



**Asia-Pacific
Economic Cooperation**

2012/SOM2/PPFS/003

Agenda Item: 7

Facilities Development in Grain Import and Export

Purpose: Information
Submitted by: China



**Policy Partnership on Food Security
Meeting
Kazan, Russia
28-29 May 2012**

Facilities development in grain import and export

PPFS member, ABAC China
May 29th,2012

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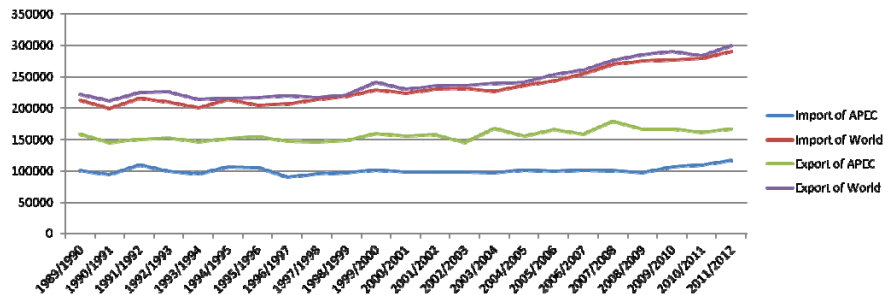
● Handling and Transportation Problems

● Port Facilities Problems

● Recommendations

Preamble

APEC Grain Imports & Exports (1989-2012)



- The total grain production of APEC member economies account for half of global grain production, their import accounts for nearly 50% of the global import volume, while their export accounts for almost 2/3 of the global export volume
- The fact that grain export of APEC member economies has always been greater than their import shows the significant role played by APEC in global food security

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Handling and Transportation Problems

- Grain handling and transportation system varies greatly among APEC economies
- The modern grain handling and transportation system of developing economies remains incomplete, thus seriously restricting grain circulation:
 - Inadequate warehousing facilities and the various links result in the great losses of grain
 - Inappropriate models and layouts of grain depots result in high cost
 - Insufficient grain transportation capacity and facilities

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- **Inadequate warehousing facilities and the various links result in the great losses of grain**

- The large-farm owners in developed economies have good grain storage facilities and bulk grain transport vehicles, playing a major role in grain storage. While in developing economies, there are more small-farm owners, who rely on their yards or simple traditional facilities for grain storage
- The post harvest food loss rate in India is 40% due to a lack of the appropriate technology and equipment for warehousing logistics and processing, whereas the rate in the developing economies is 22%, and the developed economies is just 6%



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- **Inappropriate models and layouts of grain depots result in high cost.**

- Unprocessed grains are mainly circulated in packaging bags in developing economies, which involves additional operations and lower level of mechanization, thus impacting on operational efficiency adversely and increasing the cost
- In developed economies, the warehousing and logistics parties have minimized their involvement according to the different grain flow; while in developing economies, the warehousing and logistics of grain faces problems such as various links and high costs. For example, the grain storage and logistics costs accounts for about 8-10% of the cost of grain sales in the U.S. markets, while that figure in the Chinese market stands at about 25-30%



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- **Insufficient grain transportation capacity and facilities**

- Insufficient railway transportation capacity, underused grain shipping capacity
poor coordination in rail-ocean transportation and incompatible facilities
- Insufficient transportation means
- Severe shortage of receiving, delivering and handling facilities



Port facilities Problems

- All APEC member economies own ports, but there is a big divergence in terms of number of ports and up-to-dateness of facilities among those member economies.
- The grain port facilities and their up-to-dateness of the developing economies face with challenges
 - For import oriented economies
 - For export oriented economies

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- For import oriented economies
 - Normally lack of special channels for related agricultural products
 - Less advanced storage and logistics facilities
 - Unbalanced distribution of ports and final consumption areas



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- For export oriented economies
 - Lack of transportation routes with direct access to ports
 - Infrastructures of ports need to be further optimized
 - Relatively low port handling efficiency
 - Relatively high port charges and related surcharges



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Recommendations

- Conduct a joint research project to work out a strategic framework for APEC Facilities development in grain import and export
- Hold workshop to exchange and share best practices
- Assist individual economies to assess the deficits and challenges in grain related infrastructures
- Develop public-private partnership initiatives to address the gap

