

.....

I-3 Overview of China's starch industry

- Overview

China is very important to global starch development, since China is the second largest native and modified starch producer in the world, following U.S.

There are many kinds of native starches and modified starches in China. As to native starch, the major products are corn starch, potato starch, cassava starch, wheat starch. As to modified starch, according to different raw materials, major products are corn modified starch, potato modified starch and cassava modified starch.

Table I-3.1 Output of different kinds of starch in China, 2004-2008

Year	Corn starch	Cassava starch	Potato starch	Wheat starch	Modified starch
■	■	■	■	■	■
■	■	■	■	■	■
■	■	■	■	■	■
■	■	■	■	■	■
■	■	■	■	■	■

Source: CCM International

- Current situation

➤ Native starch

China is the second largest starch producing country in the world, next only to the U.S. In 2008 the output volume of native starch was ■ million tonnes.

The major starches in China are corn starch, potato starch, cassava starch, wheat starch, and rice starch. Among them, the most important is corn starch, accounting for ■% of the total native starch output by volume. China's corn starch is exported to many countries, but potato starch and cassava starch depend much on importing.

.....

III-3.4 Manufacturing cost structure

Manufacturing cost structure of corn starch includes following factors:

Variable cost

√ Corn

√ Water

√ Electricity

√ Labor

Fixed cost

√ Depreciation

√ Maintenance

√ Waste treatment

√ Management fee

Manufacturing cost has differences in different areas. Even the charge of water and electricity varies among different regions. Since Shandong is biggest production province of corn starch in China, the representative manufacturing cost structure in Shandong Province will be analyzed.

Table III-3.4.1 Manufacturing cost structure of corn starch in Shandong, Oct. 2009

Items		Unit price	Unit Consumption for one tonne corn starch	Unit cost (USD/t)
Variable cost	Corn			
	Water			
	Electricity			
	Labor			
Fixed cost	Depreciation			
	Maintenance			
	Waste treatment			
	Other (Management fee, tax, etc.)			
Total cost				

Source: CCM International

.....