

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Translation – NDRC Grain Import TRQ Training

Report Categories:

Grain and Feed

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Report Highlights:

The Economy and Trade Department of the National Development and Reform Commission (NDRC) held training sessions for provinces and municipalities on grain import TRQ in December 2014. The training session was attended by provincial officials and local NDRC officials. The trainings covered China's change in policy in TRQ administration to now require that importers purchase grains from state reserves before they are eligible to receive private sector import quotas. The following is a translation of the training material.

General Information:

Translation begins ----

Application for grain processing trade quota

In addition to the basic requirements, enterprises applying for 2015 grain processing trade quota must supply a processing capacity certificate produced by the local commerce department and apply for quantities based on actual needs. After the quota is received, the full quantity must be imported within the current year. If the allocated quota is not utilized or not fully utilized, the state will impose penalties and will not accept the enterprise's quota application (including application for general trade quota) or reduce quota allocations in the following years.

Application for grain general trade quota

- Basic requirements: all applicants for grain general trade quota will be allocated on the basis of their purchases of policy-type grain. These applicants must participate in special auctions for policy-type grain (such as wheat, corn, indica rice and japonica rice) arranged by relevant state departments. Otherwise their applications will not be accepted.
- Auction plans: auctions will be held for 3 days on January 6-8, 2015 with four varieties being auctioned simultaneously on each and every day. Total auction amount includes 2 million tons of wheat, 5 million tons of corn, 4 million tons of indica rice, and 4 million tons of japonica rice. Each applicant shall purchase no more than 100,000 tons of policy-type wheat, 200,000 tons of corn, 200,000 tons of indica rice, and 200,000 tons of japonica rice, respectively. The names of enterprises attending the auctions should conform to the applicants' names and the enterprises must not authorize others to participate in the auctions or participate in the name of their group companies. China Grain Reserves Corporation will soon publish other information about the auctions on the National Grain and Oil Trade Center web site.
- Quota allocation method: under the unified rule at the national level, for quota applications of all grain varieties by enterprises from 7 major grain consumption regions including Beijing, Shanghai, Tianjin, Zhejiang, Fujian, Guangdong, and quota applications for corn by 4 fuel ethanol producing enterprises (located in Jilin, Heilongjiang, Henan and Anhui), the allocation coefficient will be adequately increased to 1.2 as compared to other enterprises.

Quota allocation coefficient = (non-state import quota of all varieties – quota allocated to processing trade as a priority)/quantities of all varieties purchased at the special auctions

Quantities of all varieties purchased at the special auctions = actual quantities purchased by all qualified enterprises from 7 major grain consumption regions X 1.2 + actual quantities purchased by all qualified enterprises from other regions

Quantities of corn purchased at the special auctions = (actual quantities purchased by all qualified

enterprises from 7 major grain consumption regions and 4 fuel ethanol producing enterprises) X 1.2 + actual quantities purchased by all qualified enterprises from other regions

Quota allocation to enterprises = actual quantities purchased by the enterprises X quota allocation coefficient

Other requirements:

- When applying for grain import quota, enterprises in major consumption regions must not apply for import quota quantities exceeding 120 percent of the policy-type grain quantities they have purchased. Enterprises in other regions must not apply for import quota exceeding the policy-type grain quantities they have purchased.
- Only after the policy-type grain purchased by the enterprises has been delivered from storage, can enterprises go to the quota management authorities with copies of the contract, invoice and receipt confirmation for a printed quota certificate.
- Enterprises are not entitled to a quota application if they have violated the regulations of the customs, industry and commerce, taxation, foreign exchange, inspection and quarantine, grain distribution, and environment, have a bad record on credit, or have violated the Interim Administrative Measures on Agriculture Import TRQ.
 - Enterprises fail to return the quota certificate as required so the certificate cannot be written off;
 - In case of missing of a quota certificate, the applicant should make an announcement on the media and report to the customs authorities registered on the certificate;
 - The purchased policy-type grain can be disposed of freely, but import quota should be used by the applicant only.