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## China Agricultural Newsletter – May 2011

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## Laws, Regulations and Policies

### Illegal additive buyers for food must give names<sup>1</sup>

The Ministry of Agriculture called for local authorities to take the names of anyone buying any items from a list of 151 substances that are commonly abused by people producing tainted food.

The list of substances that can no longer be bought anonymously include clenbuterol, malachite green and melamine - additives at the center of recent scandals involving unsafe food.

In late April, the central government launched a campaign to fight the use of illegal additives and found that some local authorities were paying less attention to the challenge than others while some counties and villages were completely failing to fulfill their responsibilities to ensure food is safe.

"The main problem is the incomplete control of the production, sale and use of prohibited substances. The real-name policy will help solve that problem," Chen Xiaohua, vice-minister of agriculture, said.

The ministry also requires manufacturers of the 151 drugs and additives to print warnings on packages saying they are "strictly prohibited for use in animal feed and drinking water".

The ministry did not detail how people will be punished if they violate the rules.

### Food safety campaigns rolled out<sup>2</sup>

Ministry of Agriculture (MOA) said it has launched a series of campaigns to deter illegal activities in the food sector in the wake of several notorious food safety scandals that have shocked the nation.

The campaigns mainly target excessive pesticide residue in vegetables, toxic clenbuterol in pig feed, illegal additives in dairy products, substandard veterinary medicine, banned additives in aquatic products and fake agricultural materials, according to a statement by the MOA.

<sup>1</sup> TheCattleSite News May 13, 2011

<sup>2</sup> Xinhua News May 6, 2011

The ministry said it will step up supervision over production and supply chains to prevent unsafe products from entering the market. Those found violating the regulations will be severely punished, the statement said.

According to a monitoring survey conducted by the MOA in 141 major cities and farm produce areas, the qualification rate of vegetables, animal products and aquatic products stayed at the high levels of 97.1 percent, 99.8 percent, 97.8 percent, respectively.

But public concerns regarding food safety continue to grow as more scandals are made public. The latest such cases included steamed buns dyed with unidentified chemicals and the use of the fat-burning addictive clenbuterol in pork.

### **New rules regulate recalls of unfit food<sup>3</sup>**

The General Administration of Quality Supervision, Inspection and Quarantine posted details about the new rules on its website to solicit public opinions of revised national regulations that set out when and how tainted food should be recalled from the shelves

The draft, which updates regulations introduced in 2007, makes it clear that food producers are not allowed to reuse food that has been recalled to create other food products after decontamination.

However, the new rules say that food that has been recalled because of defective labels or instructions can be put back on the shelves once the problem has been fixed - but only after customers have been informed.

The draft regulation urges food companies to report the progress of food recalls to local quality supervision authorities within three days of unsafe food products being identified and recalled. They should also inform manufacturers, sellers and consumers upon discovering unsafe products, it said.

The revision calls for the administration's local bureaus to document food recalls and establish files on the companies involved.

Businesses responsible for the production of unsafe food may face fines of up to 30,000 yuan (\$4,600) for failing to respond in a timely and appropriate way, the revision says.

### **RMB 1.21 bln allocated to support industrialized agricultural operations<sup>4</sup>**

According to National Comprehensive Agricultural Development Office, the central government has allocated subsidy funds of RMB 1.21 billion yuan in 2011 for 2,473 projects on industrialized operations under the comprehensive agricultural development program with emphasis on development of bases for vegetables and other crops and those for livestock and poultry farming and aquaculture, and processing and preservation of agricultural products.

The official from the office introduced that efforts were being made to further strengthen transformation of medium- and low-yield farmlands and development of high-standard farmlands under the national comprehensive agricultural development program.

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<sup>3</sup> Global Times May 25, 2011

<sup>4</sup> China Financial and Economic News May 5, 2011

Of the appropriation of RMB 1.21 billion from the central government, RMB 680 million would be used for 1,753 projects on specialized farmer cooperatives and RMB 530 million for 720 projects on leading enterprises.

## Industry and Business Watch

### **Worst drought in 50 years along Yangtze<sup>5</sup>**

The worst drought in 50 years to hit provinces along the Yangtze River may continue to plague Central China. Data indicated that rainfall in these regions is 30 to 80 percent less compared to normal years, while the provinces of Anhui, Jiangsu, Hubei, Hunan, Jiangxi, Zhejiang and Shanghai municipality continue to suffer the worst drought since 1954.

Droughts have negatively impacted 104.4 million mu (6.96 million hectares), or more than 5 percent, of China's farmlands, the country's top drought relief authority said. It affected 3.29 million people and 950,000 livestock in the provinces of Jiangsu, Anhui, Jiangxi, Hubei, and Hunan, according to the latest statistics from the Office of State Flood Control and Drought Relief Headquarters (SFDH).

Between January and April, the Yangtze River basin received 40 percent less rainfall than the average level of the past 50 years.

The water area of Dongting Lake in the middle reaches of the Yangtze River was 73 percent less on May 20 than the same day last year, according to statistics from the China Meteorological Administration.

The lingering drought in Hubei has affected nearly 10 million people, about one sixth of its population, and influenced 1.2 million hectares of farmland, causing direct economic losses of RMB 7.1 billion yuan (USD1.1 billion), according to the provincial civil affairs department.

Since the end of last autumn, most areas of Hubei have received 50 percent less rainfall than the same period in 2010.

The SFDH asked the Three Gorges Dam to increase water discharges to up to 12,000 cubic meter per second (about 3,000 cu m per second more than the water flowing in) from May 25 to June 10, in order to raise the water level in the middle and lower reaches.

As the summer planting season approaches, farmers remain uncertain whether the occasionally pumped water will be sufficient. With water conservancy facilities unable to provide enough water, farmers must pay high prices for irrigation, and this burden has forced some households to give up on this planting season.

### **Challenges faced in grain production despite bumper summer harvest<sup>6</sup>**

China still faces challenges in grain production, although it is likely to see a rise in summer grain output this year, a senior official said.

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<sup>5</sup> Xinhua News May 25, 2011

<sup>6</sup> English.news.cn May 25, 2011

Prices of producer goods have continued rising, which has squeezed farmers' profit margins and dampened their enthusiasm for production, said Ma Xiaohe, deputy head of the Academy of Macroeconomic Research under the National Development and Reform Commission.

Labor costs have also increased recently, indicating the possibility that farmers may abandon grain production to look for other jobs to earn more money, he said.

The loss of arable land due to urbanization and the country's antiquated agricultural infrastructure also threaten grain security.

Ma said the government should increase financial support for agricultural production and take more measures, such as developing a commodity futures market, to ensure grain security.

### **Vice Premier Hui urges growth of modern seed industry<sup>7</sup>**

Chinese Vice-Premier Hui Liangyu has urged local governments to give top priority to establishing a modern seed industry in an effort to promote the stable development of the agriculture sector and ensure food security.

Relevant local authorities should include breeding high-quality seeds in their efforts to boost agricultural innovation and develop a modern agricultural system, Hui said. He called for efforts to advance technical innovation in breeding top quality seeds, promote seed enterprises' competitiveness through mergers and restructuring, strengthen policy support to ensure seed supplies and enhance seed market supervision.

He also urged authorities in different regions to make local plans for boosting the seed industry, fully implement central government's support policies, push forward reforms in the seed industry's research, production, operation and management sectors, and enhance cooperation with other relevant departments.

### **New super rice variety expected to increase grain output<sup>8</sup>**

The Rice Institute under the Guangxi Academy of Agricultural Sciences (GAAS) announced that the three-line indica rice variety Teyou 582 developed by the local scientists had been recognized by the Ministry of Agriculture as an identified super rice variety for 2011. This new variety is of stronger adaptability and lower cost of production, which is expected to contribute to higher output by big margin.

According to Deng Guofu, a researcher of GAAS Rice Institute, Teyou 582 would not be affected very much by light and temperature compared with the two-line indica rice. It was of lower costs of production and higher output, and could grow in everywhere in Guangxi. In addition, its growing period was about 124 days, 5 to 7 days less than Teyou 63, a dominant variety in use currently. Statistics showed that up to now a total of more than 200 000 mu of farmland had been planted to Teyou 582.

### **9 working groups dispatched by MOA to major grain producing areas<sup>9</sup>**

The Ministry of Agriculture (MOA) recently dispatched 9 working groups headed by general directors of various departments/bureaus to 15 provinces, autonomous regions and

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<sup>7</sup> China Daily May 11, 2011

<sup>8</sup> Xinhua News May 1, 2011

<sup>9</sup> Ministry of Agriculture May 5, 2011

municipalities, namely Hebei, Shanxi, Inner Mongolia, Liaoning, Jilin, Heilongjiang, Jiangxi, Shandong, Henan, Hubei, Guangdong, Chongqing, Sichuan, Yunnan and Xinjiang for guiding on better field management of summer grain crops at the middle and late stages of the growing season.

These working groups would make field trips for inspection, farm household's visit and seminar. By doing so, they would have first-hand information of planned areas of grains and other major crops, farmers' plans for growing crops, progress in spring ploughing operations and growing conditions of summer grain crops; learn about experience and success in spring production and drought fighting as well as difficulties and problems in this regard; listen to suggestions made by farmers on measures for agricultural production especially grain production; and provide technical advice and service according to local conditions to help them deal with problems in order to ensure full completion of spring sowing/planting plans and a good harvest of summer grains.

### **Farm produce prices up<sup>10</sup>**

Prices for farm produce went up slightly, while prices for production materials declined, the Ministry of Commerce (MOC) said on May 17<sup>th</sup>.

Due to higher costs for aquatic products transportation in summer, wholesale prices of eight aquatic products went up 1.5 percent over the previous week. The growth rate was 0.3 percent higher, week on week.

The prices of meat were mixed with declines in mutton by 0.3 percent and beef by 0.1 percent. Pork prices, however, went up 1.2 percent and chicken prices gained 0.1 percent. Egg prices were up 0.8 percent due to declining output in summer.

Food prices have key weightings in the calculation of China's consumer price index (CPI), a major gauge of inflation, which hit 5.3 percent in April.

### **Organic food sales growing<sup>11</sup>**

A tiny sector in China - organic and natural food - is benefiting from the middle- to upper-income, health-conscious consumer and overseas returnees but misinformation, lax regulations and questionable business practices are proving to be major stumbling blocks.

At Lohao City Organic Store, sales have been growing at an average rate of 35 percent year-on-year. There are eight outlets in Beijing, six in Shenzhen, four in Chengdu and one each in Guangzhou and Tianjin.

Plans are afoot to set up more outlets in different parts of China but it's a daily challenge to ensure all produce from its suppliers is free from chemical and other life-threatening ingredients.

Foods from suppliers are put through stringent quality control by LohaoCity's purchasing department, which will also ensure clear labeling in accordance with local and international standards.

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<sup>10</sup> TheFishSite News May 19, 2011

<sup>11</sup> Global Times May 9, 2011

Despite the rise in sales, China's organic food market is still facing an uphill challenge in a country where farmers are used to pesticides and chemical fertilizers to beef up production and to keep weeds at bay, which usually means less hard work. While there is demand for organic, natural food, it is still uncommon to find it in the marketplace and the difficulty in locating reliable organic farmers or suppliers affects supply and demand.

### **Experimental base for “space-bred” crops opens in Shaanxi<sup>12</sup>**

An experimental base for growing "space-bred" eco-friendly crops has opened in Yulin city, Shaanxi province.

The base was jointly developed by the Aerospace Breeding Research Center and an agricultural cooperative in Yulin, which is on the edge of China's loess plateau and Mu Us Desert.

With the support of China Aerospace Science and Technology Corporation, agricultural experts will grow cash crops from seeds that have mutated in space, said an official with the corporation.

The Aerospace Breeding Research Center will select one or two superior cash crop strains each year to be grown at the base, said Qin Tianjun, deputy director of the aerospace breeding industry department with the China Aerospace Science and Technology Corporation.

The crops are expected to make the sandy soil in the region more productive and thus boost the development of the local agriculture sector, he said.

### **Argentine soy oil imports to be increased<sup>13</sup>**

China will buy 500,000 tons of Argentine soy oil, said Argentina's Foreign Minister Hector Timerman and China's Commerce Minister Chen Deming. The move indicates the thawing of a trade dispute last year, which reduced Chinese imports of the product.

The dispute was resolved in October but purchases remained limited. China imported 120,000 tons of Argentine soy oil in the first quarter of 2011. The total imports of the oil fell 43.9 percent to 1.34 million tons in 2010 because of the import ban, according to official customs data.

At the news conference, Minister Chen said: "It will be a deal that will come in the short term ... China will continue to buy Argentine soy oil." Chen also announced investments worth USD14 billion by Chinese companies in Argentina.

China is struggling to balance supply and demand of several major import commodities, because the government is reluctant to let local prices rise for fear of fueling inflation. However, in recent weeks officials have trumpeted two victories in their efforts to keep supplies flowing, saying China had imported enough sugar to ensure 2011 supply and revealed a 1 million tonne purchase of corn from the United States.

While China's total soy oil imports more than doubled from the first quarter of 2010 to 300,000 tons in the first quarter of this year, the volume from Argentina was unchanged, allowing the US to become the top supplier with 138,000 tons in the quarter.

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<sup>12</sup> People's Daily May 13, 2011

<sup>13</sup> China Economic Net May 16, 2011

## **250,000 tons of sugar reserves auctioned<sup>14</sup>**

China auctioned 250,000 tons of sugar from state reserves on May 31, with the starting price set at RMB 4,000 yuan (USD615) per ton, the Ministry of Commerce announced.

It will be the government's fifth auction of reserve sugar produced during the 2010-2011 crushing season, aiming to ensure market supply and stabilize prices.

In the previous four auctions, China sold 760,000 tons of reserve sugar.

## **Sow supply 10 percent short of market demands<sup>15</sup>**

China's pork prices are rising due to pig producers' concerns over tainted meat, rising costs and supply shortages.

Pork prices have risen to an average RMB 15 yuan (USD 2.31) per kilogram, up from RMB 9 yuan (USD1.39) in 2010. Recent troubles involving pigs being fed with banned lean-meat-producing drugs have worsened the existing supply shortage and pushed prices higher, said experts. The supply of sows was at 47.3 million at the beginning of the year, 10 percent short of market demands, according to a report by Qilu Securities.

Rising animal feed and labor costs are also playing a significant part in keeping pork prices at higher levels during the second quarter of 2011. Corn and feed prices have gone up 15.56 percent and 9.68 percent higher, respectively, compared to their 2010 numbers.

Pork prices are likely to add challenges for the Chinese government to control increases in the consumer price index in 2011, said Yi Xiaoguang, president of the Comprehensive Economic Research Institute. When conditions are right, dropping pork prices lead to decreasing numbers of piglets, which leads to significantly rising pork prices for producers and consumers.

## **High prices hit pig meat producers<sup>16</sup>**

Pig meat producers and processors in China have been hit hard as live pig prices have risen by nearly 60 percent over the last year. The price hike has squeezed profits in slaughtering and meat processing companies. Some pig slaughterers found their profits fall to RMB 20 (USD3.00) per head from previous up to RMB 60 (USD9.20) and supplies are also dropping as the pig herd numbers are falling.

The national average price for live pig is RMB 15.5 yuan (USD2.38) per kilo and the figure in North China has reached RMB16 (USD2.46). Pig raisers gain RMB 400 (USD61.48) per pig, reaching the peak in profit since September 2008.

The rising price has been put down to rising corn price for feed.

Corn price in Guangdong Province rose 30 percent from around RMB 1,800 (USD277) per ton last year to between RMB 2,250 (USD346) and RMB 2,300 (USD353) per ton.

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<sup>14</sup> Xinhua News May 28, 2011

<sup>15</sup> WattAgNet.com May 5, 2011

<sup>16</sup> China Business News May 18, 2011

Analysts say the clenbuterol scandal involving Shuanghui Group has also affected the market and supply. Some industry insiders are calling for government subsidies to help ease the awkward situation for producers.

### **Flu viruses rode on pig imports<sup>17</sup>**

China may have unwittingly introduced H1N1 flu viruses when it imported pigs from Europe and North America for breeding over the past few decades, researchers said.

Three virus families are endemic in pigs in southern China and one of them - the Eurasian avian-like H1N1 flu virus from Europe - is viewed as most threatening because humans have no antibodies against it, said the researchers, who published their findings in Nature magazine.

The researchers in Hong Kong, Singapore and Chinese mainland reached their findings after monitoring swine flu viruses in pigs in Hong Kong over a 12-year period.

"We found that since 2001, the Eurasian (flu) viruses and North American viruses had entered pig populations in southern China and replaced the earlier viruses," said Vijaykrishna Dhanasekaran, assistant professor at the Duke-NUS Graduate Medical School's Programme of Emerging Infectious Diseases in Singapore. "The import of breeding pigs has increased in southern China over the 20 years, this was done to improve the breeds," he said.

From 1998 to 2010, Dhanasekaran and colleagues collected more than 650 flu virus samples from pigs that ended up in a Hong Kong abattoir and found they all belonged to three lineages.

The most dominant was the Eurasian avian-like H1N1 virus. First detected in pigs in Belgium in 1979, it quickly became the most common flu virus in pigs in Europe. The other 2 lineages are the North American H1N2 swine flu virus which has been circulating in pigs in North America since the 1990s and the H1N1 swine flu virus which has been circulating worldwide, including in China, for more than 80 years.

### **Yurun to install electronic sow feeding in 60 farms<sup>18</sup>**

Yurun has signed a contract with Dutch automation system manufacturer Nedap Agri to purchase sow feeding system and install on 60 of its sow farms. Each farm will house 2,400 sows. A total of around 150,000 sows will be fed individually by the system

Established in 1993, the Yurun Group is originally a pork processing company and has two public listed companies. Yurun Food is one of its daughter companies which is listed in Hong Kong. With a turnover of HK\$21.5 billion Hong Kong dollars, profits totalling HK\$3.1 billion and a slaughtering capacity of 28.6 million finishers in 2010, the company is one of the major players on the Chinese market.

For the sow farms, Yurun opted for a group housing system using pig feeding stations. Apart from supplying the ESF devices, Nedap Agri will supervise to ensure successful implementation of the group housing.

### **Another scandal hits Chinese chicken<sup>19</sup>**

<sup>17</sup> ThePigSite News May 26, 2011

<sup>18</sup> PigProgress.net May 19, 2011

<sup>19</sup> ThePoultrySite News May 10, 2011

Traders are believed to have filled nearly 1,000 live chickens with mineral powder to increase their weights in Chongqing, adding new spice to the country's list of food scandals.

The chickens were found in Southwest Chongqing municipality during a raid jointly conducted by the local administration for industry and commerce, the public security bureau and the local highway law enforcement authority. The owners of the livestock confessed to the inspectors that each of the birds had been fed from 300 to 400 grams of barite powder. The chickens had been purchased from Zunyi, a city in Guizhou province.

Barite powder is mostly used to add weight to oil drilling mud, to deflect X-rays in medical science, as a material in the brakes of vehicles and in high-quality paints.

### **NDRC questions dairies<sup>20</sup>**

In an apparent attempt to show determination to rein in rising prices, China's top economic planner National Development Reform Commission (NDRC) held talks with foreign dairy producers about stabilizing prices.

The foreign dairy producers, including Abbott, Wyeth, Nestlé, Mead Johnson and Ausnutria Dairy Corp, were briefed on dairy product imports, quantity, price and production. Domestic dairy producers were not included in the meeting.

Early reports showed Nestlé hiked prices of some of their products in China by an average of 20 percent last month, and Ausnutria also raised the prices of its Allnutria series by RMB 30 yuan (USD4.62) to RMB 338 yuan recently.

The meeting followed NDRC's fining Unilever, the Anglo-Dutch consumer products giant, RMB 2 million yuan for spreading information about impending price hikes, disrupting the market. Besides Unilever, Tingyi Holding Corp, an instant noodle maker, was given a warning over discussing price increases publicly, but no fine was issued.

The moves were seen as NDRC's effort to ease public fears over rising inflation. But, some economists said NDRC's intervention may backfire as businesses under cost pressures may suspend production, which could reduce the market supply and drive prices higher.

### **MS Schippers joins forces with De Heus and Wellhope in China<sup>21</sup>**

MS Schippers, an international Holland-based livestock equipment company, has closed a joint venture with De Heus Feeds and the Chinese Wellhope Group. The new joint venture will combine MS Schippers' experience in the professional livestock industry with De Heus' and the Wellhope Group's sales infrastructure.

Key feature of the new JV, that apart from the pig industry will also target dairy and poultry markets, will be to increase general health status on farms and thus improve the technical results of farms, by using Western management know how. This will be delivered through specialized divisions, that exist within Schippers, e.g. Water Solutions, Pest Control and Hygiene Focus.

The joint venture will become operational in October 2011.

### **TechMix expands into China<sup>22</sup>**

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<sup>20</sup> Guangzhou Daily May 10, 2011

<sup>21</sup> PigProgress.net May 17, 2011

Animal nutrition company TechMix has launched TechMix BioTech in Shanghai. In a partnership created with GenTech China, the new JV facilities include a manufacturing plant, offices and sales team.

The new business initially includes six proven products from TechMix's swine product portfolio that focus on sows and young pigs. One well-known product of this portfolio is Swine BlueLite, a water-soluble hydration product combining acidified electrolytes and energy sources that maximize hydration. Other products include Mo' Milk, Liquitein, Gruel-tein, Baby Pig Restart and N-Take.

GenTech is a specialized Chinese enterprise comprised of four companies involved in food, feed and related products.

### **Yum's bid for Little Sheep subject to anti-monopoly review<sup>23</sup>**

Yum! Brands' proposed bid for Chinese hot pot restaurant chain Little Sheep Group will be subject to China's anti-monopoly inspection process, Ministry of Commerce spokesman Yao Jian said.

Yum offered to buy a 93-percent stake in the Inner Mongolia-based restaurant operator at HK\$6.5 per share in cash, Little Sheep said in an earlier statement to the Hong Kong Stock Exchange.

China's anti-monopoly laws require firms to get the government approval for mergers if their combined global revenues exceed RMB 10 billion yuan (USD1.54 billion) and each reports more than RMB 400 million yuan in sales revenues in China for the previous fiscal year.

Authorities must also review mergers if the firms' revenues in China exceed RMB 2 billion yuan for the previous fiscal year and each reports more than RMB 400 million yuan in sales revenues.

According to Yao, Yum's sales revenues in China hit RMB 33.6 billion yuan in 2010, while Little Sheep pulled in nearly RMB 2 billion yuan in sales revenues in 2010.

Yao reiterated that China will continue to open up its domestic market and treat all foreign companies fairly.

### **Wal-Mart to invest in e-commerce store Yihaodian<sup>24</sup>**

U.S. retailer giant Wal-Mart said that it has signed a deal to buy a minority stake in China's emerging online store Yihaodian. The transaction will be closed within 60 days, but the two companies did not reveal the specific volume of the deal.

"Online sales in China are growing rapidly and are projected to match U.S. online sales in the next few years," said a statement from Eduardo Castro-Wright, vice chairman of Wal-Mart Stores, Inc. and CEO of Walmart Global E-Commerce and Global Sourcing. "By investing in Yihaodian, we are continuing to establish a presence in this important e-commerce market and are moving forward in fulfilling our aspiration of being the world's leading multichannel retailer," the statement said.

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<sup>22</sup> PigProgress.net May 16, 2011

<sup>23</sup> Xinhua News May 17, 2011

<sup>24</sup> Shanghai Daily May 13, 2011

Wal-Mart's "excellent" supply system is expected to help Yihaodian to win a competitive edge in China's e-commerce industry, said a statement by Yu Gang, co-founder and chairman of Yihaodian.

Founded in the city of Shanghai in July 2008, Yihaodian provides a variety of products such as food, cosmetics and consumer electronics.

The website currently has nearly 1 million registered users, and its sales exceeded RMB 800 million yuan (USD123.08 million U.S.) last year, according to Yu's statement. Yihaodian plans to reach RMB 6 billion yuan in sales in the next two or three years, according to Yu.

### **RMB 1.7 bln for combating desertification in Xinjiang<sup>25</sup>**

A program to fight against desertification around the Tarim Basin in Xinjiang Uygur autonomous region is set to begin within this year, covering a total area of 625,300 hectares. Cost of the program is estimated at 1.72 billion yuan.

Desert area in Xinjiang accounts for 44.8 percent of the area of the region's total territory or 43 percent of the total area of all deserts in China.

The Tarim Basin is a farm produce base in Xinjiang and a bonanza of mineral resources, but with fragile ecological environment.

## **Statistics**

### **Average food prices in 50 cities May 11-20, 2011<sup>26</sup>**

<b>Item</b>	<b>Specification/Unit</b>	<b>Current price (RMB)</b>	<b>Percentage changes as compared to last period (% , May 1-10, 2010)</b>
Rice	Japonica rice / kg	5.38	0.0
Flour	Strong flour / kg	5.00	0.8
Flour	Standard wheat / kg	4.04	0.3
Soy products	Bean curd / kg	3.73	0.0
Peanut oil	5 Lin barrel bulk / litre	22.03	0.2
Soyabean oil	5 Lin barrel bulk / litre	11.64	-0.2
Rape seed oil	Grade 1 in bulk / kg	12.27	0.0
Pork	Rump / kg	25.62	3.3
Pork	Belly meat / kg	24.93	3.2
Beef	Leg / kg	37.64	0.6
Mutton	Leg / kg	43.83	0.3
Chicken	Frozen fresh chicken / kg	17.71	0.5
Chicken	Breast / kg	19.42	-0.2
Ducks	Frozen fresh duck / kg	16.77	0.1
Eggs	Fresh eggs in bulk / kg	9.58	4.8

<sup>25</sup> Xinhua News May 13, 2011

<sup>26</sup> National Bureau of Statistics

## Major meat retail price May 2011<sup>27</sup>

### Pork (Lean):

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
<b>A.</b> 05/11/11-05/20/11	<b>B.</b> 05/01/11-05/10/11	<b>C.</b> 04/11/11-04/20/11	<b>D.</b> 05/11/10-05/20/10	(A-B)/B	(A-C)/C	(A-D)/D
27.46	27.06	26.86	20.54	1.48%	2.23%	33.69%

### Egg:

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
<b>E.</b> 05/11/11-05/20/11	<b>F.</b> 05/01/11-05/10/11	<b>G.</b> 04/11/11-04/20/11	<b>H.</b> 05/11/10-05/20/10	(E-F)/F	(E-G)/G	(E-H)/H
9.40	8.94	8.88	7.56	5.15%	5.86%	24.34%

### Chicken:

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
<b>I.</b> 05/11/11-05/20/11	<b>J.</b> 05/01/11-05/10/11	<b>K.</b> 04/11/11-04/20/11	<b>L.</b> 05/11/10-05/20/10	(I-J)/J	(I-K)/K	(I-L)/L
17.24	17.24	17.26	14.80	0.00%	-0.12%	16.49%

### Beef (Fresh Boneless):

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
<b>M.</b> 05/11/11-05/20/11	<b>N.</b> 05/01/11-05/10/11	<b>O.</b> 04/11/11-04/20/11	<b>P.</b> 05/11/10-05/20/10	(M-N)/N	(M-O)/O	(M-P)/P
36.24	36.10	36.08	34.22	0.39%	0.44%	5.90%

### Mutton (Fresh Boneless):

Average Sales Price (Street markets & Supermarkets)				Var. Percent		
<b>Q.</b> 05/11/11-05/20/11	<b>R.</b> 05/01/11-05/10/11	<b>S.</b> 04/01/11-04/20/11	<b>T.</b> 05/11/10-05/20/10	(Q-R)/R	(Q-S)/S	(Q-T)/T
44.10	44.14	44.36	38.02	-0.09%	-0.59%	15.99%

<sup>27</sup> China Animal Agriculture Association