368/kg, with weighted average at NT\$10.954/kg. (Current exchange rate is \$1 = NT\$33.27).

These import rights will be valid from April 1 to September 15, 2004. Compared to last tranche's prices, both the maximum and minimum bid prices and average prices were much higher. The higher bid prices point toward a better market situation for imports in the short term. Just a month ago, one importer forfeited the performance bond on import quota rights for 1,500 mt of the first tranche due to his relatively high bid of NT\$11.000/kg. Taiwan re-allocated the 1,500 mt rice quotas to 7 importers at prices ranging from NT\$11.000/kg to NT\$9.902/kg, with a weighted average at NT\$10.077/kg. (Bidders are required to pay 10% of their total bidding price as a tender performance bond. That is the penalty of bidders if they drop out the tender.)

Table 1. Taiwan 2004 Rice TRQ Allocation Results

Product Name	Quota Amount	Quota Validity Duration	Allocation Date	Max. Bid Price	Min. Bid Price	# of Allocations
Rice	10,000 mt	Jan. 1/ Sept. 15	Nov. 28	NT\$11.011/kg	NT\$9.800/kg	14
	20,652 mt	April 1/Sept. 15	Feb. 4	NT\$12.000/kg	NT\$10.368/kg	16
	20,000 mt	June 1/Sept. 15	Apr. 14	nil	nil	Nil
Total	50,652 mt (Note: The per kilogram weighted bid prices were NT\$10.327 for the first tranche and NT\$10.954 for the second tranche)					

Private Quota Utilization in 2003

According to local importers, all the 2003 rice import quota rights had been utilized, which means private sector rice imports in 2003 approximately equaled to 50,652 mt, the full amount of private import sector rice quota.

Public Tender Schedule for 2004

The public sector rice import tender schedule will be available in the near future. Taiwan established on January 30, 2003 a new agency, the Food and Agriculture Administration (FAA) that is in charge of rice, among other foods. After the new office starts its full operation in a week or so, we expect the tender schedule to be announced.