Research Background
In the world there are two famous golden belts for planting corn, respectively locating in America and China. China is the second largest producer of corn and also the second largest consumer of corn. In the past, corn was mainly consumed as food and feed in China, but now the corn processing industry has developed rapidly while the feed consumption of corn also keeps stable increase.

Among the three major kinds of grain, corn is the most suitable type to be used as industrial raw material, and is also the mostly processed grain. The characteristics of corn processing industry lie in the following three aspects: large space for processing, long industry chain and abundance of products which include eight series, namely, starch, starch sugar, denatured starch, alcohol, enzymic preparations, spice, medicine, and chemical products. But starch and alcohol are the two major products while all the others are produced from further processing of starch and alcohol or by-products of starch and alcohol production. These deep processing products or by-products have comparatively high values, i.e. they have high added value which may bring high profit.

To sum up, industrial consumption of corn is a sunrise industry in the corn industry and boasts the fastest growth among the total consumption corn. Corn processing is widely applied in food industry, medical industry and chemical industry. Being in the stage of rapid growth, corn processing industry has a promising prospect. With the growth of China’s corn processing industry and the expansion of corn industry chain, the market scale of corn processing industry will see great increase and its potential will be enormous.

Based on the data and information provided by the National Bureau of Statistics, the Ministry of Agriculture, China Customs and the database of BOABC, this report conducts a comprehensive detailed analysis of the industries in upstream and downstream of China’s corn processing industry chain, aiming to make clear the development prospect of the subdivisions of products and corresponding industries in China’s corn processing industry, select the most valuable fields for investment, and conduct a far-sighted analysis of the development trend of China’s corn processing industry in 2012-2017, so as to provide reference for the decision-making of various investors.
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As the most important among upstream products of corn deep processing industry, corn starch’s application is getting wider day by day. In 2011, the output of corn starch grew by **% over the last year to reach *** million tons. It was predicted that in 2012 output of corn starch would reach about ** million tons. Corn starch takes up a large proportion of starch and other starches can not play an effective alternative so that the demand will continue to rise.

![Figure5.1 China’s Corn Starch Output, 2000-2012](image)

5.5 Regional Distribution of China’s Corn Starch Processing Industry

The total capacity of corn starch processing enterprises with capacity above ** million tons was about ** million tons in 2012. The enterprises are mainly concentrated in the main corn producing areas in Northeast China and North China, especially in Shandong Province, Jilin Province and Hebei Province. However, the scales of processing enterprises in Hebei Province are small, and many enterprises are shut down.
5.9 Concentration of China’s Corn Starch Processing Industry

In 2012, the total capacity of enterprises with annual corn starch processing capacity of more than ** million tons of accounted for about **% of the national total starch output, **% increase over 2011.