

China's Poultry Industry in 2010

The total output of poultry and eggs throughout the country was 27.627 million tons in 2010, up 0.8% from 2009.



Poultry Production

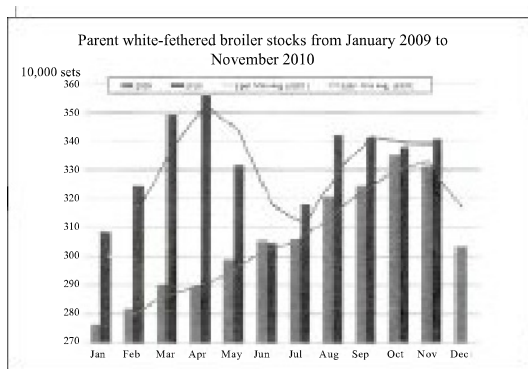
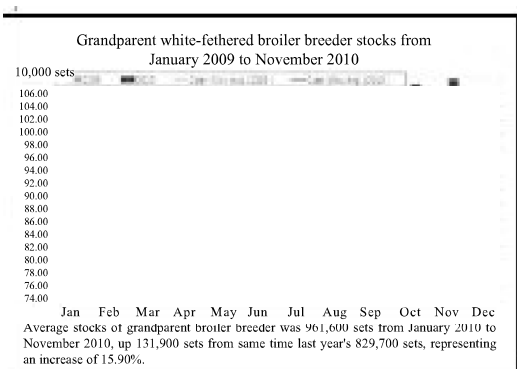
The number of poultry slaughtered in 2010 was 11.00578 billion in 2010, an increase of 332.726 million over the same period in 2009 at a growth rate of 3.1%. The provinces that ranked among the top ten in terms of slaughtering number in the country were Shandong, Guangdong, Henan, Jiangsu, Guangxi, Liaoning, Anhui, Sichuan, Hebei and Hubei. Poultry slaughtered in the above ten provinces were 8.074637 billion, accounting for 73.4% of total slaughtering number. Another ten provinces including Jiangxi, Hunan, Jilin, Zhejiang, Fujian, Chongqing, Yunnan, Heilongjiang, Hainan and Beijing contributed in total 2.441521 billion slaughtering poultry, accounting for 22.2% of

total slaughtering number. The market volume in the other regions totaled 489.622 million, only accounting for 4.4% of total market volume of poultry. Chicken dominated the market volume of poultry meats. According to calculation, broilers accounted for 85% of total market volume of chicken and selected layers accounted for approximately 15%.

Broiler

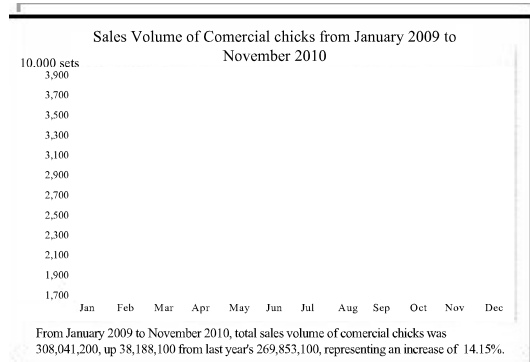
Production status of white feather broiler

From January 2009 to November 2010, the average amount of grandparent stocks nationwide was 961,600 sets, which increased by 131,900 sets over the same period of last year (829,700), an increase of 15.9%. From



(Source: CAAA)

January to November 2010, total sales volume of parent chicks nationwide was 40,877,900 sets, which rose by 3,112,100 sets over the same period of last year (37,765,800 sets), an increase of 8.24%. During this period, the average price of parent chicks was 10.5 Rmb/set, a decrease by 5.56 Rmb/set (34.59%) over the same period last year (16.06 Rmb/set). Over the January to November 2010 period, total sales volume of commercial chicks rose by 38,188,100 (14.15%) 308,041,200, which rose by 38,188,100 over the same period last year (269,853,100).



Production status of yellow-feather broilers

The yellow-feather broiler industry is a broiler industry with Chinese characteristics. Due to the abundant varieties of yellow-feather broilers in China, consumption of the birds is a trend that has developed over the years. Through years of rapid development, it has now become an increasingly competitive industry that has remarkable regional advantages, prominent characteristics and growing market shares.

The pattern of consumption of yellow feather broilers has changed in recent years. The consumer market has extended from Hong Kong and Macao regions, Guangdong, Guangxi, Fujian and Hainan, to Shanghai, Jiangsu, Zhejiang, Anhui, Hunan and Hubei. Meanwhile the production of yellow-feather broilers mainly centralizes in south and east China, Guangxi, Sichuan, Hunan and Hubei.

With respect to the feeding capacity, there are more than 800 million yellow-feather broilers raised each year in Guangdong Province, and more than 800 million in east China. The market in Hunan, Hubei, Sichuan and Chongqing has developed relatively well in recent years, which is manifested in the growing production and consumption. These regions have a total feeding capacity of about 500 million. According to industry expert estimates, as there have been signs of a slow-down in the development speed of the white feather broiler industry, the yellow feather broilers and selected layers have occupied half of broiler market and are growing. Assuming the country's feeding capacity of broilers is 6 billion, yellow-

	China's chicken production (ton)	export volume (ton)	import volume (ton)	import-export deviations (ton)	apparent consumption (ton)	per capita consumption (kg/year/per)	daily per capita consumption (g/per)	total population (100 million)
1996	6,384,838	308,903	309,128	-4,129	6,188,138	9.05	13.85	12.24
1997	7,284,268	308,264	286,207	96,027	7,396,256	9.82	15.05	13.36
1998	8,084,721	305,809	181,824	93,985	7,986,756	6.34	17.17	12.48
1999	8,288,720	315,869	780,112	-445,044	8,653,764	6.89	18.47	12.58
2000	9,078,865	372,802	799,791	-427,089	9,303,931	7.93	20.18	12.67
2001	9,338,874	358,966	645,565	-286,597	9,409,371	7.37	20.19	12.76
2002	9,324,373	306,996	895,705	-211,787	9,526,660	7.42	20.33	12.85
2003	9,677,809	234,907	585,295	-350,388	9,808,696	7.28	19.35	12.92
2004	9,884,839	98,534	180,739	-82,205	10,036,828	7.71	20.19	13
2005	11,796,593	331,524	475,418	-143,894	10,948,205	7.81	20.65	13.08
2006	10,380,698	228,248	678,181	-449,933	10,994,832	8.18	22.33	13.15
2007	11,281,698	331,444	785,675	-454,231	11,448,237	8.97	24.77	13.21
2008	11,843,098	237,569	799,483	-561,914	12,481,911	9.43	25.75	13.38
2009	12,381,098	238,815	731,969	-493,154	12,674,251	9.49	26.61	13.35

Per capita consumption of chicken increased by 87.7% and 26.5% in the past 14 years and in the past 10 years respectively.

	2005	2007	2009	2010	2011
Kuwait	86.7	80.7	85.8	76.7	71.7
UAE	86.8	84.9	83.8	83.1	80.8
US	45.8	45.1	44.2	42.2	40.3
Brazil	35.4	36.8	37.5	40.5	41.6
Hongkong	33.8	36.1	35.7	39.3	40.2
Malaysia	38.8	36.1	36.2	37.3	38.1
Argentina	38.8	38.9	38.6	37.7	37.3
Mexico	38	38	31.4	32.4	33.9
Taiwan	38	38.2	39.8	39.4	38
Russia	38	36.5	36.7	36.2	35.6
EU-27	16.7	16.2	16.2	16.3	16.1
Japan	16.8	17	17.4	17.8	17.6
South Korea	15.4	15.5	15.1	15.4	15.5
Thailand	12.4	12.9	12.7	13.8	14
Yemen	10.4	10.5	11.9	12.2	12.2
China	9	9.4	8.7	8.8	11.3
The Philippines	7.9	8.6	9	9.1	9.4
Vietnam	7.3	7.2	7.6	7.9	8.1
Vietnam	4.4	4.1	4.2	4.7	4.1

(Source: CAAA)

feather broilers account for half of the total amount. Most of them, about 2 billion, centralize in the Yangtze River Basin and southern regions. There are about 500 million yellow feather broilers in the other regions. In addition to selected layers and hybrid broilers bred by some enterprises, the number has exceeded the total feeding capacity of white feather broilers. The annual production of various yellow-feather broilers is about 4 billion in China; the yield of chicken meat is 3.6 million tons.

The largest ten yellow feather broiler breeding companies in China at present are capable of providing 30 million sets of parent stock each year, which accounts for 75% of the country's annual demand of parent stock. The breeding capacity in the largest 30 companies of parent stock of yellow-feather broilers is about 36 million sets, which accounts for 90% of China's annual demand of parent stock. Though there are some enterprises that purely specialized in the production of parent stock, enterprises engaging in product processing are growing in number. There are also some enterprises that have set up further processing lines. The industrial enterprise chain is extending and industrialization is being intensified.

Layer

Industrial development scale and speed of grandparent layer stocks

In 2010, the amount of grandparent layer stocks on-hand took an M-shaped move over the period, rising from 580,300 sets in January to 612,100 sets in March. After falling by nearly 60,000 sets in April, the level of breeding hens began to recover and rise in May, up to 590,700 sets in August, but then fell continuously to the lowest level of 463,500 in November. In 2010, the average number of grandparent stock sets throughout the year was 555,200, a 13.69% drop, or 88,100 fewer sets, from the same period of 2009 (643,200 sets). But, the amount

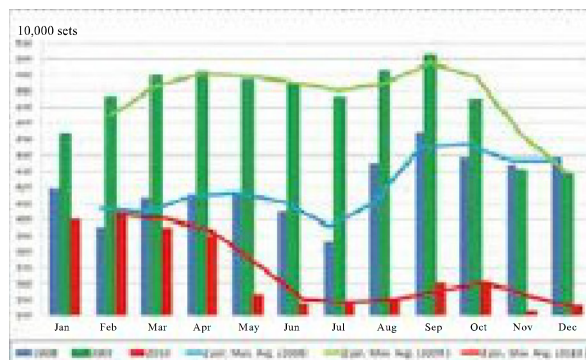


Variation of the amount of grandparent layer stocks nationwide from January 2008 to December 2010
(Source: CAAA)

in 2010 is an increase compared to 536,500 sets in 2008.

Industrial development scale and speed of parent layer stocks

In 2010, the total amount of parent layer stocks in China fluctuated slightly. The average number of parent layer stock sets throughout the year was 3,672,800 sets, lower by 1,068,200 sets in contrast with 4,741,000 sets in 2009, a 22.52% drop. Due to a continuous drop in the price of commercial chicks from October 2009 to the beginning of 2010, the amount of parent layer stocks fell from 4,000,000 sets in the beginning of the year (down by 11.73% over the same period in 2009). Breeders began to reduce the amount month by month. By June, the average amount of livestock was 3,470,000 sets, down 28.19% from same period in 2009 and lower by 500,000

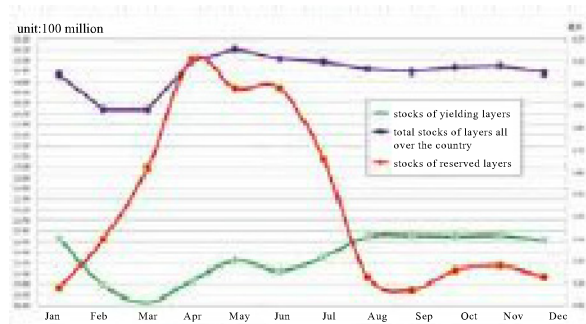


Variation in the amount of parent stocks among enterprises nationwide from January 2008 to December 2010
(Source: CAAA)

sets from January. The survey found that after July, parent stock levels resumed to some extent, though still falling lower. The highest amount of parent stocks was 3,610,000 sets in October, down 23.93% from the same period in 2009. The continuous market downturn resulted in less confidence of parent stock farmers in breeding. Overall, the amount of parent stocks reached its lowest level in recent three years, but the variation was slight.

Stocks of commercial layers

According to industry estimates, the average amount of commercial layers in China was 1.5 billion in 2010, higher by nearly 100 million over 2009, an increase of 5%. Yet, this amount was still somewhat lower in contrast with 2008 levels.



Stocks of layers in China in 2010

(Source: CAAA)

Egg

The total output of poultry and eggs throughout the country was 27.627 million tons in 2010, which increased by 221,000 tons over the previous year, with an increase of 0.8%. The top ten provinces in poultry and egg production were Henan, Shandong, Hebei, Liaoning, Jiangsu, Sichuan, Hubei, Anhui, Heilongjiang and Jilin. The total output from these regions was 21.762 million tons, which accounted for 79% of the country's total output.

Poultry and egg trades

Poultry trade

Chicken production across the country was about 17 million tons in 2010, an increase of 2% over the previous year. Prices of meat and poultry products rose by 2.9%. Poultry accounted for nearly 20% of meat consumption in China at present, with per-capita consumption about 10.9 kg.

Poultry trade remained in a negative trade balance

In 2010, China imported 542,000 tons of poultry, which fell by 27.2% over the previous year, including 285,700 tons from Brazil (52.7% of total import volume throughout the year), 108,100 tons from America (a drop of 53.1%, accounting for 20% of total import volume throughout the year), and 129,900 tons from Argentina (an increase of 89.9%, accounting for 24.0% of total import volume throughout the year).

In 2010, poultry export to Hong Kong was 157,000 tons, accounting for 76.2% of the total export volume of poultry, an increase of 15% over the previous year, and export to Malaysia was 21,500 tons, an increase of 35.8% that accounted for 10.4% of total export volume. Chicken and chicken products dominated the poultry export trade. The volume of exported fresh and frozen whole chickens was 60,200 tons, which dropped by 0.9% and accounted for nearly 30% of total export volume throughout the year. The export volume of chicken portions was 96,500 tons, which rose by 55.4% and accounted for 46.8% of total volume of exports throughout the year. Both the export volume and price of chicken and chicken products increased simultaneously.

According to statistical data from China's Ministry of Commerce, in 2010, the volume of exported chicken and chicken products from China was 378,669 tons,

Table 1: Chicken and chicken products exports to some regions and countries

Country & region	2010		Over the same period	
	Quantity (tons)	Amount (ten thousand US dollars)	Quantity (%)	Amount (%)
Asia	366275.7	111 562.1	29.0	31.1
Europe	10695.4	3 360.0	66.4	96.3
Africa	813.3	139.6	100.3	99.8
South America	581.3	110.1	41.0	49.3
Oceania	334.1	64.7	76.2	76.9
The Association of Southeast Asian Nations	24432.1	5 443.8	38.8	39.4
EU 27 countries	8603.2	2976.0	94.6	118.4
Middle East	10769.7	2121.5	61.2	68.2
The Commonwealth of the Independent States	5606.6	1094.5	-10.6	-1.8
Japan	180557.7	70111.5	34.4	32.1
Hong Kong	136956.0	30348.3	20.9	27.5
Malaysia	23553.4	5213.3	38.2	38.6
Britain	4482.9	1529.0	246.2	317.0
Korea	4125.8	1516.3	15.6	14.2
Bahrain	5639.2	1165.3	36.3	42.0
Kyrgyzstan	3957.9	795.5	-11.2	-0.4
Macao	2862.6	720.0	-7.5	-7.5
Holland	1999.3	687.6	-18.3	-9.2
United Arab Emirated	2875.5	552.4	188.8	216.9

an increase of 30% over the previous year. The value of exports was USD1.15 billion, which rose by 32.5% over the previous year. The average unit price was USD3,043.00 per ton, an increase of 1.9%. The trade of chicken and chicken products had characteristics as follows in 2010. Asia was the main export market.

In 2010, Japan ranked first in imports of chicken and chicken products from China in the amount with 180557.7 tons, an increase of 34.4% year-on-year, valued at USD701,115,000, an increase of 32.1% over the previous year. The average unit price was USD3,883.1 per ton, a drop of 1.7% over the previous year. The second was Hong Kong where the import volume was 136,956 tons (an increase of 20.9% over the previous year), valued

27.5% higher than the previous year at USD303,483,000, with a 5.5% higher average unit price of USD2,215.9 per ton, an increase of 5.5% over the previous year. Malaysia was in third place, with an import volume of 23,553.4 tons (an increase of 38.2% over the previous year), valued at USD52,133,000 (an increase of 38.6% over the previous year); the average unit price was USD2,213.4, an increase of 0.3% over the previous year.

The pattern of imports has changed

In its import market, after the "double-antis" investigation (antidumping and antisubsidy) specific to American broiler products, China obviously reduced imports of chicken from America. In 2010, America was no longer the largest chicken export country to

China. Instead, Brazil took its place. This was the direct cause for the drop in import volume throughout the year. The volume of imports from Argentina exceeded imports from America. While the total volume of imports exceeded 500,000 tons, this still created an adverse trade balance with 400,000 tons less of exports.

Egg trade

The value of egg trade in China rose from USD36 million in 2000 to 143 million in 2010. The annual growth rate reached a high of 30%. Exports rose from USD33 million to USD142 million, and imports rose from USD584,700 to USD1,325,200. In contrast with years before, the trade surplus has been extended year-by-year. Egg trade had the following characteristics in 2010.

Egg trade accounted for a small proportion

In 2010, the total production of eggs in the country was 27.65 million tons, with per capita egg production at 28.2 kg, which has reached the level of developed countries. China has become a large country in the production and consumption of eggs. But, China is still a small country in egg trade. In 2010, the volume of egg trade in China was less than 10% of total exports in the world, and less than 1% of total egg production in China.

Fresh eggs dominated in the egg trade marketplace

Fresh eggs are the principal products in the egg export trade of China. In 2010, China's export volume of fresh eggs rose to USD97,614,000, higher by 24.2% over the previous year, accounting for 68.7% of total egg exports (an increase of 3.6% over the previous year). In 2010, the export volume of egg products from China was up to USD44,261,000, higher by 5.8% over the previous year, making up 31.1% of total egg exports (a drop of 3.5% over the previous year). In 2010, China only exported a

small amount of eggs for hatching. Among egg imports, the value of eggs for hatching was USD1,057,800, ranking first among total imported eggs.

Concentration of target markets

Though China-produced poultry eggs have been exported to many countries and regions in Asia, Africa, Europe, North America and Oceania, but influenced by geographical position, quality and processing level, China's egg exports mainly covered surrounding countries and regions whose market share was more than 90% of total exports. Among others, Hong Kong, Japan and Australia were the main target export markets of poultry eggs from China annually. In 2010, egg exports from China to Hong Kong, Japan and Australia were respectively USD101,702,000; USD9,964,000; and USD9,583,000, which accounted for 71.5%, 7.1% and 6.7% of the total exports, respectively.

In the continental perspective, egg exports from China were mainly concentrated in the Asian region. In 2010, the value of egg exports from China to Asia was USD133,929,000. Exports to North America, Oceania and Europe followed in sequence, worth USD6,638,000; USD1,101,000; and USD331,000, respectively. In recent years, China has been strengthening exploration of such important overseas markets as Canada and Australia, striving for a multi-dimensional structure in the egg export market of China.

Trade modes and trade enterprises

In terms of the means of egg export trade, the basic pattern that general export trade dominated, while processing trade, petty trade in the border areas and other means of trade served as assistants to maintain trade. In 2010, the value of China's general egg export trade was USD141,125,000, higher by 17.6%, making up 99.1% of total egg export trade volume. In terms of egg trade enterprises, private enterprises played a

leading role in the egg export enterprises. The value of egg export trade of private enterprises reached USD111,014,000 in 2010, an increase of 29.6% over the previous year; foreign-funded enterprises reached USD23,411,000, a drop of 15.6% over the previous year; and Sino-foreign contractual joint ventures, Sino-foreign joint ventures and wholly foreign-funded enterprises reached USD159,000; USD17,543,000; and USD5,079,000, respectively, a drop of 7.1%, 19.4% and 2.0% respectively. The value of egg export trade of state-owned enterprises increased 5.2% over the same period last year to USD7,032,000.

Sources of egg export

The sources of egg exports from China were concentrated in Hubei, Guangdong, Liaoning, Shandong and Fujian provinces. Among others, export trade of egg products was concentrated in Fujian, Shandong and Guangdong, and export trade of fresh eggs was mainly from Guangdong, Shandong and Hubei. In 2010, the value of egg export trade of the five provinces mentioned above totaled USD118,793,000, accounting for 83.6% of total volume of egg export trade nationwide. Among others, Hubei was the province contributing most to the value of export trade of China, valued at USD40,054,000, which accounted for 28.2% of egg export trade volume.

The value of egg export trade of Guangdong, Liaoning, Shandong, and Fujian followed, valued at USD27,939,000; USD24,555,000; USD16,305,000; and USD9,940,000 respectively, accounting for 19.7%, 17.3%, 11.5% and 7.0% of the total export nationwide respectively.

General information of scaled-and-standardized operations

The table below reveals the number of larger operations is expanding, while the number of small-sized operations continues to shrink. While still a tiny share of total broiler farms, larger operations now account for a significant share of China's poultry meat output and continues to rise.

Meanwhile, minimum volumes for contracted household farms are also reportedly rising, in some cases to more than 5,000 birds per delivery. Previously, household farms could obtain contracts with only 2,000 birds per delivery. This has encouraged small operators to improve their production capacity and facilities. Zhucheng Foreign Trade Company, one of China's top ten broiler companies in Shandong province, has reduced its contracts with household farms from one-third of total volume to 17% over the last couple of years. **G**

Number of Chinese Broiler Farms at Different Flock Sizes, 2007-2009

	2007	2008	2009	% change 2009/08
Annual slaughter (Bird)	Farms	Farms	Farms	Farms
1-1999	28,613,036	17,127,006	26,609,204	-1.91
2,000-9,999	388,233	358,688	348,327	-2.89
10,000-49,000	131,087	136,833	155,017	13.29
50,000-99,999	10,204	12,405	14,802	19.32
100,000-499,999	2,161	2,623	3,531	34.62
500,000-999,999	192	344	369	7.27
1,000,000 and above	128	147	202	37.41

(Source: MOA)



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Top poultry enterprises in China



Wens Group

Wens Group is located in Guangdong Province. The group is now giving priority to chicken and pig breeding, and regards cattle, ducks and vegetables as supplementary, with support of ten major business systems, including animal health, processing, fertilizer industry, trade, and agricultural and husbandry equipment. In 2010, the group sold 724 million broilers; 5,050,000 pigs; 11,440,000 meat ducks; and 5,140,000 tons of feed on the market. The group's sales income totaled Rmb21.94 billion, an increase of 31% over the previous year. The group has 47,000 cooperative farmers, including 35,300 chicken farmers. In 2010, the yield of cooperative group farmers totaled Rmb2.077 billion, with Rmb45,300 per household, an increase of 35.9% and 25.8% respectively over the previous year.



Liuhe Group

Shandong Liuhe Group Co. Ltd. was established in 1995, with headquarters in Qingdao city, Shandong province. The major business activities of the group involve feed production, food processing, cultivation of breeding livestock and poultry, import and export trade, and cultivation guarantee. Liuhe Group has nearly 300 subordinate enterprises and more than 50,000 employees. In 2010, the sales income of the group was Rmb50.7 billion, with sales of feed and poultry as the leaders domestically. The group ranked the 157th among top 500 Chinese enterprises in 2010.



Hewei Group

Hewei Group, located in Guangde County, Anhui Province, was established in 1992. It is a leading national agricultural industrialization enterprise that integrates cultivation of breeding poultry and poultry breeding with food processing and production of feed. The group has nearly 2,000,000 sets parent breeding hens and 100,000 parent breeding ducks on hand. The group is capable of breeding 130 million broilers, hatching 350 million chicks and 50 million green ducks, producing 500,000 tons of feed, and slaughtering and processing 260 million broilers each year.



Doyoo Group

Located in Henan Province, Doyoo Group was established in 1984. It is mainly engaged in cultivation of breeding broilers, breeding of commercial chickens, feed processing, slaughter and processing of broilers, processing of cooked products and frozen prepared food, and production and operation of biopharmaceuticals. There is Hebi Base, Jiaozuo Base and Zhoukou Base under the group's Food Division. The group sells 3,030 tons of chilled chicken products; 93,056 tons of frozen products; 23,652.5 tons of fast-food products; 30,670.8 tons of fresh products; and 15,751 tons of new products each year. The group has 200,000 sets grandparent chickens, 2.2 million breeding parent broilers; 200 million-chickling hatching power; breeding scale of 200 million commercial broilers; slaughter and processing capabilities of 420,000 tons annually; fine processing capability of frozen prepared poultry meat of 100,000 tons each year. Sales were valued at Rmb10 billion in 2010.



COFCO

With its headquarters in Beijing, COFCO Meat Investment Co. Ltd., under COFCO, is a modern agricultural industrialization enterprise that integrates feed processing, breeding, slaughter and fine processing of poultry, and distribution and cold-chain distribution, with imports and exports of meat products. It aims to build a meat food industrial chain, and implements strict whole-course quality control throughout the industrial chain to ensure products are green and safe.



Sunner Group

Located in Fujian Province, the major businesses of Sunner Development Co. Ltd. are breeding, slaughtering and processing of broilers, as well as sales of chicken. The sales income from chicken accounts for more than 95% of the company's business income. The company sells separate frozen chicken to snake and food processing industries and in the wholesale market. The total turnover for 2010 revenue and net profit reached 2,069,516,920.97 RMB and 278,052,688.17 RMB respectively.



Huadu Group

The company is located in Beijing. On April 20, 2009, according to decision of State-owned Assets Supervision and Administration Commission (Jing Guo Zi [2009] No. 93), Huadu Group, Sanyuan Group and Dafa Livestock Products Company were restructured as Capital Agribusiness Group. In March 2010, through deliberation of board of directors, Capital Agribusiness Group decided to reorganize and merge Huadu Group and Dafa Livestock Products Company. The new company retains its original name of Huadu Group. Huadu Group

now has 1.3 million sets of parent stocks, five modern broiler slaughter and processing plants, five cooked food processing plants, six feed processing plants, two flavoring plants, and is capable of slaughtering 100 million broilers, processing 220,000 tons of chicken and 50,000 tons of cooked products annually. The group is also able to produce 13 million parent poult, 120 million commercial poult, 1 million tons of feed, 7,000 tons of flavorings, and 7.356 billion vaccines for each poult each year.



DaChan Food Limited

The company has its headquarter in Hong Kong. It is the largest chicken processing enterprise in China, and the largest chicken supplier of fast-food chain stores, such as KFC. The major business activities of the company are sales of chicken and feed, and processing of food and other meats. The company now has 19 feed plants and 30 sets of slaughter/processing equipment. The company's production capacity is 2.6 million chickens per week. According to the medium-term performance reported by DaChan, in the first half of 2010, the company's sales income was USD660 million, an increase of 17.9% over the same period last year. Sales income from chicken exceeded USD330 million, an increase of 19.7% over the same period last year; while sales income of feed surpassed USD270 million, an increase of 12.9% from the same period last year.



Jilin Deda Group

Jilin Deda Co Ltd is located in Dehui City of Jilin Province. It was originally built in 1989 by a joint contribution of Jilin Songliao Poultry Cooperative Company and CP Group from Thailand, and was put into operation formally in 1992. The company is involved in cultivation

of breeding poultry, grain and oil planting, feed processing, grease processing, chicken processing, grain and rice processing and liquor production. The company's broiler processing program involves five grandparent stock farms that are capable of breeding 60,000 sets of grandparent stocks and cultivating 2.3 million parent stocks each year, as well as 20 parent stocks that are capable of breeding 1.1 million parent stocks and cultivating 110 million commercial broilers. Additionally, the company has 24 modern commercial broiler feeding plants, plus 5,200 farmers' livestock farms, and an annual broiler slaughtering rate of 100 million. The company also has four feed processing plants that are capable of processing 750,000 tons of feed each year, as well as four meat processing plants that can slaughter 100 million broilers and produce more than 200,000 tons of chicken and 30,000 tons of cooked product each year.



Qingdao Jiulan Group

Qingdao Jiulan Group is situated in Qingdao city, Shandong province. It is a large specialized broiler production enterprise that integrates cultivation of breeding poultry, broiler breeding, slaughter and refrigeration, and food processing with export trade. The company has total assets of Rmb1.1 billion and nearly 12,000 employees. The company's breeding division has 18 standard breeding hen farms (with 1.23 million sets of breeding hens), one hatchery (with annual hatching capacity of 100 million eggs and 80 million chicks), four modern feed processing plants (with annual production capacity of 500,000 tons), 59 broiler farms (with annual broiler slaughtering rate of 90 million). The company's food division now has three broiler slaughter and processing plants (with annual slaughtering capacity of 90 million), and four cooked chicken, product processing plants. In 2009, its sales income was Rmb 4.2 billion, an increase of 20% over the previous year, and the company

exported 18,000 tons of cooked product, an increase of 18% over previous year, earning USD62 million through the foreign exchange export. Export to EU countries was 2,000 tons, valued at USD6 million.



Shandong Xinchang Group

The company is in Changyi City, Shandong Province. It was established in 1988, and changed to a group company in 1995. On August 31, 2009, Tyson Foods Inc. of America and Shandong Xinchang Group Co Ltd set up the joint venture of Shandong Tyson Xinchang Food Co. Ltd. Tyson Foods Inc. contributed 60% of total investment, while Shandong Xinchang Group contributed 40%. Shandong Tyson Xinchang Food Co. Ltd. is a large modern meat food processing enterprise, with headquarters in Changyi City. The total investment in the company was Rmb 3.84 billion; the registered capital was Rmb 1.28 billion. The company is engaged in feed processing, cultivation of breeding poultry, breeding of poultry, slaughter and processing, food processing and selling, and related meat business. The company has two brands, "Tyson" and "Xinchang", 7,000 employees, and total assets worth of Rmb 700 million. The annual processing capacity of poultry (chickens and ducks) and cooked products is 220,000 tons, 6,000 tons for quick-frozen instant food, 6,000 tons of vegetable products, and 400,000 tons of feed.



Shandong Yuhe Group

Shandong Yuhe Group situated in Weifang City Shandong Province is a large modern livestock enterprise that integrates breeding of parent broiler breeding hens and commercial broiler, with slaughter of broiler, food

processing and feed production. The company breeds 2.3 million sets of Arbor Acres and Rose 308 broiler parent stocks throughout the year, and produces 200 million commercial chicks, slaughters 80 million broilers, processes 200,000 tons of chicken products and processes 200,000 tons of feed each year.



Zhucheng Foreign Trade Co., Ltd.

Zhucheng Foreign Trade Co. Ltd., situated in Shandong, was established in 1975. The company has built six major leading industries, involving fine breed cultivation, food

production, grain and oil processing, pigment refining, package production and feed processing. The company is capable of cultivating 5 million sets of parent stocks, 100 million commercial chickens, 30 million commercial green ducks, and 1 million meat baby rabbits, as well as can produce 1 million tons of feed, process 100,000 tons of cooked product, 2.4 million tons of corn starch, 300,000 tons of modified starch, 700,000 tons of starch sugar and 2,500 tons of inosite, and can refine 200 million grams of pigment each year. In 2009, the company gained sales income of 8.11 billion yuan, achieved profit tax of Rmb274 million, valued USD90.37 million.

(Companies listed in no particular order)



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