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## China Agricultural Newsletter – January 2011

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## Laws, Regulations and Policies

### **Steady supply of farm produce ordered amid icy weather<sup>1</sup>**

The Ministry of Agriculture stressed it would assure that there is a stable supply of farm produce amid ongoing icy weather as the nation's most important traditional festival approaches.

The ministry urged local authorities to make every effort to ensure continued agriculture production as the freezing weather threatens abundant supplies, which are critical during the Spring Festival, the annual season for family reunions.

Temperatures and humidity in vegetable greenhouses and corrals should be kept at proper levels, while exposure to frigid weather by poultry and livestock should be minimized.

The ministry also asked local departments to facilitate the smooth transporting to markets of fresh farm produce.

Southern China has experienced more icy rain and snow than the previous years, where freezing weather has hit since the New Year's Day.

### **Fake seed crackdown reaps results<sup>2</sup>**

China government has stepped up its efforts to ensure the country's food security by cracking down on sales of fake seeds. More than 15,000 kilograms of rice seeds and 30,000 packages of cotton seeds, which are fake or have infringed upon intellectual property rights, were destroyed in Huanggang, a city in Hubei province. The total value was more than RMB 1 million (US\$195,400), the Ministry of Agriculture said.

Long'an Seed Co., Ltd, a Sichuan-based company, sold 10,000 kg of fake rice seeds in packages for a hybrid rice strain, popular for its high yield, to a local seed company in Huanggang. The company was fined RMB 300,000 and all the fake seeds were destroyed.

In 2010, more than 1,000 cases related to the seed industry had been investigated and prosecuted in Hubei province. About 300,000 kg of fake seeds have been destroyed.

Similar campaigns to destroy fake seeds will also be launched in other major grain-producing and seed-producing areas, such as Gansu, Henan, Jilin and Hunan in the next few months, focusing on examining rice seeds and corn seeds, the ministry said.

Since October, 37 cases related to fake seeds or infringing on seed variety rights have been investigated and prosecuted across the country, involving 500,000 kg of seeds valued up to RMB 7 million, statistics from the ministry show.

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<sup>1</sup> Xinhua News Jan. 10, 2011

<sup>2</sup> China Post Jan. 8, 2011

### **US\$608 billion to invest in water resources<sup>3</sup>**

China will invest RMB 4 trillion (US\$608 billion) on the construction of water resource facilities during the next 10 years, sources from the Department of Water Resources of Sichuan province said.

According to the plan, the government will levy 10 percent of rural land transfer payments on building agricultural water resource infrastructure in the future. Based on last year's total land transaction fees, this figure is expected to be about RMB 60 to 80 billion.

China invested more than RMB 200 billion on water resource facilities in 2010, in which the central government made an investment of RMB 98.7 billion, said Chen Lei, Minister of the Ministry of Water Resources.

The government will also encourage loans to, and private investment in, the water sector to ensure funding for conservation. More efforts would be made to improve water quality and farmland irrigation, such as increasing areas under irrigation by 2.7 million hectares over the next five years.

### **Substandard dairy companies face closure<sup>4</sup>**

General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), China's top food-quality regulator, required all domestic dairy companies to renew their production licenses this year or face closure.

"The review aims to push forward large-scale production in the industry and improve the quality and safety of dairy products," Zhi Shuping, director of the AQSIQ, said at a national conference. He said small plants with low quality standards and poor production facilities would be shut down.

The central government has introduced a slew of measures to tighten the management of the dairy industry after a scandal over melamine-tainted baby formula that killed six babies in 2008. The latest policy is the new regulation requiring dairy companies to reapply for their production licenses, or face suspension in March 2011.

AQSIQ figures also show that the industrial watchdog revoked the production licenses of 6,905 companies last year, among which 4,036 were food companies.

### **Dairy import regulations increased<sup>5</sup>**

Domestic buyers will be responsible for recalling unsafe dairy products imported from overseas and for making the recall information public, according to a draft regulation proposed by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ).

"In cases where domestic buyers fail to recall problematic dairy products, related quality supervision departments should recall the products and report to the AQSIQ. The AQSIQ retains the right to issue risk warnings," the draft said. It also noted that if the exporting country encounters dairy product safety crises, the AQSIQ may restrict or suspend dairy trade with the country.

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<sup>3</sup> China Business News Jan. 21, 2011

<sup>4</sup> China Economic Net Jan. 7, 2011

<sup>5</sup> TheDairySite News Dec. 31, 2010

For countries and regions exporting raw milk and similar products to China for the first time, the AQSIQ required information about the country's or region's public health laws and regulations, veterinary services, safety and sanitation controls, and residue and animal disease monitoring.

For those exporting other dairy products to China for the first time, information on raw material sources, production and processing techniques, and the use of ingredients and additives are required.

## Industry and Business Watch

### **China to face food supply pressures over next five years<sup>6</sup>**

China will face pressures ensuring farm product supply meets demand over the next five years, said Chen Xiaohua, vice agricultural minister.

Chen said in the five-year period from 2011 to 2015, China will annually consume an extra 4 million tonnes of grain, 800,000 tonnes of vegetable oil and 1 million tonnes of meat.

To meet that increased demand, China will boost agricultural development during the 12<sup>th</sup> Five-year Plan (2011-2015) period with more policy support, Chen said. The government will provide more funding for agriculture and subsidize technology development for farmers. The government will also enhance agricultural market regulation and boost farmers' income.

In 2010, China produced 546.4 million tonnes of grain, 39.2 million tonnes of cooking oil and 77.8 million tonnes of meat.

### **Standard Chartered: China to import grain to meet domestic needs<sup>7</sup>**

China will have to import grain to meet its domestic needs in the near future, which will mark the end of the country's self-sufficient policy on grain products, according to a Standard Chartered report.

This report said that there are concerns about China's grain output because of the slow development of cultivated land due to fast process of urbanization, the aging tendency of rural labor force and water scarcity. Though the transgenic technology will help China's productivity, the country will still have to import grain.

China's most severe grain shortage will involve corn, which the country will have to import from Brazil, Argentina and the US.

Statistics from the General Administration of Customs show that, from January to July last year, China imported 38.47 million tons of grains, up 20.5 percent year-on-year. The quantity of corn imported was 56 times the amount of the same period in 2009. The National Grain and Oils Information Center also said that China produced 14.5 million tons of soybeans in 2010, but imported 47.5 million tons from abroad.

### **Farm produce prices continue rising<sup>8</sup>**

<sup>6</sup> Shanghai Securities News Jan. 29, 2011

<sup>7</sup> Global Times Jan. 6, 2011

Farm produce prices rose for a fourth consecutive week, through 23 January, the Ministry of Commerce said.

One reason for the price hike was that freezing weather in southern China had affected vegetable production and transportation, the ministry said.

The wholesale prices of 18 staple vegetables grew 12.6 percent week on week. Also, the prices of green peppers, cucumbers, chilli peppers and bean pods rose by at least 10 percent.

As the Spring Festival draws near, the demand for meat and eggs increased, while enterprises have been stockpiling supplies and large purchases have expanded.

Egg prices climbed 1 percent week on week and beef prices went up 0.8 percent, while pork prices increased 0.7 percent and chicken prices were up 0.2 percent.

Rising food prices pushed up China's CPI hitting 3.3 percent in 2010, compared with the government's target ceiling of 3 percent, the National Bureau of Statistics said.

### **Drought may reduce wheat output<sup>9</sup>**

Drought in the country's major wheat growing regions since late last year might reduce winter output, after seven years of consecutive production increases, said analysts.

The nation's top three wheat producing regions - Henan, Shandong and Hebei provinces - have been in a near continuous drought since late last year. Responsible for more than half of the country's wheat output, the agricultural crisis in these provinces is expected to push up wheat prices in 2010, said Zhang Yanlin research director with CIC Consulting in Shenzhen in a report.

These three provinces are among the worst hit areas and make up more than 90 percent of the nation's wheat output.

Rainfall in these provinces dropped more than 80 percent from the annual average, the worst since 1970, according to water resource department records.

In Shandong, more than half of planted areas have been hit by drought, while that figure is 25 percent for Henan and 33 percent for Hebei, according to ChinaGrain.cn.

The impact on output from the drought is huge and the situation could get worse if the drought continues into the spring season, analyst Liu Qingli said, with GF Futures Co in Guangzhou.

However, Liu believes the country would have enough wheat in reserve to weather the output reduction due to several good harvests.

The country's output of wheat, a major staple in North China, amounted to 115 million tons last year, about the same as 2009, according to the China National Grain and Oils Information Center.

### **23.7 million tons state reserve corn sold in 2010<sup>10</sup>**

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<sup>8</sup> TheCattelSite News Jan. 26, 2011

<sup>9</sup> Global Times Jan. 17, 2011

<sup>10</sup> Feed E-News Jan. 1, 2011

China sold 23.7 million metric tons of state reserve corn out of a total of 47.5 million metric tons offered in auctions in 2010, according to the China National Grain & Oils Information Center.

From Jan. 5 to Dec. 28, state reserves sold 7.7 million metric tons of corn out of 20.2 million metric tons under the inter-province stock transfer program. Another 16 million metric tons out of 27.3 million metric tons in the northeast regions were sold from April 13 to Dec. 28.

Reserves were sold for an average of RMB 1,882 per ton (through the inter-province stock transfer program) and RMB 1,662 per ton (in the northeast regions).

### **Corn imports likely to limit<sup>11</sup>**

China may limit corn imports this year after the government told industrial users to stop buying the domestic supply, according to Yigu Information Consulting Ltd. Starch and ethanol producers use about 40 million tons a year, so a temporary halt in purchases may free material for the livestock industry, said Feng Lichen, general manager of Yigu.

China imported 1.57 million tons of corn in 2010, according to customs data, the most in about 14 years, as the government sought to cool food inflation running at 9.6 percent in December. The country may boost purchases "to upward of" 7.4 million tons this year, said Thomas Dorr, president of the US Grains Council, in December.

The state reserves were given priority to buy corn at below-market rates while other users, including biochemical producers owned by COFCO, were ordered to halt procurement, Feng said on Jan 17. These companies have now stopped buying. The government is concerned about pork supply for the people, so this policy essentially ensures domestic supply can meet livestock use, he said.

China produced 164 million tons of corn in the marketing year ended Sept 30, with 99 million tons used by the livestock industry and 45 million tons by producers of bio-chemicals, data from the China National Grain & Oils Information Center show.

Buying by trading companies, which stockpile the grain as part of their operations, has also stopped as the government restricts their financing, so purchase prices may come down to where the state reserves will start buying, Feng said.

### **China, Indonesia launch joint hybrid rice research program<sup>12</sup>**

A technical research program aimed at developing best hybrid rice variety for Indonesia jointly conducted by Chinese and Indonesian scientists was launched in Jakarta with the effective research period set to due in 2013. The launching of the research was conducted by representatives of China's crop varieties development firm Long Ping Hi Tech and Indonesia's agricultural ministry.

Through such a program, Indonesia will send its agricultural scientists and officials to be trained in China, developing best training programs for Indonesian farmers in selecting the best hybrid rice variety that fits with the country's soil and natural condition.

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<sup>11</sup> Bloomberg News Jan. 28, 2011

<sup>12</sup> China.org.cn Jan. 1, 2010

China and Indonesia are two large countries most of whose populations consume rice. The joint cooperation in hybrid rice research program between scientists in both countries is highly expected to improve the average rice production in Indonesia, and will eventually help achieve a rice self-supplied level in Indonesia.

### **COFCO bought 150,000 tons feed wheat from Australia<sup>13</sup>**

China's state-owned grains trader COFCO has bought three cargoes of Australian feed wheat for March and April shipment, a Chinese feedmill source and a trade source with knowledge of the shipments said.

The cargoes, totalling about 150,000 tons, were priced at US\$260 per ton FOB, they said.

The feedmill source said COFCO planned to sell the feed wheat to mills in the south of China. Feed mills have not received any wheat import quotas and it was unclear if COFCO was using private or government quotas for the purchase.

China has had an annual wheat import quota of 9.64 million tons since the country joined the WTO in 2001. Only 10 percent of the quota goes to private flour mills, which largely import milling wheat.

In 2010, China imported 1.23 million tons of wheat, 36 percent more than in 2009, which saw a big shift from net exports the previous year. China normally imports to meet demand for high quality bread and cakes at the top end of the market, but it is under no pressure to import because it holds large reserves.

Australia, the world's fourth-largest wheat exporter, is expected to have ample supplies of feed-grade wheat after torrential rains and flooding in recent weeks downgraded the quality of much of its latest wheat harvest.

"More imports much depend on prices. If prices are competitive and domestic clients can accept the price, we believe more imports could happen," said one trading executive with COFCO.

The feed wheat, with freight and import duty, was about RMB 1,900 per ton, which was more attractive than corn offered at RMB 2,200 per ton in some provinces in the south, according to calculations by some feed mill officials.

### **USGC facilitates industry-wide response to China's DDGS imports anti-dumping case<sup>14</sup>**

The U.S. Grains Council (USGC) coordinated an industry-wide registration process for interested U.S. companies in response to China's anti-dumping case against U.S. DDGS imports after calling the investigation "surprising" and one that "could be disruptive to trade."

"China's unusual market and supply volatility over the last two years has resulted in new global trade flows," said Grains Council President and CEO Thomas C. Dorr in response to the case. "As trade flows change, it should perhaps not be surprising there would be an adjustment period in response to unprecedented demand. The United States takes pride in being a reliable supplier of high-quality feed and food grains and its ability to rapidly respond to global market demands."

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<sup>13</sup> China Economic Net Jan. 20, 2011

<sup>14</sup> Feed E-News Dec. 31, 2010

Dorr said the Council looks forward to maintaining its good relationship with China and hopes for a positive resolution to the investigation.

### **German pork, egg imports banned<sup>15</sup>**

Germany's dioxin contamination problems deepened as China has banned imports of "German-produced edible pork and egg products". Pork bi-products from Germany, such as pig's ears and feet, are atop the Chinese government's list of banned imports, a senior German agricultural ministry official said.

General Administration of Quality Supervision, Inspection and Quarantine announced in a statement on its website dated Jan. 11, saying the move was aimed at safeguarding the health of consumers. Authorities also said they would inspect goods shipped from Germany prior to Jan. 11 and would release them only if found to be safe.

German exports of pork to Chinese mainland in 2009 stood at some 7,000 tons, valued at 5.9 million euros (US\$7.75 million), while global German pork exports were 2.2 million tons worth 4.4b euros (US\$5.78 billion), according to the German agricultural ministry.

The crisis began when it emerged that a German firm may have supplied some 3,000 tons of fatty acids only meant for industrial uses to makers of animal feed late last year. The feed was then widely distributed.

With eggs found to have high levels of dioxin, which can cause cancer in high doses, German authorities destroyed 100,000 eggs and banned almost 5,000 poultry and pigs farms from selling produce while tests were conducted.

### **Vietnam unofficial exports of live pigs skyrocketed<sup>16</sup>**

Unofficial exports of live pigs from Vietnam to China have risen sharply in recent times. The causes of these exports are believed to be higher pork prices in China and higher value of the Chinese yuan.

It is estimated recently that 40 to 50 trucks of pigs have made its way to a place near the Mong Cai Border Gate everyday, eventually ending up in China.

"It appears that pigs are not only bought from northern provinces, but also from the south, including HCM City, Binh Duong and Dong Thap provinces," Nguyen Minh Cuong head of the Mong Cai Animal Quarantine Station said. Borders have been crossed by truck owners as well as pig traders who have discovered ways of taking pigs across the border. The prevention of this has proven difficult, Nguyen Minh Cuong further added.

An increase of checks on import and export of meat products will be set in place.

### **Yuhe set to expand capacity by 43 percent<sup>17</sup>**

Yuhe International has announced that the company's wholly owned subsidiary Weifang Yuhe Poultry Co., Ltd. entered into a series of asset purchase agreements to purchase 10 breeder

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<sup>15</sup> AFP Jan. 13, 2011

<sup>16</sup> PigProgress.net Jan. 6, 2011

<sup>17</sup> ThePoultrySite News Jan. 5, 2011

farms in Liaoning and Henan Provinces for an aggregate purchase price of RMB108,686,716 (US\$16.4 million), which will increase its production capacity by 43 percent to 3.15 million sets of parent breeders, positioning the company further ahead of its competitors. The 10 breeder farms are purchased from six individuals engaged in large-scale parent breeder raising businesses, where eight breeder farms are in Liaoning province, and two are in Henan province.

The acquisition consideration will be paid in combination of cash and Yuhe's stock. Total cash consideration amount to RMB 80,098,406 (US\$12,099,457). The share consideration is calculated at a price of US\$10 per share with total share consideration equal to approximately RMB28.6 million (US\$4.3 million), for approximately 431,848 restricted shares of Yuhe's common stock. The restricted shares are subject to a six-month lock-up period.

The 10 breeder farms have a total production capacity of 950,000 sets of parent breeders, covering an area of approximately 91 acres (558 Mus) with a building coverage of approximately 1,471,869 square feet (136,740 square metres). The assets purchased include the buildings and breeding equipment for the breeder farms, as well as land lease rights with terms ranging between 20 years and 50 years. Upon closing, Yuhe will have an increased production capacity of 3.15 million sets of parent breeders, accounting for eight percent of China's broiler market in terms of production capacity. Geographic details for the 10 acquired breeder farms are as following: one farm in Anshan City, Liaoning province; One farm in Wafangdian City, Liaoning province; Two farms in Haicheng City, Liaoning province; One farm in Dandong City, Liaoning province; Three farms in Shenyang City, Liaoning province; and two farms in Zhoukou City, Henan province.

Yuhe plans to put the first batch of 550,000 sets of parent breeders into production by the end of the third quarter of 2011, and the remaining 400,000 sets by the end of the fourth quarter of 2011. The production increase will be reflected in the Company's broiler output in 2012, when the breeding stocks enter their egg-laying peaks. This revenue-contribution timeframe is similar to that in Yuhe's previous acquisitions in December 2009 and June 2010, where the production increase from an accumulated 1.05 million sets of parent breeders is expected to be reflected in the Company's broiler output in 2011.

### **Sumpo raises capital to triple capacity<sup>18</sup>**

Sumpo Food Holdings Ltd, a Fujian province-based chicken meat products supplier, one of the suppliers to Kentucky Fried Chicken and Dicos Fried Chicken on the mainland, expects to triple its production capacity with fresh capital raised from an initial public offering in Hong Kong to meet the growing demand of consumers and clients.

An official source reports that Sumpo Food's current capacity of slaughtering and processing up to 18 million broilers per year has already fallen short of demand from the fast-food restaurants as well as retailers. By raising funds from the Hong Kong listing, the company is going to establish new breeder farms, hatching facilities as well as new broiler breeding farms to add another 36 million broilers in capacity each year.

Sumpo Food is offering 400 million shares, 10 percent of which will be through a public offering to individual investors with the remaining portion via placement to institutional investors, at a price of HK\$0.60 to HK\$0.80 per share. Assuming the over-allotment option is not exercised and based on the median offer price of HK\$0.70 per share, net proceeds from the shares offer are estimated to be about HK\$258 million, according to the term sheet.

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<sup>18</sup> ThePoultrySite News Dec. 30, 2010

According to the track record provided by Sumpo Food, the company's net profit stood at CNY44 million, CNY46 million and CNY59 million for the three years to 2009. The company earned CNY22.9 million in the first six months of 2010.

### **Rural biogas seen rapid development<sup>19</sup>**

According to official statistics, during the 11<sup>th</sup> Five-Year Plan period (2006-2010), a total of RMB 21.2 billion from the central government was spent on the development of biogas in rural areas. By the end of 2010, the number of household biogas users amounted to over 40 million or 33.3 percent of the national total with proper conditions for biogas use, benefiting 155 million people.

In the past five years, more than 22 million biogas projects for individual household use were finished (including 20 thousand small-scale ones and 3192 large-scale ones). And what had been changed were no straw and stalks for biogas generation and no biogas tanks for school.

With funds from the central government budget, set up were 77.6 thousand rural service sites and 50 county service stations for 30 million rural households or 75 percent of the rural total, playing an important role in supporting the biogas use. Meanwhile, over RMB 31 million was allocated to research and education institutes for biogas R & D.

By the end of 2010, there were more than 260 thousand people working in biogas generation and 3.9 thousand companies engaged in biogas generation and service. According to incomplete statistics, the output value of rural biogas exceeded RMB 24 billion in 2009, an increase of three folds above 2005.

By the end of 2010, it was expected that biogas production would reach over 16 billion cubic meters (about 13 percent of the national annual consumption of natural gas) which would equal over 25 million tons of standard coal, reducing carbon dioxide by more than 50 million tons; and nearly 400 million tons of biogas manures could be produced annually which would reduce the use of pesticides and fertilizers by over 20 percent and improve 80 million mu (5.33 million ha) of farmland.

### **China, US clean energy forum concludes with big deals signed<sup>20</sup>**

The Second US-China Strategic Forum on Clean Energy Cooperation concluded with a series of big clean energy deals signed and companies from both countries having discovered shared goals and interests.

The two-day gathering included panel discussions and working group meetings under the theme of US-China relations in the next decade, bringing together more than 200 government leaders, business executives and experts from both countries to discuss an array of energy collaboration topics.

More than ten clean energy cooperation deals were inked during the forum, fresh evidence of the enhanced bilateral collaboration in the private and public sectors.

China's ENN Group and US Duke Energy had signed an agreement on the "Future Energy Technology Demonstration Platform" in an effort to promote the joint development of

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<sup>19</sup> Ministry of Agriculture Jan. 11, 2011

<sup>20</sup> Xinhua News Jan. 20, 2011

technologies to help build green cities in China and the United States.

US General Electric (GE) and China Shenhua Energy Company have announced to set up a joint venture to combine GE's expertise in gasification and cleaner power generation technologies with Shenhua's expertise in building and operating gasification and power generation facilities. The joint venture will seek to advance cleaner coal technology solutions for industrial chemicals, fuels and power generation.

## Statistics

### Agricultural produce average prices of 200 major production counties Dec.20-30, 2010<sup>21</sup>

Product	Specification/Unit	Price (RMB)	Percentage changes as compared to last period (% , Dec.1-10, 2010)
Corn	Unprocessed / kg	2.12	-0.24
Soybean	Unprocessed / kg	5.42	0.50
Hsien rice	Unprocessed / kg	2.38	0.43
Japonica rice	Unprocessed / kg	2.84	0.19
Wheat	Unprocessed / kg	2.18	0.03
Rapeseed	kg	4.54	1.17
Peanut	Shelled / kg	10.76	0.09
Unginned cotton	Unprocessed / kg	10.17	0.35
Hog	Finisher / kg	13.65	-0.54
	Piglet / kg	16.96	-0.74
Broiler	Ready for slaughter / kg	13.45	0.44
Live cattle	Ready for slaughter / kg	17.22	0.40
Live sheep	Ready for slaughter / kg	19.60	1.84

<sup>21</sup> National Bureau of Statistics

**Average food prices in 50 cities Jan.11-20, 2011<sup>22</sup>**

<b>Item</b>	<b>Specification/Unit</b>	<b>Current price (RMB)</b>	<b>Percentage changes as compared to last period (% , Jan. 1-10, 2010)</b>
Rice	Japonica rice / kg	5.24	0.6
Flour	Strong flour / kg	4.83	0.2
Flour	Standard wheat / kg	3.92	0.3
Soy products	Bean curd / kg	3.70	0.3
Peanut oil	Pressing / litre	21.88	0.1
Soyabean oil	5 Lin barrel bulk / litre	11.61	0.0
Rape seed oil	Grade 1 in bulk / kg	12.60	1.0
Pork	Rump / kg	23.71	0.8
Pork	Belly meat / kg	22.77	0.6
Beef	Leg / kg	36.62	1.1
Mutton	Leg / kg	44.12	1.7
Chicken	Frozen fresh chicken / kg	17.40	0.5
Chicken	Breast / kg	19.12	1.2
Ducks	Frozen fresh duck / kg	16.63	0.9
Eggs	Fresh eggs in bulk / kg	10.03	2.2

<sup>22</sup> National Bureau of Statistics

## Major meat retail price January 2011<sup>23</sup>

### Pork (Lean):

RMB1.00 yuan/kg

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
A. 01/11/11-01/20/11	B. 01/01/11-01/10/11	C. 12/11/10-12/20/10	D. 01/11/10-01/20/10	(A-B)/B	(A-C)/C	(A-D)/D
25.86	25.88	25.72	23.42	-0.11%	0.54%	10.42%

### Egg:

RMB1.00 yuan/kg

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
E. 01/11/11-01/20/11	F. 01/01/11-01/10/11	G. 12/11/10-12/20/10	H. 01/11/10-01/20/10	(E-F)/F	(E-G)/G	(E-H)/H
9.88	9.68	9.72	7.78	2.07%	1.65%	26.99%

### Chicken:

RMB1.00 yuan/kg

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
I. 01/11/11-01/20/11	J. 01/01/11-01/10/11	K. 12/11/10-12/20/10	L. 01/11/10-01/20/10	(I-J)/J	(I-K)/K	(I-L)/L
16.98	16.84	16.68	14.58	0.83%	1.80%	16.46 %

### Beef (Fresh Boneless):

RMB1.00 yuan/kg

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
M. 01/11/11-01/20/11	N. 01/01/11-01/10/11	O. 12/11/10-12/20/10	P. 01/11/10-01/20/10	(M-N)/N	(M-O)/O	(M-P)/P
35.36	35.20	35.04	34.26	0.45%	0.91%	3.21%

<sup>23</sup> China Animal Agriculture Association