

Minnesota Soybean Research & Promotion Council

Check Off Dollars at Work



**See For Yourself
Trade Mission to China**

**March 19 to March 28
2013**

By David Scheibel

Today's Presentation

- **Who, Why and When**
- **Affiliated Organizations**
- **Chinese Use of Ag Products**
- **Where We Saw Check Off \$ At Work**
- **Chinese Culture and Challenges**
- **Questions and Exhibits**

2013 Participants

David Scheibel, Bird Island, MN

Joel & Amanda Mathiowetz, Morgan, MN

Jim & Laura Stallstrom, Winthrop, MN

Warren Krohn, Nicollet, MN

Harold Wolle Jr & Jane Wolle, St. James, MN

Scott Johnson, Glenwood, MN

Deron Erickson & Gena Hult, Morris, MN

Jerome & Mary Jerzak, Ivanhoe, MN

Lance Gilbertson, Shelly, MN

Bryan & Jennifer Klabunde, Waubun, MN

Kevin Anderson, Grand Forks, MN

Jeff Tank, Hayfield, MN

Richard Wurtzberger MSR&PC & Sharon
Deutsch (daughter), Sleepy Eye, MN

Bruce Schmoll, MN Soybean Association
President, US Meat Export Federation,
Farmer Leader & Tarrie Schmoll, Claremont,
MN

Jim Willers, MSR&PC & Farmer Leader,
Beaver Creek, MN

Ronald Bunjer ASA National Director, &
Patricia Bunjer, Arco, MN

Tom Slunecka, MN Soybean Executive
Director, Staff Leader, Mankato MN

Kurt Lawton, Corn & Soybean Digest, Media,
Minneapolis, MN

Ralf Humbert, Trump Tours Staff Leader

Objectives of Trade Mission

- To evaluate, as required by federal law, the use of soybean check off funds
- Promote MN Soybeans vs. Southern U.S. and South American Soybeans
- Develop relationships with end users

Minnesota Soybean Facts

- 2010 Production of 329 Million
- Local Soy Meal Crush 49.5%
 - Feed 25%
 - Export 75% - 37.1% of Total Soybeans
- Export Soybeans 46.7%
 - China 58%
 - Japan 9%
 - Mexico 8%
 - Germany 3%



Minnesota Soybean Research & Promotion Council

- *Committed to increasing farmer profitability through the wise investment of checkoff dollars.*
- Each time a farmer sells soybeans, one-half of one-percent of the market price is "checked off." One-half stays in the state for state-specific projects and one-half is sent to the United Soybean Board (www.unitedsoybean.org) to be used for national and international programs.
- The Minnesota Soybean Research & Promotion Council (MSR & PC) is the elected board of soybean producers from across the state who direct the investments of the state's checkoff dollars into programs designed to increase the profitability of Minnesota's soybean farmers. Priority areas include Research & Technology Transfer, International Marketing, Domestic Marketing, Education and Communications.
- Board members are elected to three year terms during the annual commodity council elections conducted by the Minnesota Department of Agriculture.

- **Research and Technology Transfer**

To help farmers turn discoveries from science into higher crop yields and profit potential in the field.

- **International Marketing**

To support the economic sustainability of Minnesota soybean farmers by developing new and expanding existing export markets.

- **Domestic Marketing**

To increase profitability for Minnesota soybean farmers by providing marketing assistance to the domestic users of our soybeans.

- **Education**

To create opportunities for information exchange and education with farmers, educators and consumers in order to positively influence understanding of today's farming and the knowledge and consumption of Minnesota soybeans.

- **Communications**

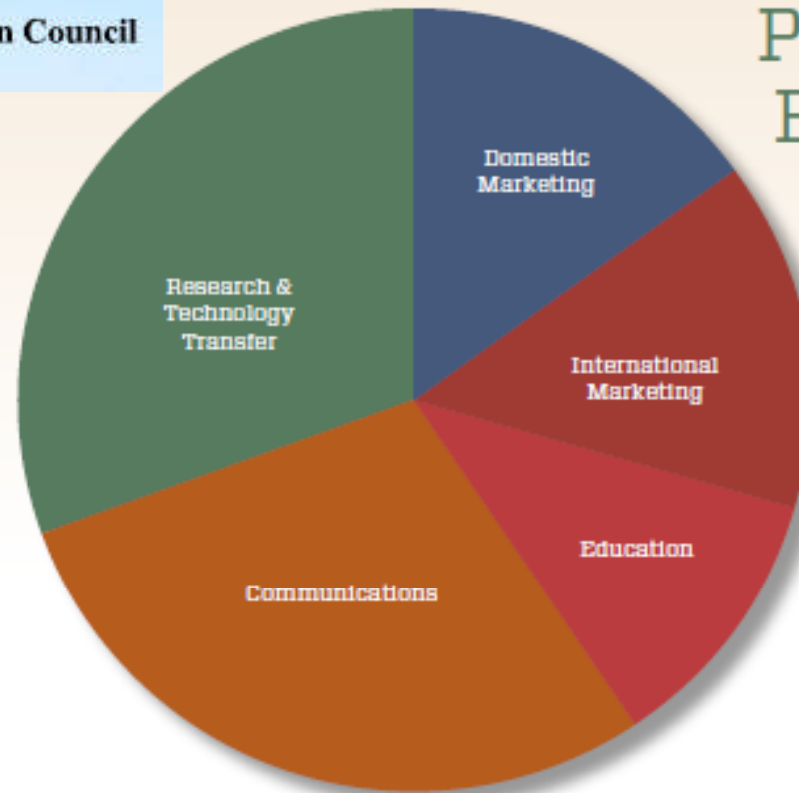
To ensure that Minnesota Soybean has a strategic plan for communicating its key issues in an effective and efficient manner with stakeholders and priority external audiences, and assisting other committees with communication support.



Minnesota Soybean
Research & Promotion Council

2012

Program Area Expenditures



Domestic Marketing.....	\$1,085,659.00
International Marketing.....	1,060,728.00
Education	791,620.00
Communications	2,094,695.00
Research & Technology Transfer.....	2,198,018.00
Other	4,000.00
<hr/>	
Total.....	\$7,234,720.00



www.unitedsoybean.org

USB administers soybean checkoff activities focusing on research and market development and expansion.

United Soybean Board, composed of 69 volunteer farmer-leaders often nominated by their state-level checkoff organizations, called Qualified State Soybean Boards (QSSBs). The nominees are appointed to the board by the U.S. Secretary of Agriculture

2013 Budget \$138 million



www.soygrowers.com

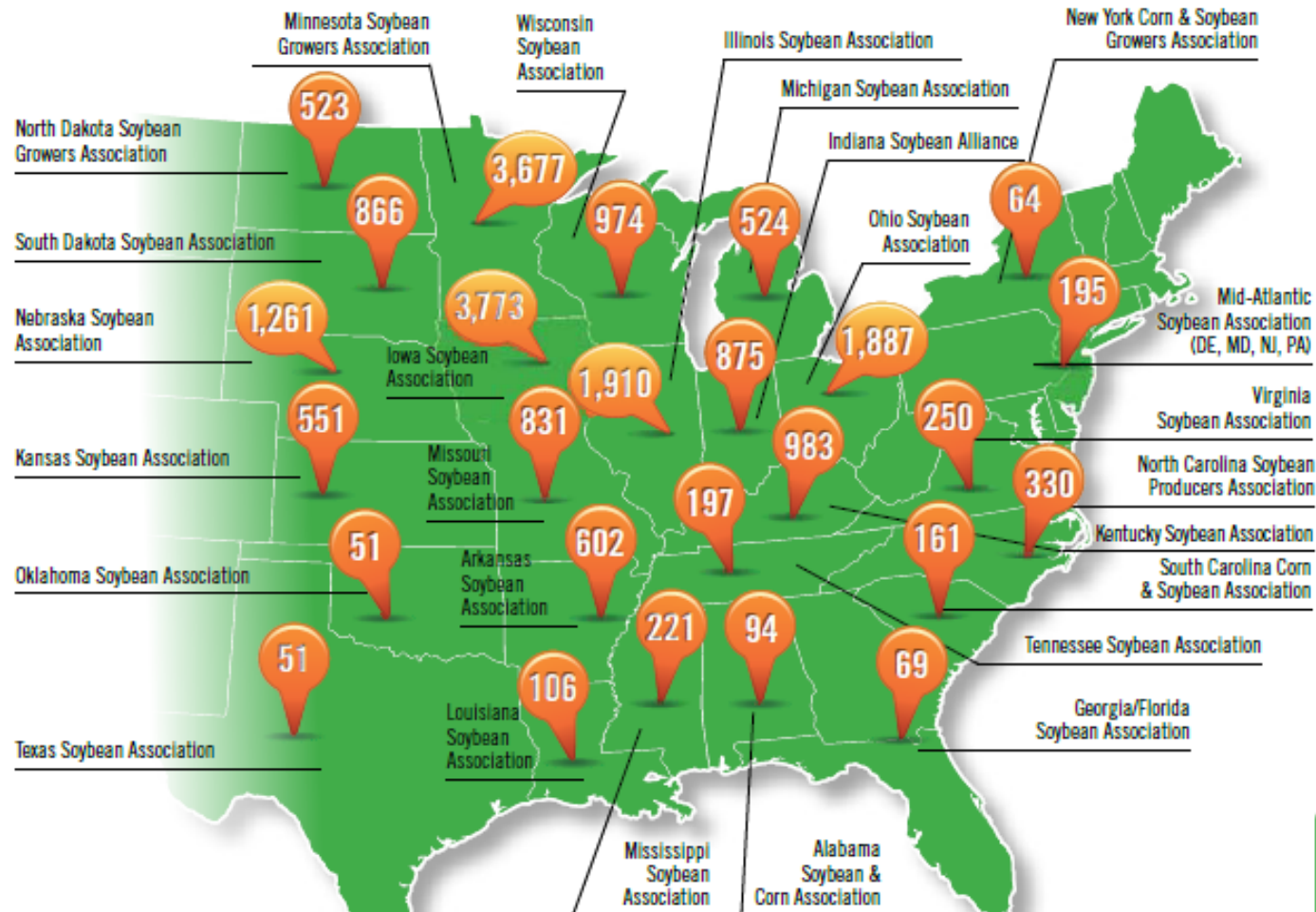
ASA focuses on state and national policy issues, which, by law, the checkoff can't.

The American Soybean Association looks out for the best interests of U.S. soybean growers by doing important farm and trade policy work on Capitol Hill.

Soybean Production
Soybean Crop Value
Soybean Exports
U.S. Biodiesel Production



Membership by Affiliate



* The 21,198 membership number includes 21,026 members in affiliated states, 3 in unaffiliated

The American Soybean Association is a dues paying membership organization with a mission to serve farmers by protecting and increasing the market value and opportunities for soybean farmers



ASA invests cost-share funding provided by the U.S. Department of Agriculture's Foreign Agricultural Service in the U.S. Soybean Export Council (USSEC) to operate global offices and conduct activities to maximize the use of U.S. soy internationally.

USSEC has global offices throughout Asia, Europe and the Americas. USSEC is also funded by soybean checkoff dollars and industry partners.

The efforts of USSEC, ASA-International Marketing, the Soybean Checkoff and industry stakeholders helped U.S. soybean farmers meet international soy demand by exporting more than 1.8 billion bushels of U.S. soy in 2012. This includes 1.3 billion bushels of whole soybeans, meal from more than 404 million bushels of soybeans and the oil from 126.5 million bushels of soybeans. U.S. soy exports for 2012 are valued at more than \$23 billion.



The activities of the U.S. Soybean Export Council to expand international markets for U.S. soybeans and soy products are made possible by producer checkoff dollars invested by the United Soybean Board and various State Soybean Councils, support from cooperating industry, and through the USDA's Foreign Agricultural Service investments provided through the American Soybean Association.

Offices: North Asia, South East Asia, Greater Europe
Middle East / North Africa Americas

www.ussec.org

www.soyaqua.org



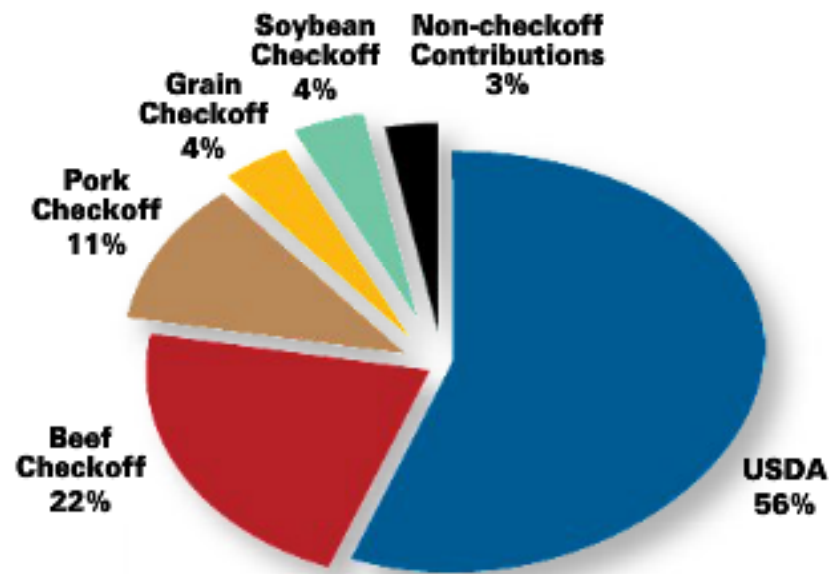
China's annual pork consumption estimated by USDA at more than 50 million metric tons (more than 110 billion pounds).

USMEF Senior VP Joel Haggard

China Offices: Beijing, Shanghai, Shenyang

www.usmef.org

FY 2011 USMEF FUNDING SOURCES



FY 2011

Total USMEF funding from all sources:
\$35.2 million

- \$19.6 million from USDA MAP and FMD programs
- \$7.6 million from the Beef Checkoff
- \$4.0 million from the Pork Checkoff
- \$1.5 million from the Soybean Checkoff
- \$1.5 million from the Corn Checkoff
- \$1.0 million from non-checkoff contributions

\$24.3 million in additional funding from third-party contributions (matching funds from international organizations working in collaboration with USMEF)

USMEF Headquarters and International Offices



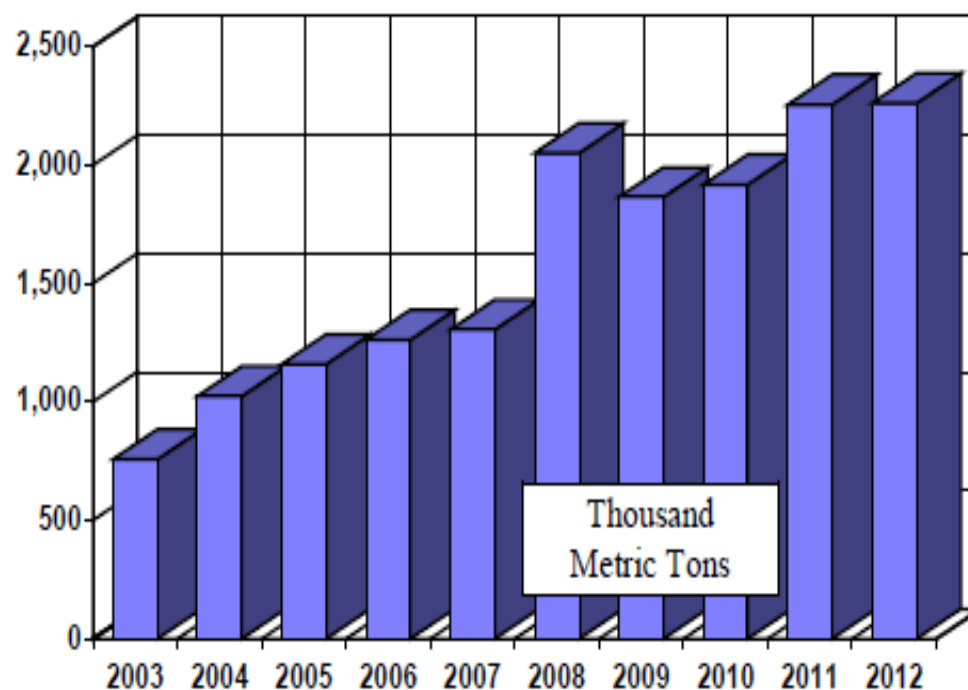
TOTAL U.S. PORK EXPORTS

2003-2012

(Including Variety Meat)



	<u>Volume</u> <u>(Metric Tons)</u>	<u>Value</u> <u>(\$billions)</u>
2012	2,262,109	6.322
2011	2,255,334	6.108
2010	1,917,649	4.781
2009	1,865,745	4.329
2008	2,052,447	4.884
2007	1,305,622	3.154
2006	1,262,499	2.864
2005	1,157,689	2.634
2004	1,023,413	2.227
2003	757,406	1.582

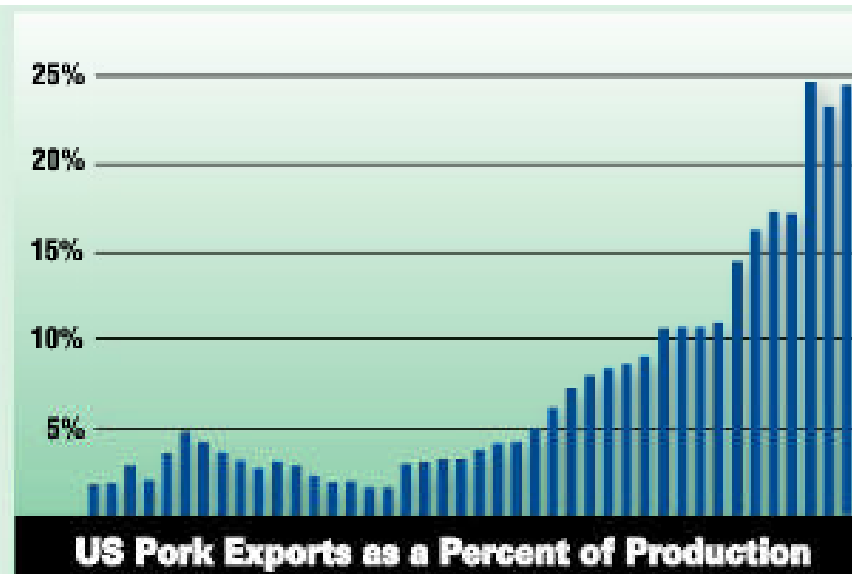
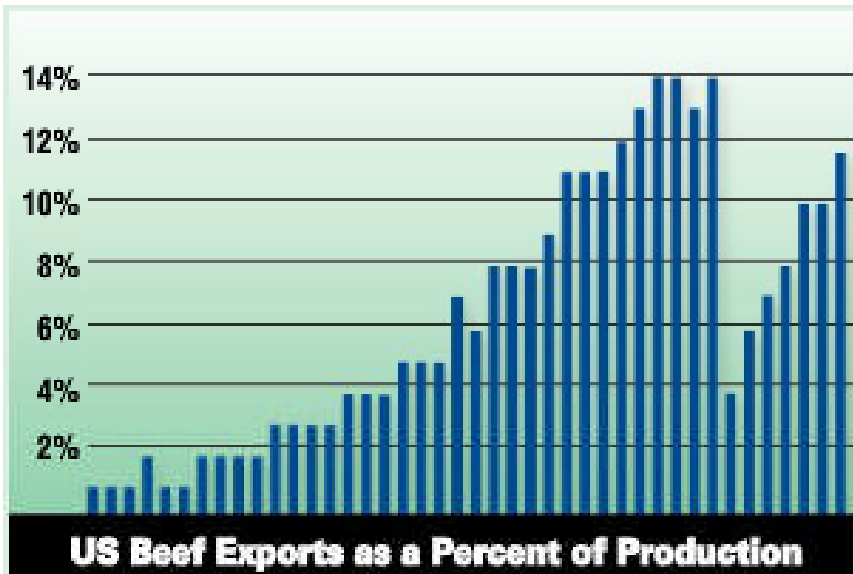


Leading Export Markets for U.S. Pork

	Mexico	
	Volume	Value
	<u>(Metric Tons)</u>	<u>(\$Millions)</u>
2012	600,949	1,127
2011	537,535	1,042
2010	545,732	986
2009	503,503	762
2008	396,609	692
2007	276,388	449
2006	356,418	558
2005	331,488	514
2004	361,587	567
2003	218,927	295

	Japan	
	Volume	Value
	<u>(Metric Tons)</u>	<u>(\$Millions)</u>
2012	455,776	1,987
2011	493,313	1,963
2010	434,923	1,645
2009	421,360	1,540
2008	451,853	1,545
2007	358,582	1,153
2006	337,373	1,040
2005	353,928	1,088
2004	313,574	979
2003	269,621	784

	Hong Kong/China	
	Volume	Value
	<u>(Metric Tons)</u>	<u>(\$Millions)</u>
2012	431,145	886
2011	483,323	910
2010	294,816	463
2009	258,708	427
2008	399,562	689
2007	169,160	271
2006	88,439	126
2005	92,255	111
2004	79,701	91
2003	56,667	60



Comparative Demographics

	United States	China
Area	9.8	9.6
Population	308	1,340
Total GDP	15.9 Trillion	11.3 Trillion
GDP \$ Per Capita	\$47,284	\$4,382
Exports, Trillions	2,200	2,170
Life Expectancy	78.6	74.9
Literacy Rate	99%	90%
Unemployment	8.1%	6.5%
Coastline	19,924 km	14,500 km
Time Zones	9	1







MINNESOTA SEE-FOR-YOURSELF TEAM CHINA COUNTRY MARKET ORIENTATION



Scott Sindelar, Agriculture Minister
Counselor with the U.S. Embassy
U.S. home in Prior Lake MN



Mr. Paul Burke, North Asia Regional
Director, US Soybean Export Council
Since 2005



Mr. Tom Slenecka
MN Soybean Executive Director



Mr. Kurt Markham, President, C.I.B. From WI
Strategic Consulting in Beijing China for Energy &
Agriculture for Asia
State MN Dept of Agriculture, Pillsbury,

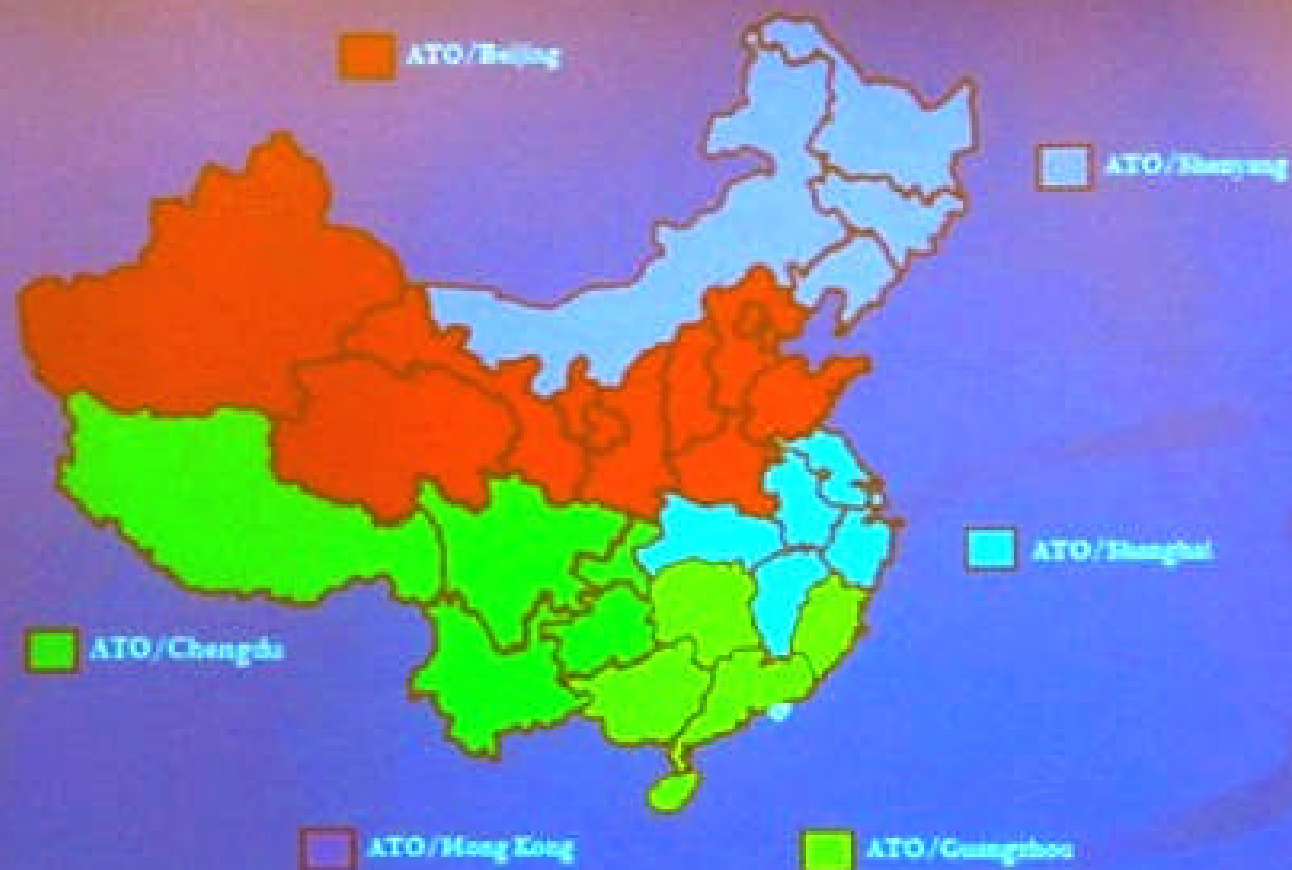
China is the World's Largest (2012/13) Producer of:

- Cotton (US 3rd)
- Rice (U.S. 11th)
- Pork (U.S. 3rd)
- Peanuts (U.S. 3rd)
- Fresh Apples (U.S. 3rd)
- Fresh Pears (U.S. 4th)
- Fresh Tangerines (US 6th)
- Fresh Grapefruit (U.S. 2nd)
- Fresh Peaches &
Nectarines (U.S. 3rd)
- Fresh Grapes (U.S. 7th)
- Walnuts (U.S. 2nd)



FAS China

USDA has five Agricultural Trade Offices in China
As well as AAO and APHIS

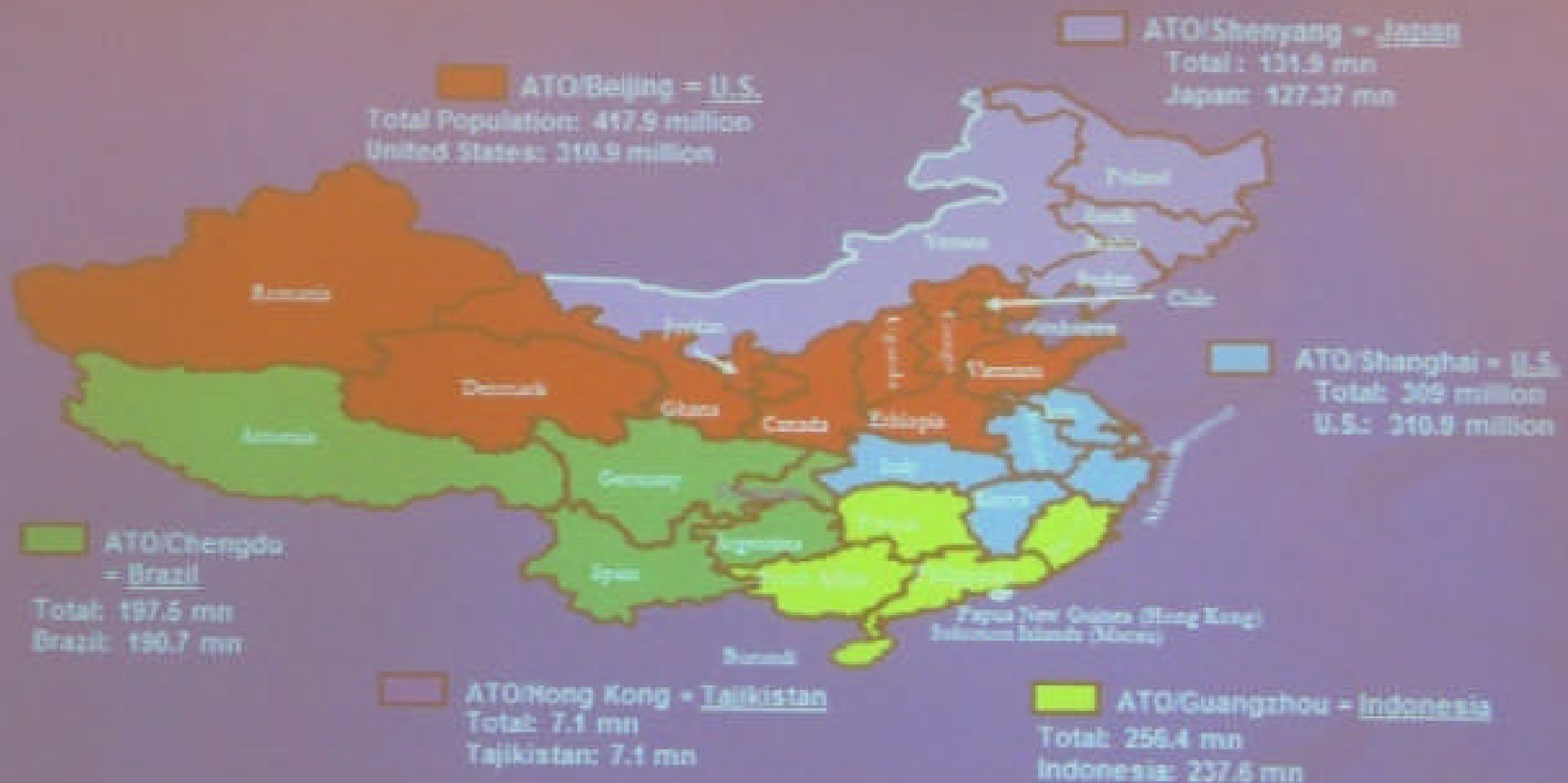


FAS/China ATO coverage by region

How Big is China?

China's Population is equivalent to two United States, Japan, Brazil, Indonesia and Tajikistan combined

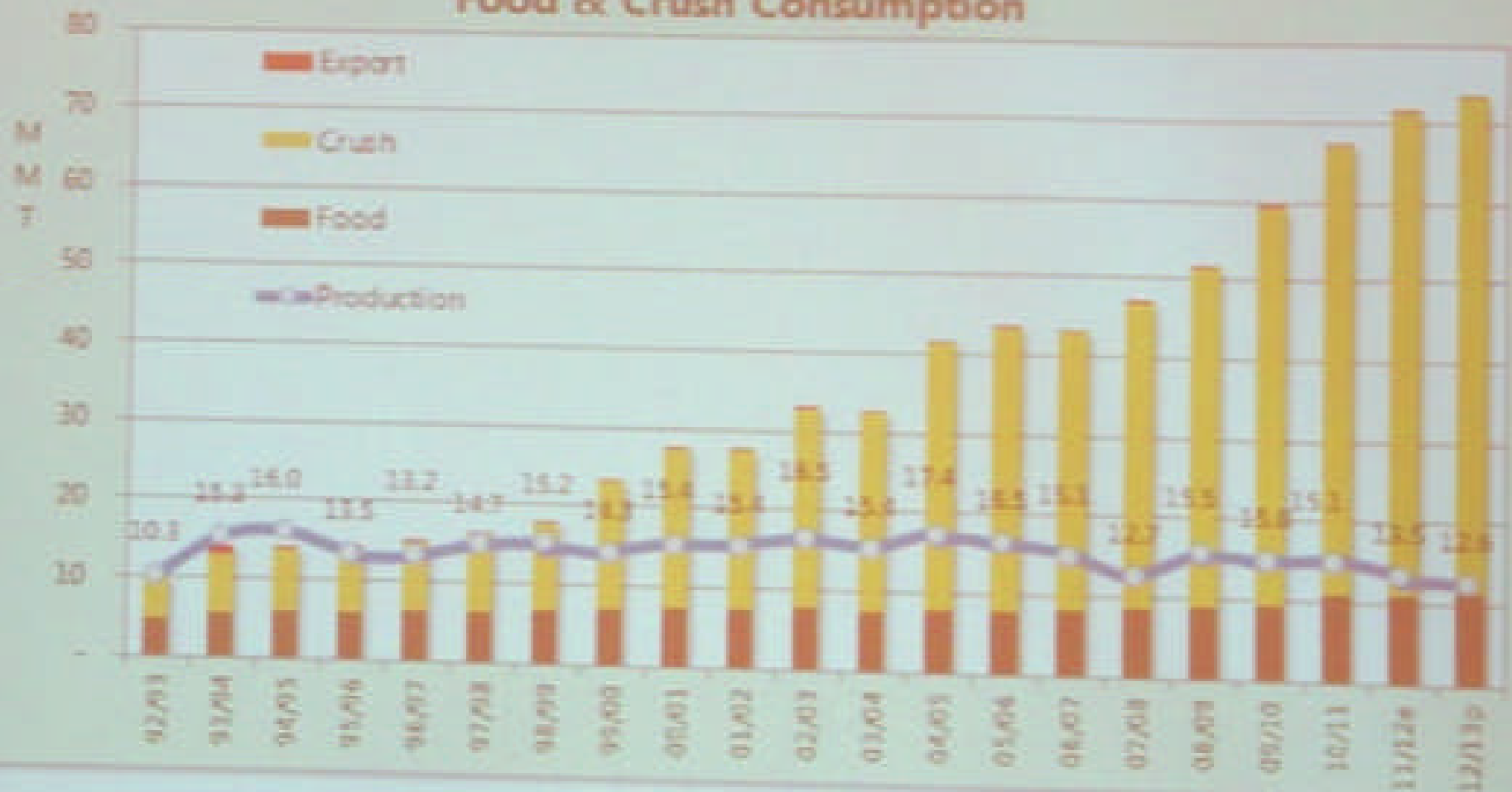
FAS/China Office coverage by region and total population (in millions) with provincial equivalents



AAO/Beijing: Has National level coverage for policy and commodity issues

SOY CONSUMPTION TRENDS

China - Soybean Production, Export,
Food & Crush Consumption



Source: National Grain & Oil Information Center

SOY PROCESSING TRENDS



- NE. China: Jiusan, JGG, Chinatex;
- Bohai Rim: Yihai-Kerry, COFCO, Jiusan, Noble, Bunge, Bohi, Hope Full;
- E. Coast: Yihai-Kerry, COFCO, Cargill, Noble, Liangyou, Herun;
- S. China: Yihai-Kerry, Cargill, COFCO, Chinatex, Jiusan, Bohi, Noble, Dongling;
- Inland: Yihai-Kerry, Noble, JGG, Chinatex

U.S. SOY for a growing world

Mr. Yuan Haiying

Formerly China Ag Minister in Washington D.C.



- U.S. Soybeans image problem in China as consumer views all soybean imports as from U.S. when only 38% of soy imports are U.S.
- \$90 million spent in China over past 30 years by U.S. Government on behalf of U.S. Soy Industry
- Chinese Ministry of Agriculture – only 450 people in building



Essential Amino Acids

Animals require essential amino acids to synthesize the proteins they need for health maintenance and production.

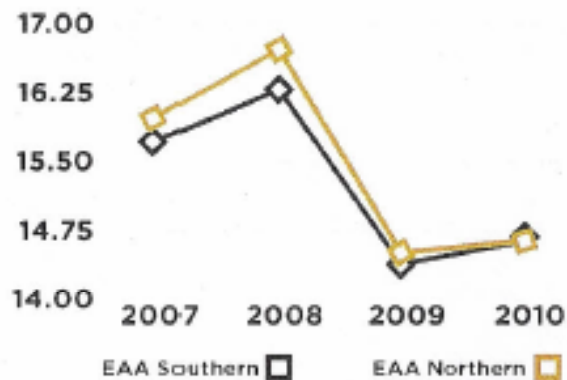
Essential Amino Acids are found in protein, but not always in the same quantities or concentrations. More protein does not always equal more essential amino acids.

When adding protein to animal feeds, livestock and poultry producers are really trying to supply essential amino acids. Using the EAA profile allows nutritionists to optimize animal diets for ideal protein and to potentially eliminate the need for costly synthetic amino acid supplements.

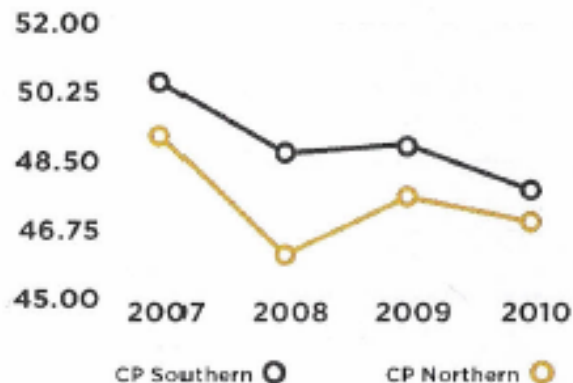
University of Minnesota analyses show northern soybean meal scoring low in CP actually has higher EAA values than meal with higher CP scores.

EAA* - Northern & Southern

*EAA = Composite of 5 Limiting Essential Amino Acids, Shown as % of CP



CP(%Nx6.25) - Northern & Southern



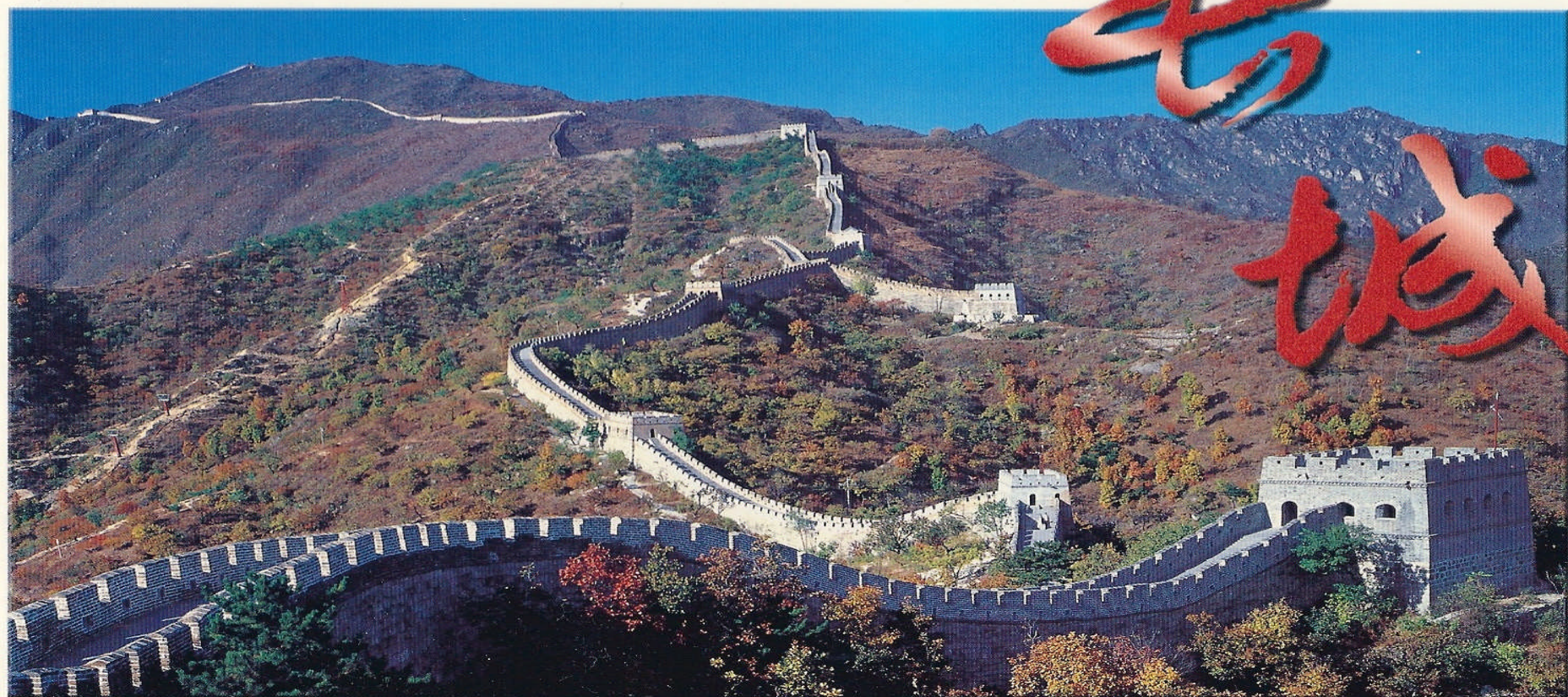
The United Tastes of America - Asian Chef Challenge



Mutianyu Section of
THE GREAT WALL

慕
田
峪

长城



中国北京
BEIJING · CHINA

慕田峪长城导游全景图

TOURIST MAP OF MUTIANYU GREAT WALL

咨询电话 010-6162 6873

Consult Phone

救援电话 010-6162 6537

Emergency Phone

报警电话 010-6162 6022

Alarm Phone

您现在所在位置

The position that you locate is

第三停车场

Third Parking Place



第三停车场





Founded in 1404. No 14 tower was border common post at that time. Though these tower were in different shapes, such as a broad bedroom in the middle, its circumference was surrounded by corridors ... gyrus shape is the common feature.





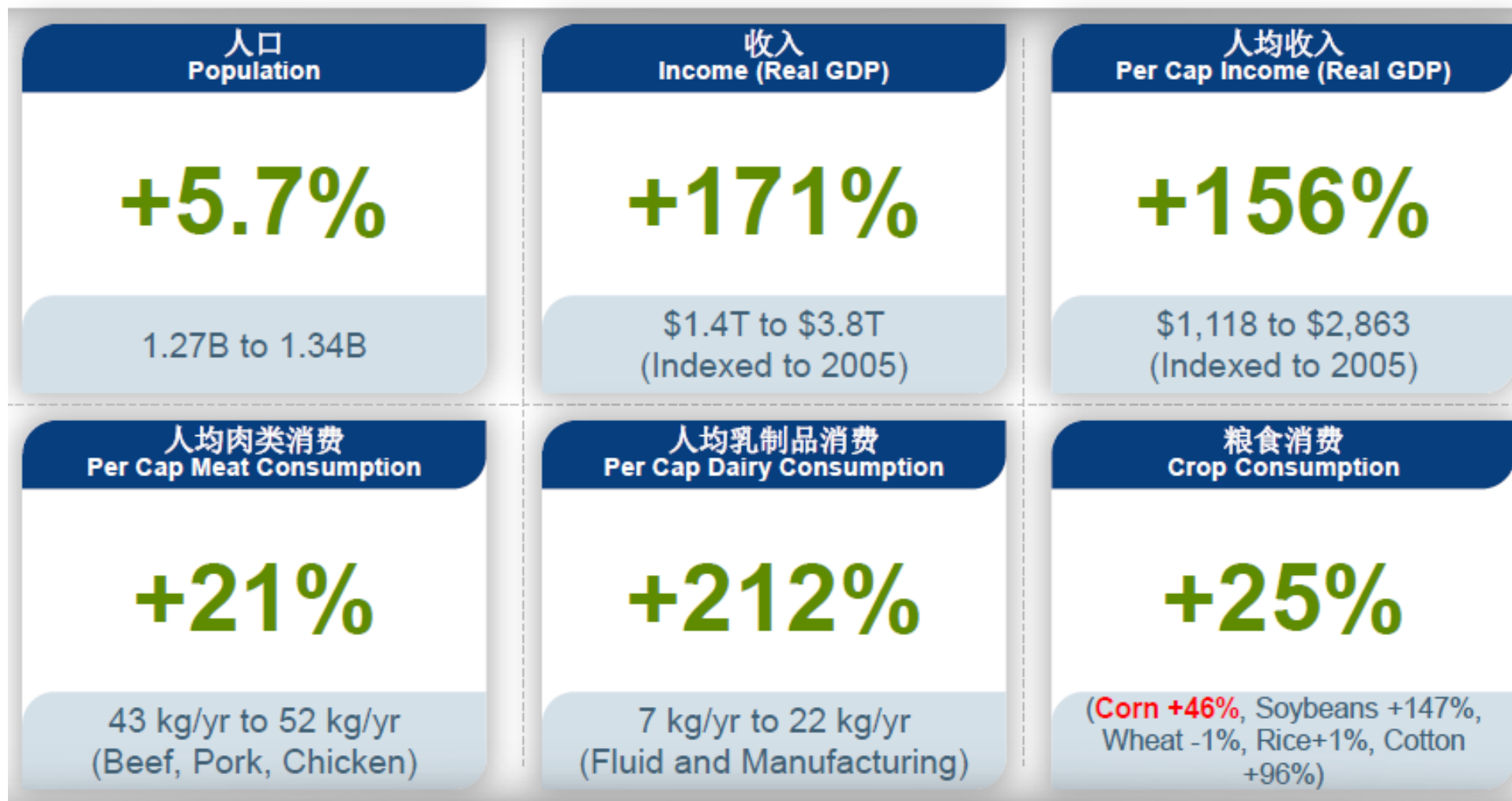
Met with North Dakota Organic Soybean Growers





2000-2010年中国经济增长促进农业需求

China's Economic Growth from 2000-2010 Driving Agricultural Demand



伴随农艺技术支持，优异的品种带来更好的产量

Better varieties for better yields, coupled with agronomic support

- 高质量种子

Quality seed

- 先进的产品

Advanced products

- 单粒播种

Single kernel planting*

*made possible through quality



Single kernel planting

参照标准 Index	纯度 Genetic Purity	净度 Physical Purity	发芽率 Germination Rate	水份 Water Content
DuPont Pioneer Standard	$\geq 97\%$	$\geq 99\%$	$\geq 92\%$	$\leq 13\%$
Industry Standard	$\geq 96\%$	$\geq 99\%$	$\geq 85\%$	$\leq 13\%$



先锋科技对中国种业的影响

The impact of DuPont Pioneer technologies on China seed industry

- 降低用种量50-75%
Reducing seeding rates by 50-75%
- 显著降低劳动力并提高单位面积产量
Significantly reducing farm labor and improving productivity per hectare
- 降低种子生产成本, 减少土地面积及劳动力需求
Reducing seed production costs
Reducing land and labor needed
- 提高粮食产量和品质—增加农民收入
Improving grain yield and quality-increasing farmers incomes
- 推动农业机械化以提高生产力
Driving mechanization for increased productivity



杜邦先锋在中国的研发

DuPont Pioneer China Research

8个研究中心

8 research centers

每年500个田间试验地点

500 Field trials every year

2家玉米合资公司

2 Joint Ventures on Corn production



先锋和合资公司研发中心快速发展

Pioneer + JV R&D Efforts Have Expanded Rapidly







Great Mall of China





三河市宏盛生态园现邀请【星光大道】蒙古歌舞演出 欢迎各位光临欣赏 订餐热线: 0316-3











- Milk about 3,800 cows using a traditional ration of alfalfa, corn silage, **soybean meal**, DDGS, beet pulp and premix concentrates.
- Illiterate labor force, making communication of processes and practices a challenge
- Milk sells for about \$3.00 US equivalent per pint or nearly \$24.00 US per gallon.
- Most of the milk available in Chinese stores is Ultra-High Temperature processed and can be stored un-refrigerated for six to nine months.











China Grain Reserve







Yantai -meaning "smoky tower" is a popular port city located in Shandong Province, nestled along the Bohai Sea and Laizhou Bay.

We stayed at the Sheraton Yantai Golden Beach Resort. We are 15 kilometers from downtown, and just 35 kilometers from Yantai Laishan International Airport (YNT).

Yantai Economic and Technological Development Zone (YEDA).

Important City in transportation and logistics, connecting Beijing-Tianjin Economic River , Yangtze River Delta, and NE Asia Economic Ring.

Yanti port is one of the hub ports of China

One of the five pillar industries is food processing.

Yantia ranks first in gross industrial output value.

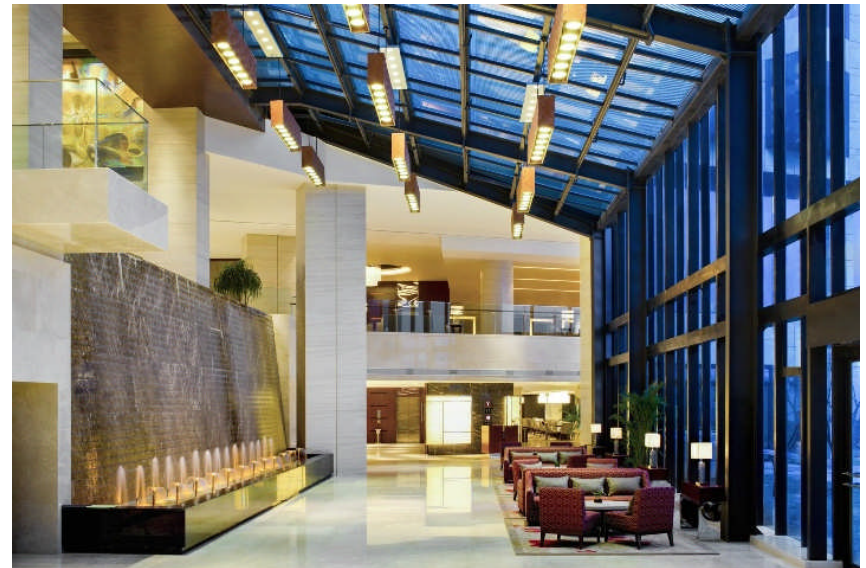
60 fortune 500 companies have facilities in Yantai

Shandong Providence is the Birth Place of Confucius





Sheraton Yantai Golden Beach Resort





Yantai











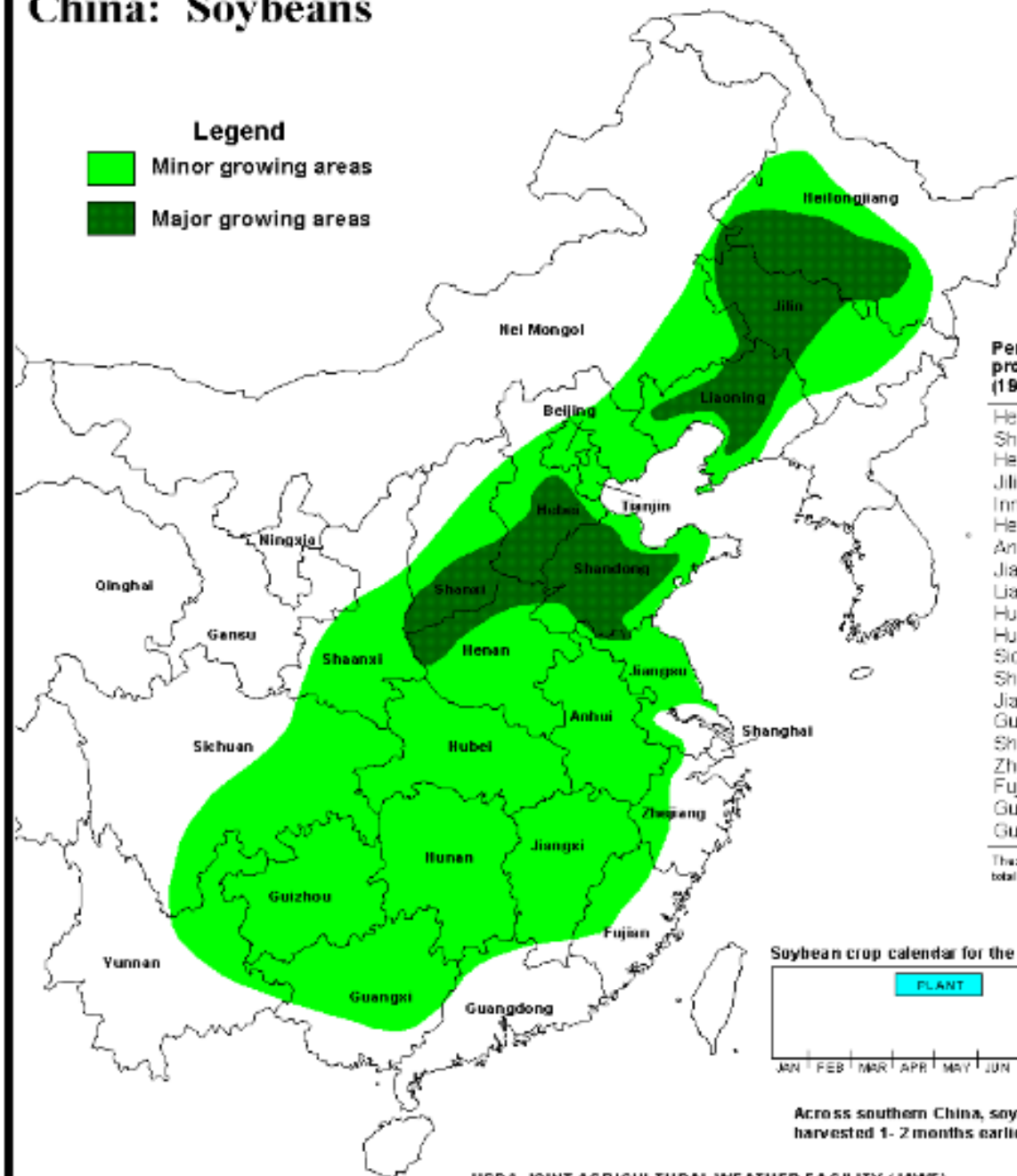
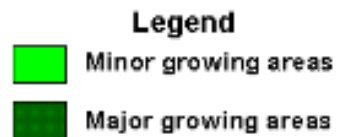


New Dragon Asian Group Soy Protein Food Plant

Four major products 1) full fat flour 2) de-fat flour 3) soy protein concentrate 4) soy protein isolate. The soy products are used mostly in domestic products. Uses include some instant noodles and meat processing.



China: Soybeans

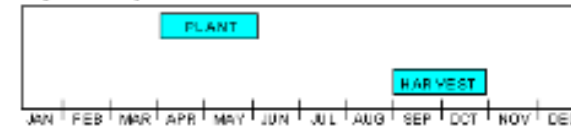


Percent of soybean production by province (1993-1997)

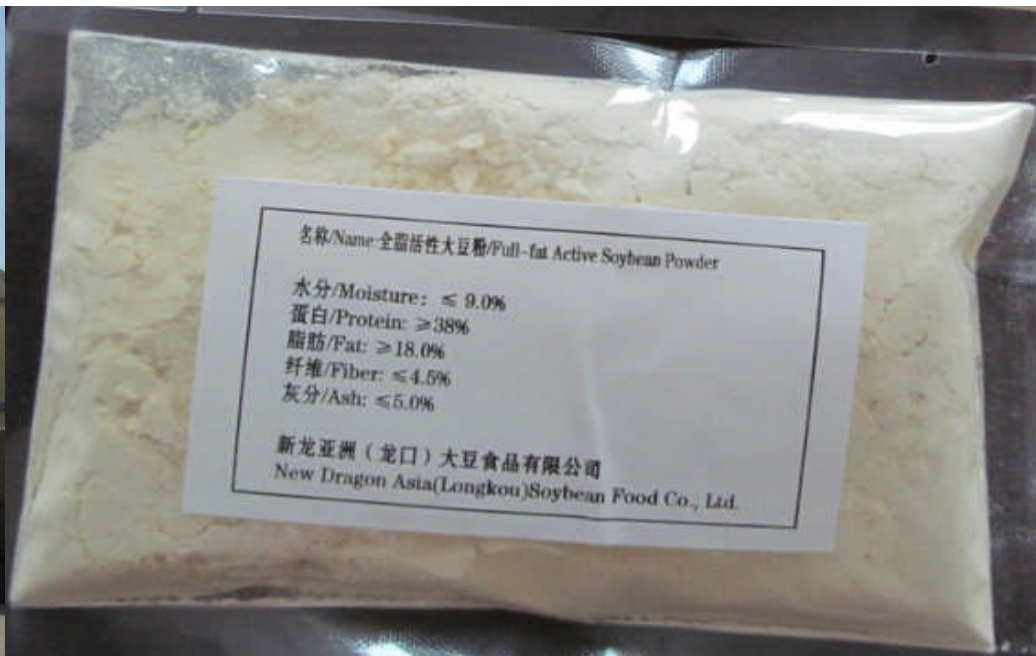
Heilongjiang	33.3%
Shandong	8.0%
Henan	7.0%
Jilin	5.8%
Inner Mongolia	5.7%
Hebei	5.5%
Anhui	5.1%
Jiangsu	3.3%
Liaoning	3.0%
Hunan	2.6%
Hubei	2.5%
Sichuan	2.4%
Shaanxi	2.0%
Jiangxi	2.0%
Guangxi	1.8%
Shanxi	1.8%
Zhejiang	1.3%
Fujian	1.2%
Guangdong	1.1%
Guizhou	1.1%

These provinces account for 93.8% of total production.

Soybean crop calendar for the North China Plain and Manchuria



Across southern China, soybeans are planted and harvested 1-2 months earlier than depicted above.



新龙亚洲集团公司
 NewDragon Asian Group Company

产品展示
 PRODUCT DEMONSTRATION

★ **方便面系列**

中国驰名商标
 山东省放心粮油
 山东名牌产品
 绿色食品

★ **豆奶粉 姜茶系列**

中国人民健康事业发展计划
 2008年联合国妇女儿童发展计划
 2009年中国1.15亿农村人口发展计划
 2010年联合国可持续发展计划

★ **面粉系列**

国家放心粮油
 山东名牌产品
 绿色食品

★ **调味品系列**

即食咸鱼







Welcome to Minhe Company

3 million chickens plans for 6 million
5,000 Employees
25,000 mt soybean meal annually





民和股份

证券简称：民和股份 | 证券代码：002234

天

地民和

商品鸡基地

民和商品鸡基地年可出栏高品质商品鸡2000万只，全部采用与中国农业大学合作研究的联栋纵向通风鸡舍，保证了肉鸡养殖向集约化、规模化发展。为生产高品质安全绿色食品打下了坚实的基础。











Staying the Course

China and a Whole Lot More



- **Yum! Brands is the leading retail developer in China with more than 6,000 restaurants in more than 850 cities.**
- Opened 889 new restaurants in China and generated over \$1 billion in operating profit in 2012.
- KFC was the first quick-service restaurant chain to enter China in 1987.
- 4,400 KFC restaurants in more than 850 cities.
- 826 Pizza Huts
- In addition to Original Recipe chicken, KFC has an extensive menu featuring beef, seafood, rice dishes, fresh vegetables, soups, breakfast, desserts, and other products that appeal to Chinese consumers' tastes.

Grand opening of Cargill's vertically integrated poultry operation in Anhui Province (West of Shanghai) China

This Took Place in September 2013

Ambassador Locke joined leaders from Cargill China, Anhui Government, Consul General Robert Griffith, U.S. Agricultural Minister Counselor Scott Sindelar, ATO Shanghai Director Keith Schneller and several other VIPs in Grand Opening

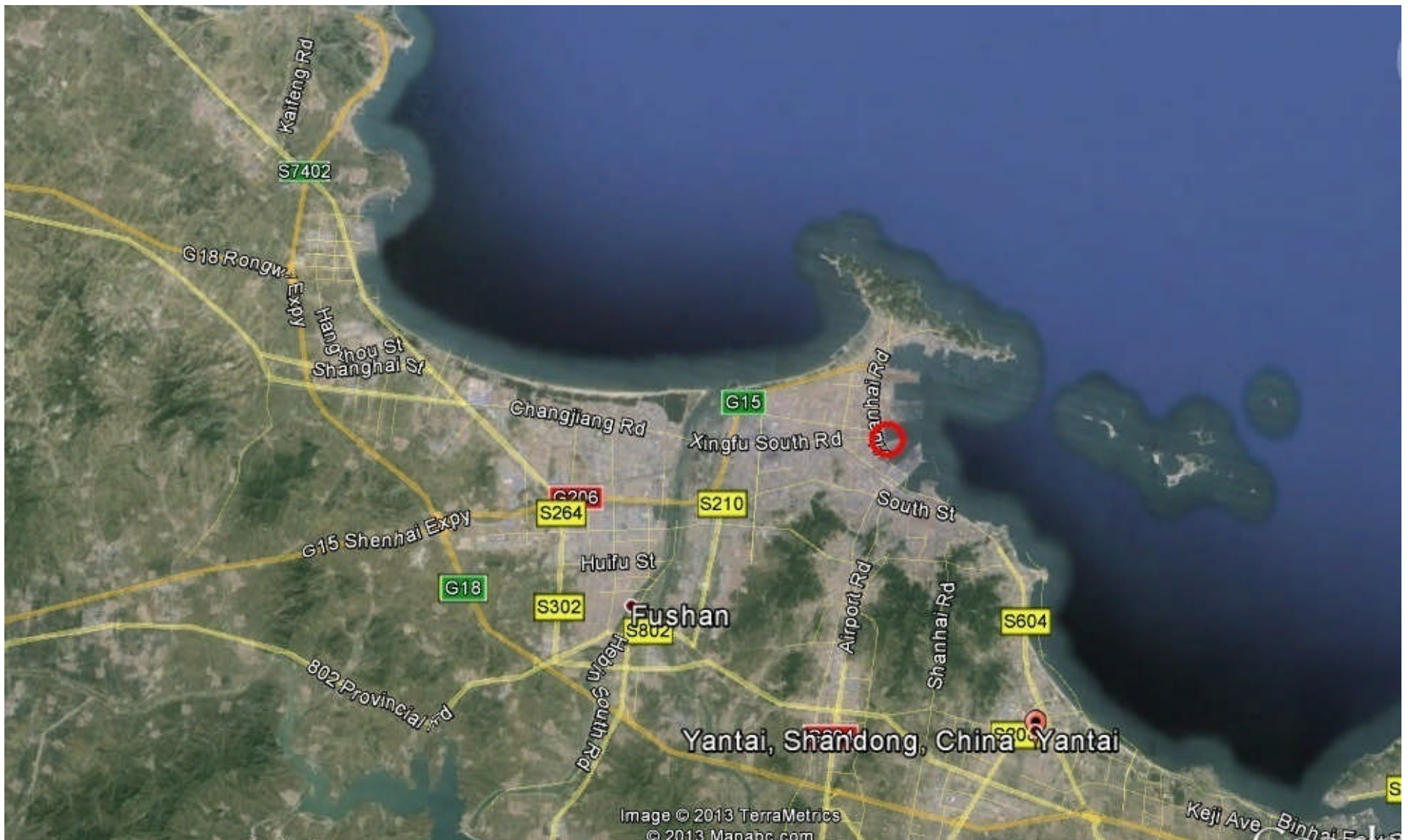
The state of the art, vertically operated system which includes a hatchery, feed plant, broiler barns, and processing plants that will produce around 65 million birds each year or around 170,000 tons of boneless/skinless meat.

Cargill built the roads, installed the gas lines and electrical grid and will have 400 broiler barns when the project is complete at a total investment of \$350 million.

The operation will provide jobs to 4,000 local workers and will be used as a model for other companies for years to come.

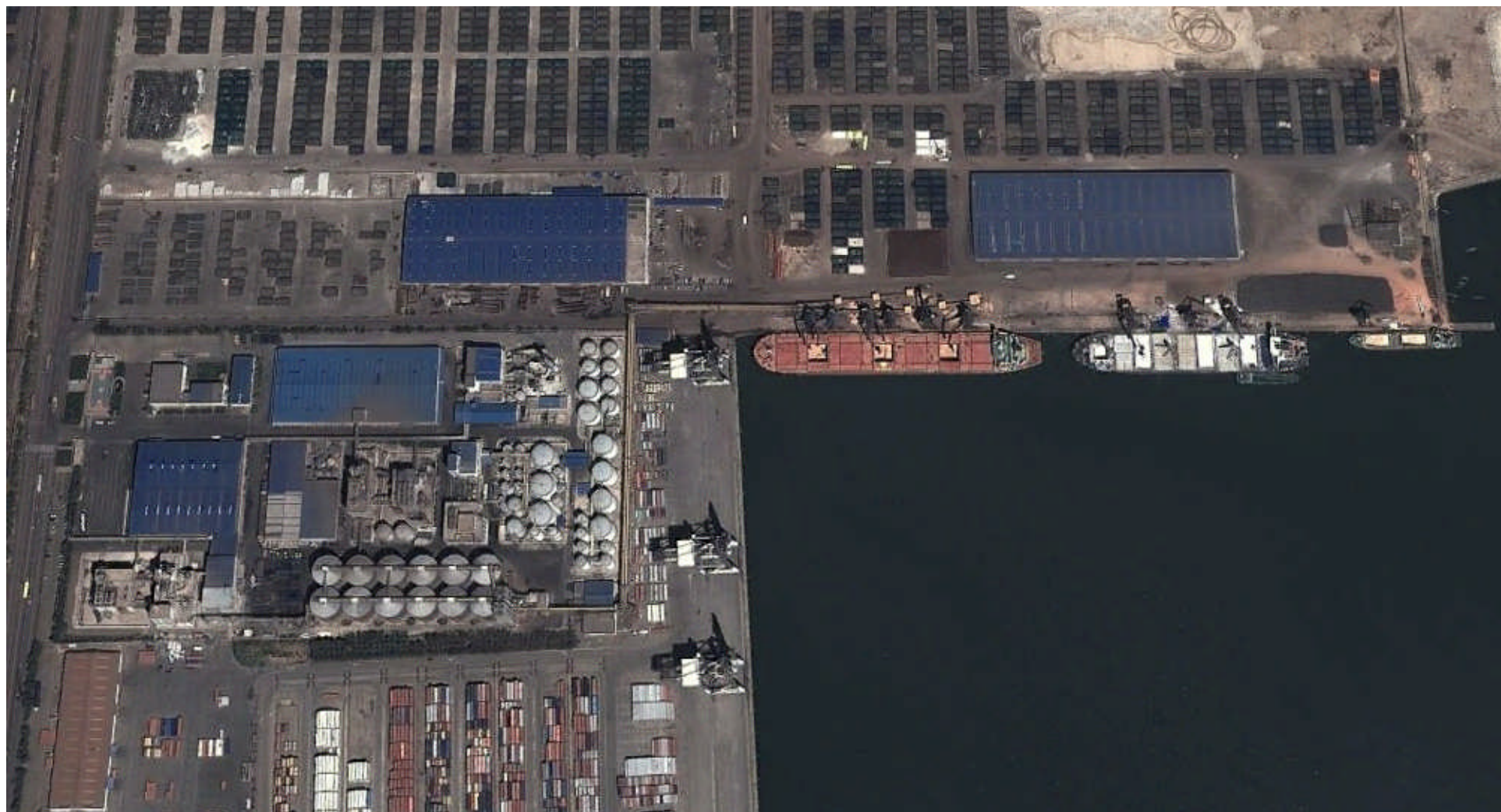
The plant was built to provide poultry meat for fast food operators like McDonalds and Yum Foods (KFC, Pizza Hut, & Taco Bell) who are frantically searching for safe and reliable supplies of poultry meat in China.

Yantai, Shandong, China



益海(烟台)粮油工业有限公司

YIHAI (YANTAI) OILS & GRAINS INDUSTRIES CO., LTD



集团工厂地图

Factory Geographical
Distribution



Yihai (Yantai) is invested by Wilmar International/ Yantai Port Company & Yantai Fenghe Investment Co.Ltd. Production began in April 2002, registered capital is RMB270.2 billion. The total investment is RMB302.9 billion.

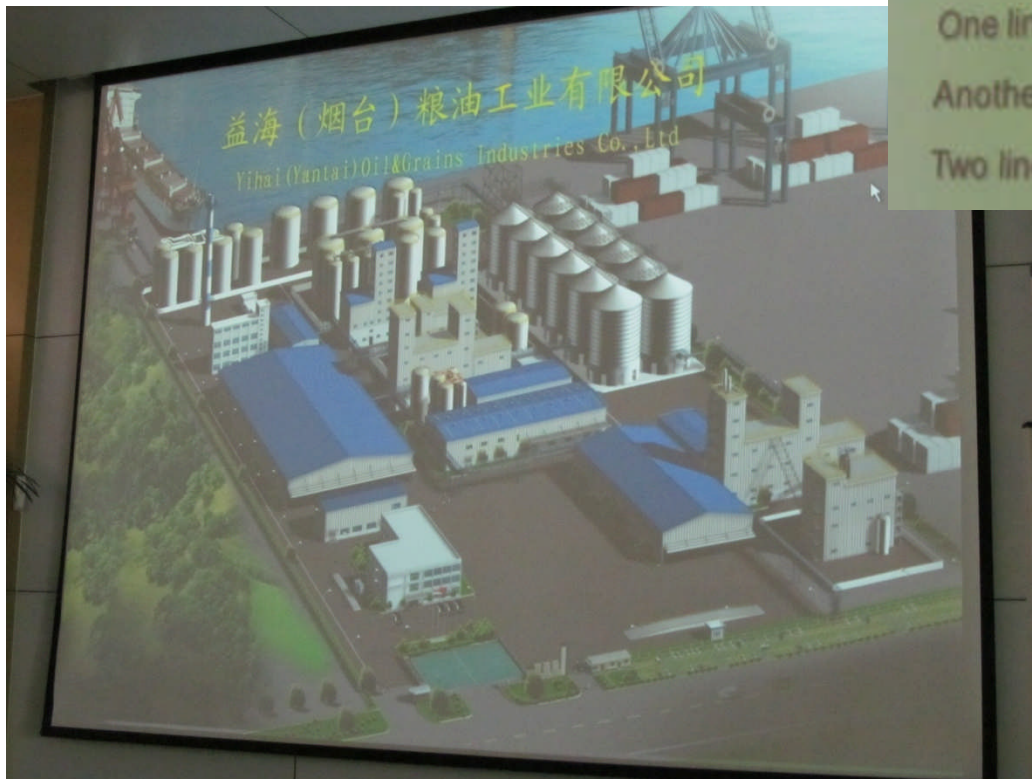
我们公司主要从事大豆、菜籽的加工。目前共有二条大豆生产线，各2000吨，共4000吨的压榨能力。

Two crushing lines as follows:

One line is 2000T/D, only for soybeans

Another line is 2000T/D, for rapeseed and soybeans

Two lines crushing capacity is 1200000 tons per year.



Soybeans are imported from United States and Brazil

Rapeseed from Canada

The bean quantity

1	年份 Year	船名 Ships name	到货日期 Date	杂质 Foreign material	水分 Moisture	粗蛋白 Crude Oil	粗脂肪 Crude Oil	年份 Year
2				≤2.0	≤14.0	≥33.0	≥18.0	2009
3			1月	2.28	12.77	34.86	18.26	2010
4		DARYA SHAKTR	2月	1.45	12.75	34.91	19.10	2011
5		LIAN HUA FENG	3月	1.99	12.43	34.48	19.23	2012
6		Saga Morus	3月	2.52	12.40	34.92	19.15	2013
7	2009年	PROVIDANA	3月	0.64	13.66	33.38	18.70	
8		SUN HARVEST	11月	1.97	13.42	34.47	19.86	
9		ALKYON	11月	2.54	13.69	34.49	19.67	
10		FLORENCED	12月	1.91	13.02	34.50	19.14	
11		平均值		1.63	12.83	34.76	18.96	
12		PLEASANT SKY	2月	1.86	13.35	34.42	18.42	
13	2010年	GAO ZHOU HAI	3月	1.42	11.39	35.67	19.35	
14		TOP FAIR	11月	1.28	11.47	35.76	19.85	
15		RELOAD	12月	1.55	12.26	35.15	19.15	
16		平均值		2.30	11.13	35.27	19.40	
17		艾弗雷	1月	1.54	11.21	35.38	18.51	
18	2011年	安娜	1月	2.13	11.95	35.25	20.15	
19		阿塔利亚	11月	2.22	11.88	34.80	19.07	
20		洛佩兹	12月	2.05	11.54	35.18	19.28	
21		平均值		2.42	12.51	34.29	19.96	
22		玉兰海	1月	1.21	10.21			
23		威西	2月					

干基粗蛋白
40.00 protein

40.00

39.50



Yahai Processes and Retails
Soybean Oil
Fish Oil
Canola Oil
Peanut Oil

#1 Selling Product is 1:1:1
A combination blend of
Soybean Oil - Fish Oil - Canola Oil







All Soybean Meal is shipped
In 70 KG bags – 154 Lbs

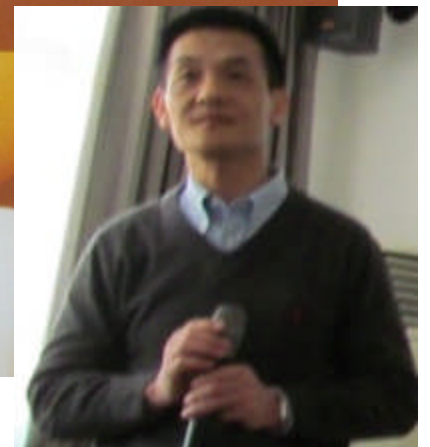




China Animal Utilization Program Briefing

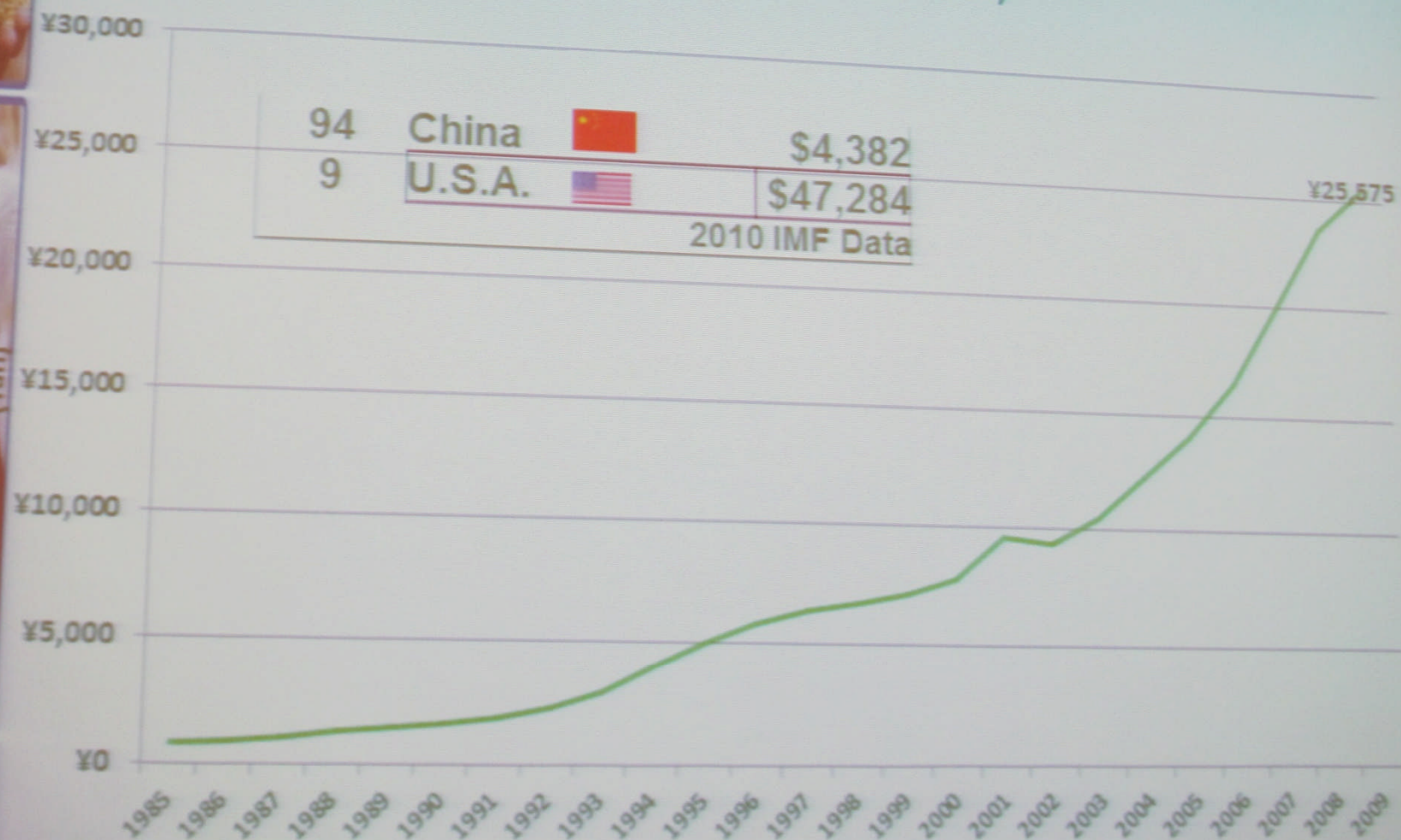
Richard Han, Ph.D.
Technical Director – AU
USSEC China

**Dr Richard Han with USSEC 5 years
At the University of Illinois for 11 years
Worked on Livestock Amino Acid Guidelines
Was employed by Ralston Purina**



China Per Capita GDP

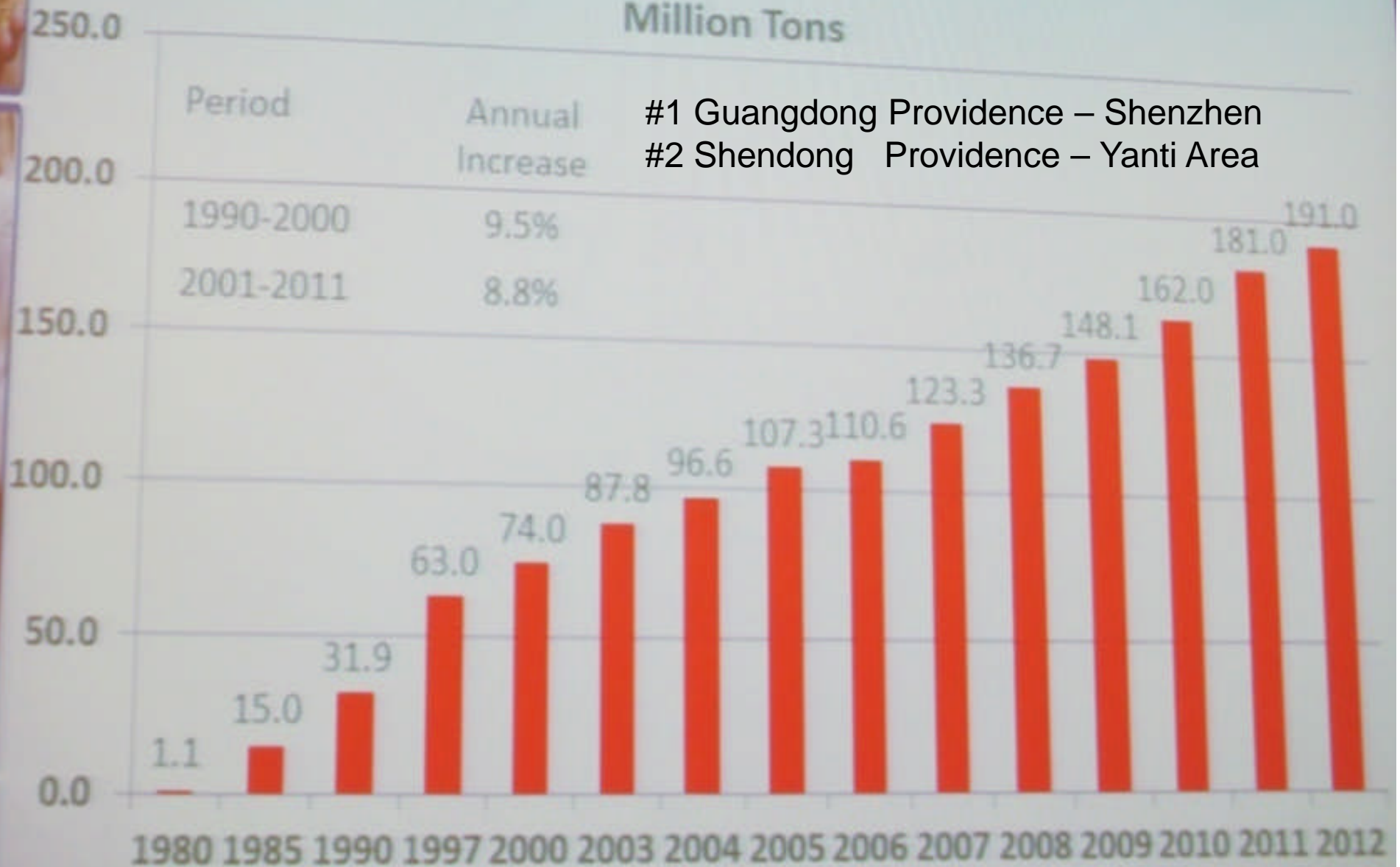
(2010 China Statistical Yearbook)



China Industrial Feed Production

Million Tons

#1 Guangdong Providence – Shenzhen
#2 Shendong Providence – Yanti Area



Animal Population by Specie (Million Heads)

Specie	2010	Remarks
Poultry Breeders	80.0	Western-type & Local breeds 50:50
Broilers	8,000.0	Western-type & Local breeds 50:50
Layers	1,300.0	
Ducks	3,000	
Swine	667.0 464.0	Total slaughter Total inventory
Dairy cattle	12.6	Data from Chinese Ministry of Agriculture
Beef cattle	55.8	35.8 beef cattle, 20 water buffalo

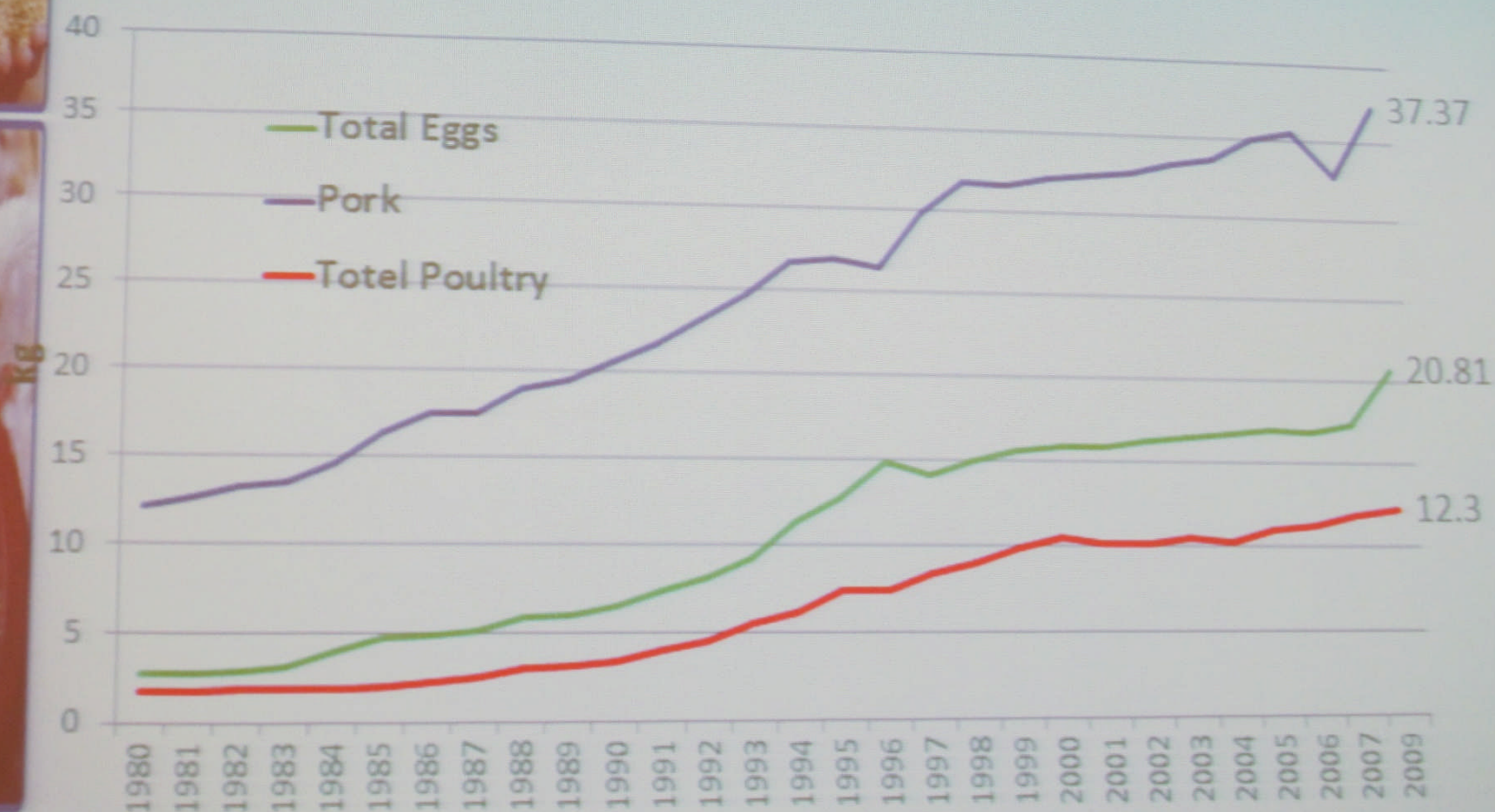
Animal Production Output Statistics (MMT)

Livestock Products	2010 (MMT)	Change Over 2009	Per Capita Output	2012 (MMT)	Change over 2011
Pork	50.70	+3.7%	37.86 kg	53.35	5.6%
Beef	6.53	+2.7%	4.88 kg	6.62	2.3%
Mutton	3.98	+2.2%	2.97 kg	4.01	2.0%
Poultry Meat	17.53	+9.9%	13.09 kg	18.23	6.7%
Poultry Eggs	27.65	+0.8%	20.65 kg	28.61	1.8%
Milk	35.70	+1.5%	26.66 kg	37.44	2.3%

Source: China Statistics Bureau

China Per Capita Consumption

(FAO: 1980-2009)



Daily Meat consumption/person: 159 g



TOP TEN U.S. SOYBEAN IMPORTERS

● Yihai Kerry Group	118 M Bushels
● COFCO Group	81 M Bushels
● Shandong Sunrise Group Co., Ltd.	81 M Bushels
● Heilongjiang Jiusan Grains & Oils Industries	80 M Bushels
● Sinograin Oils Corporation	74 M Bushels
● Shandong Linyi Oleo Chemicals Co., Ltd.	35 M Bushels
● Shandong Bohi Oils & Fats Industry Co.,	34 M Bushels
● Zhejiang Herun Industries	24 M Bushels
● Cargill Investment (China) Co.,	22 M Bushels
● Liaoning Dandong Pasite Grain & Oil Co.,	21 M Bushels

Yihai Kerry Group is partially owned by ADM

Only private company that is allowed to engage in futures trading in China

22 crush plants – If country would be world's 3rd largest importer of soybeans

Ave size plant is 2,000 mt / day Use a Panamax every 2 weeks

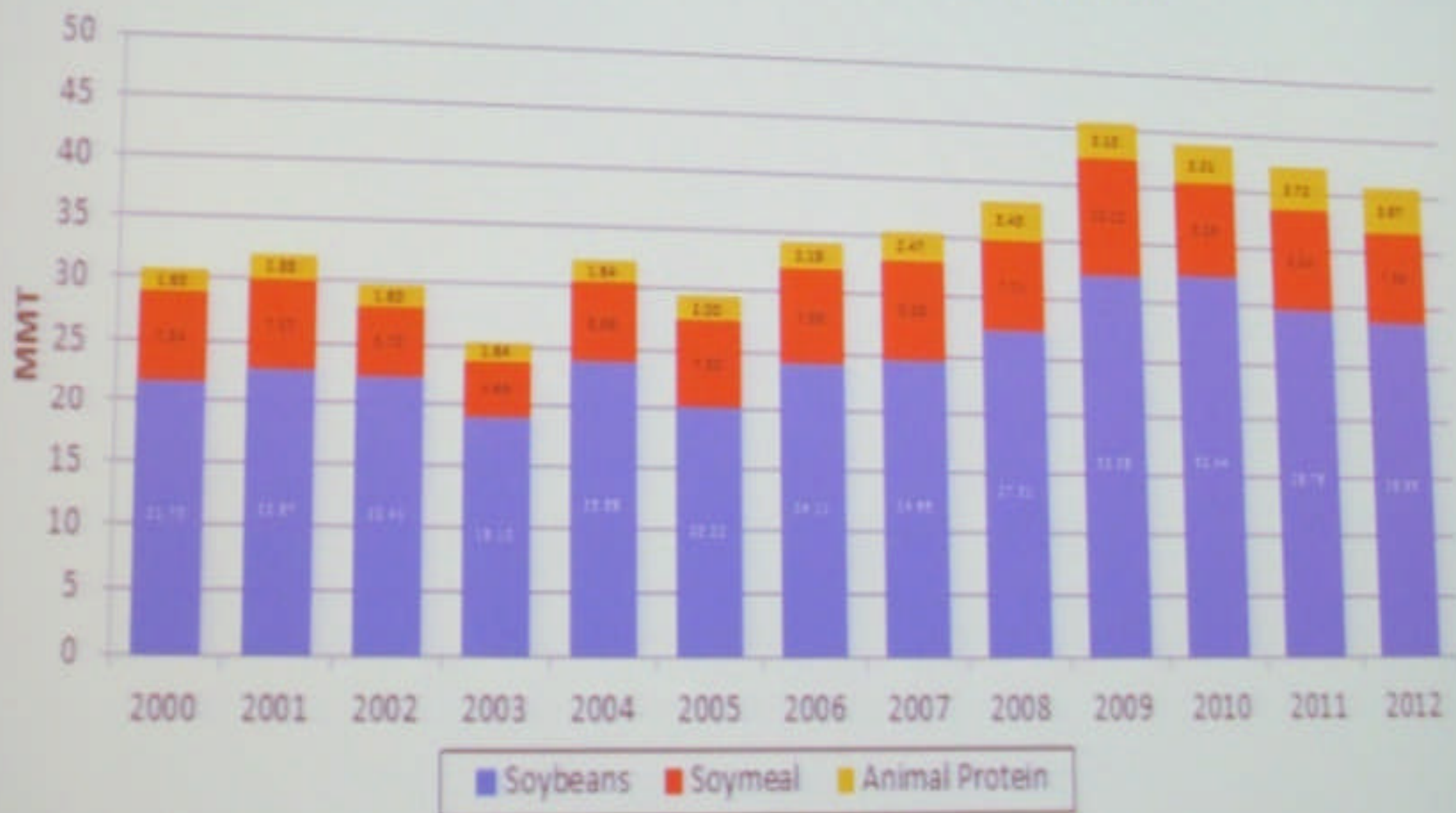
460,000 mt soymeal / year



TOP TEN U.S. SOYBEAN LOYALTY IMPORTERS

- Sinograin Oils Corporation (60.8%)
- Shandong Linyi Shengquan Oleo Chemical Co., Ltd. (55.7%)
- Zhejiang Herun Group Co., Ltd. (53.9%)
- Liaoning Dandong Pasite Grains Co., Ltd. (100.0%)
- Jililn Grain Group Import & Export Co., Ltd. (43.9%)
- Shandong Rizhao Changhua Group (42.5%)
- Jilin Bolaide Industry & Trade Co., Ltd. (85.2%)
- Chongqing Red Dragonfly Oil & Fats Co., Ltd. (41.5%)
- Fujian Kanghong Co., Ltd. (54.5%)
- Fujian Xiamen Zhonghe Enterprises Co., Ltd. (48.5%)

U.S. SOYMEAL EQUIVALENT EXPORTS IN THE FORM OF SOYBEANS, SOYMEAL AND ANIMAL PROTEIN
2000/01 – 2011/12 AND USDA FORECAST FOR 2012/13



Beverages served were often the
local Beer - Yantai
plus Coke and Sprite







Yisheng – Public Stock Co

Shangdong Stock Exchange

- ISO 9000 Certification Poultry Breeding
- Broiler & Poultry - 35% of Chinese Market
- 45,000 egg sets per day
- 100 million commercial broilers
- Cage system
- Novatech Debeaking & Vaccination Equipment
made in Willmar, MN
- Process Poultry Manure

Shandong Yinsheng Livestock & Poultry Breeding Co., Ltd

- Landrace Yorkshire hogs
- 8,000 Nucleus - Sows
- 20,000 pigs per year
- 1,700 Holsteins on Demonstration Farm
- No Antibiotics
- China just started drinking processed milk





深圳

SHENZHEN INTERNATIONAL AIRPORT





Average Age 23
3 Women - 1 Man
1979 Farmers
2013 13 million
2030 30 Million ?



China's First and Most Successful Special Economic Zone



U.S. Meat Export Federation

**China's Pork Market &
Opportunities for US Pork Sales**

Presentation by Joel Haggard , Ming Liang

**Shenzhen, China
March 25, 2013**



China: Current Pork Market Dynamics

- Current live hog price = US \$109/cwt. (falling)
- production barely profitable;
- no serious fall 2012/spring '13 epidemics;
- Sector continues to attract investment;
- Production shifting to larger units;
- Feed companies and producers invest upstream (e.g. Wen's Group, New Hope)
- Current corn prices stable at U.S. \$9.88/bu.;
- Imported offal wholesale prices firm
- 2012 pork imports just off 2011 record
- 3/1 Racto test cert for US pork creates uncertainty



China Meat Production 2012

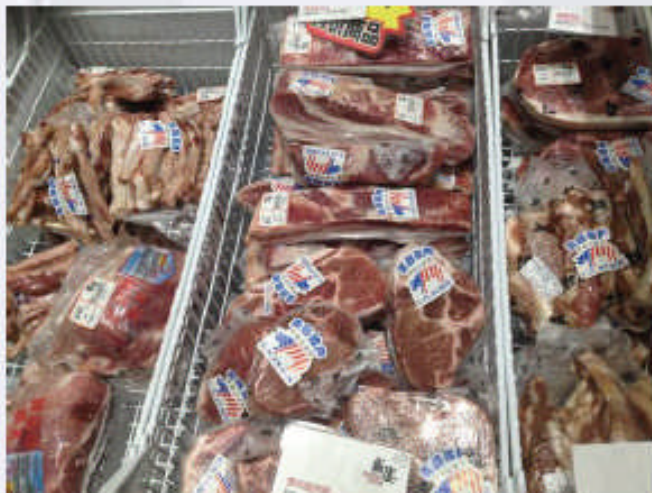
	2012 Production	Growth from 2011
Pork production	53.35 million tons	5.6%
Beef production	6.62 million tons	2.3%
Lamb production	4.01 million tons	2.0%
Poultry production	18.23 million tons	6.7%
Hog inventories	474.92 million head	1.6%
Live hog production	696.28 million head	5.2%
Egg production	28.61 million tons	1.8%
Milk production	37.44 million tons	2.3%
China cattle inventory (by USDA)	104.1 million head	Down slightly
Total:	83.84 million metric tons	5.4%



Success Story #1: Traditional Market

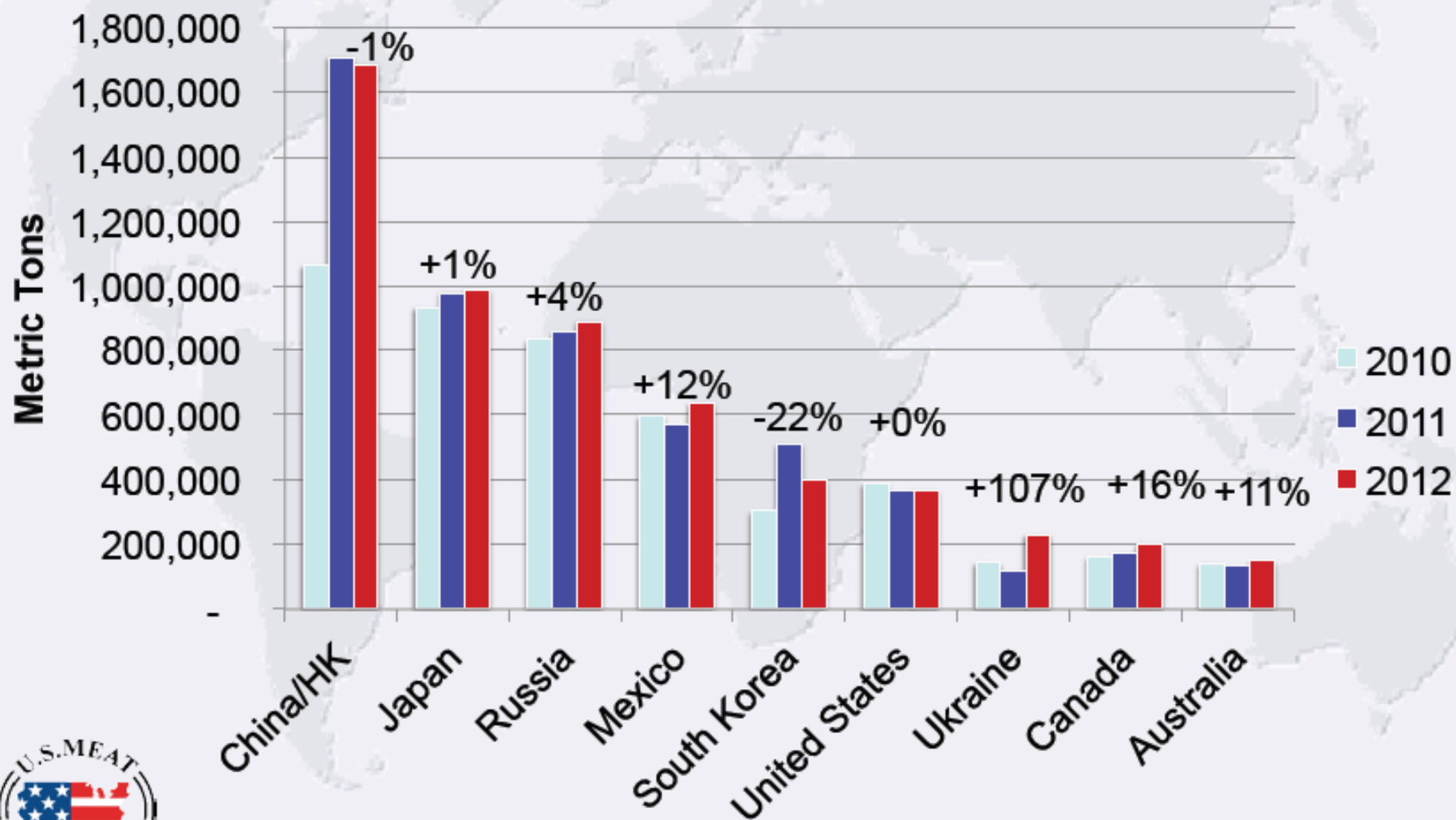
Retail: 2012

- Development of US pork sales outlet in new market segment – traditional/wet market
 - Rapid Development: from 1 store to 7 stores within 18 months
 - US pork sampling & sales promotions
 - Outcome: start trend of branded imported pork sales in large market segment



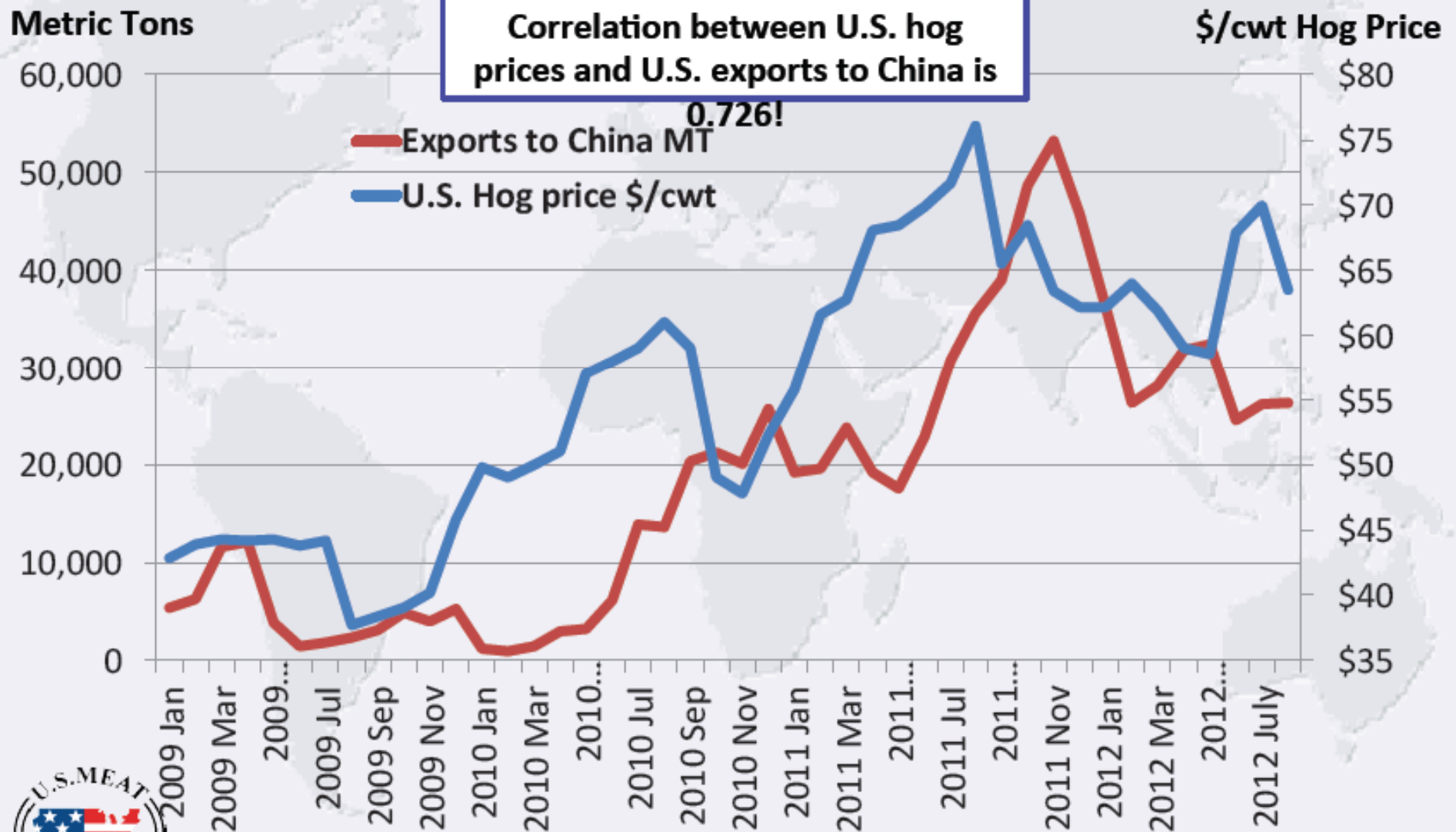
Top Global Pork Importers

Annual Imports, INCLUDES variety meats



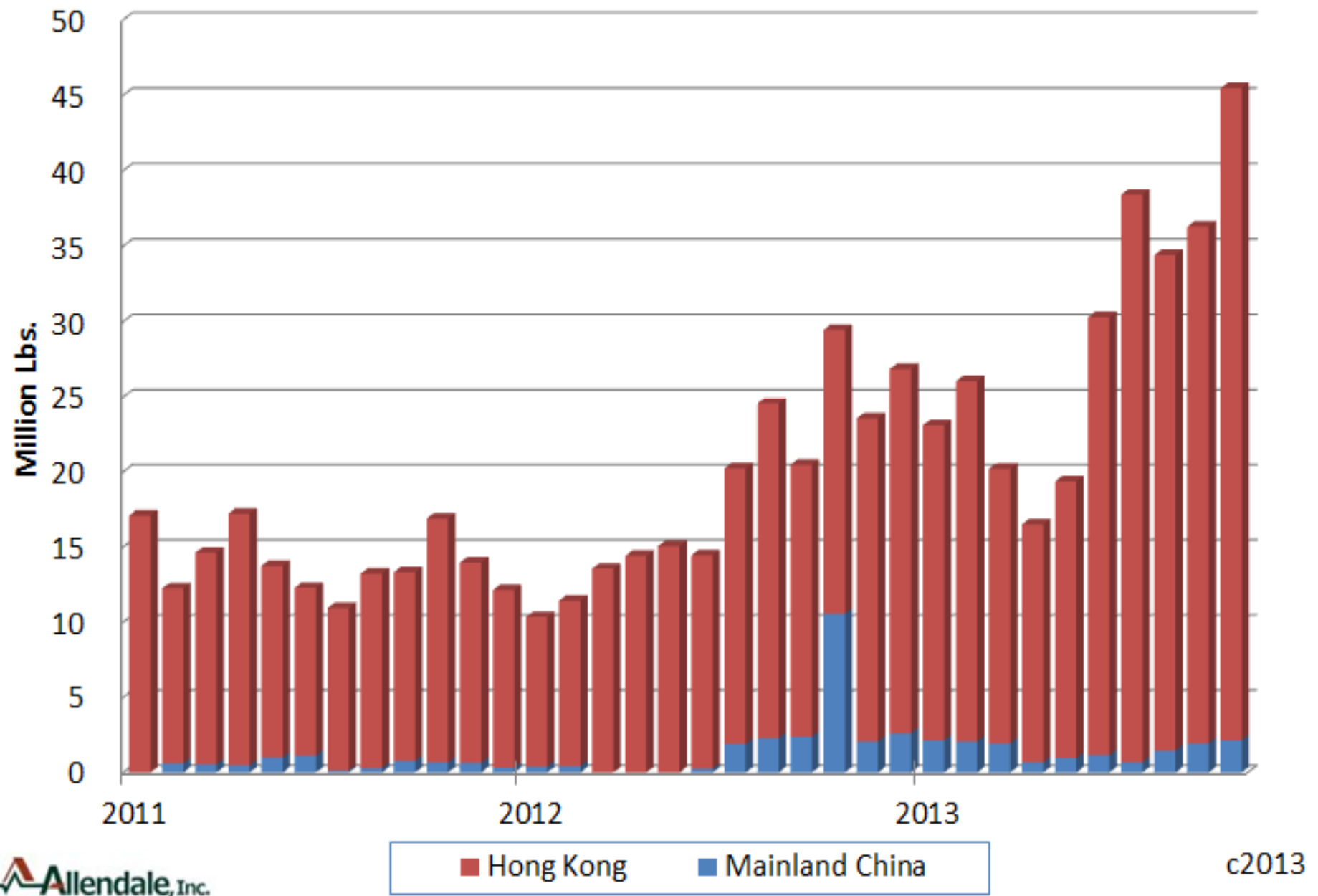
Source: Global Trade Atlas

China's Buying & U.S. Hog Prices



Source: USDA and USMEF

US Beef Exports to China

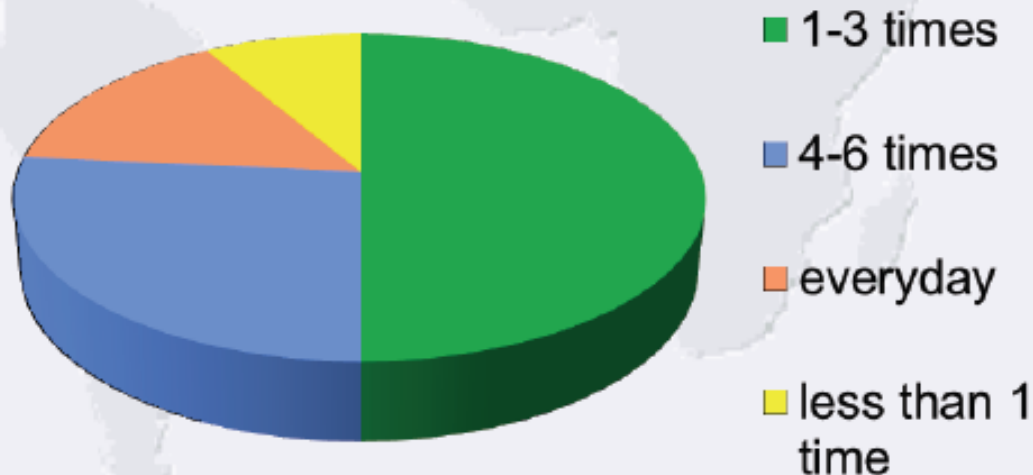


2013 HRI Marketing Trends

- **The habit of dining out**

- 70% respondents like dining out (especially the Post- 80s gen)
- Dining out frequency survey

Dining Out Frequency/ Week



From Food & Beverage Industry Blue Book
2011

Pork Budgets – China Region

US\$
650,000

Minnesota Soybean Growers Association

Budget 2012 : US\$122,500

600,000

550,000

500,000

450,000

400,000

350,000

300,000

250,000

200,000

2006

2007

2008

2009

2010

2011

2012

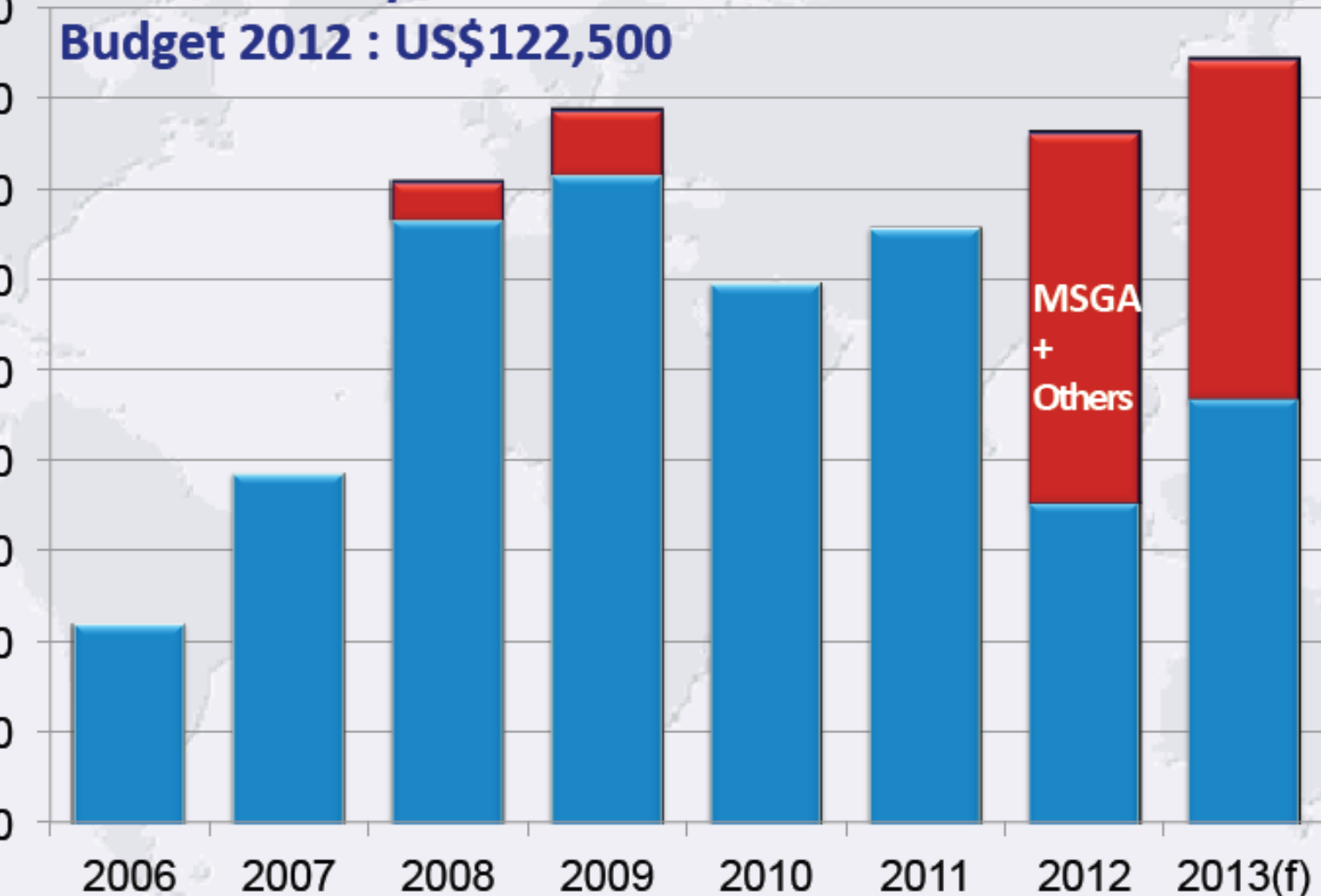
2013(f)

MSGA
+
Others



■ **NPB, MAP + Other Marketing Funds**

■ **Soybean Funds**



Food & Frozen Meat Issues



- 1970's Food Ration Coupons
- Majority Meat Sold Fresh
- Most Packers Slaughter Night
- No Freezers
- Big Cities Freezers Cold Storage
- Pork Animal Protein of Choice
- China Pork = 50% Global
- 98% Self Sufficient



深圳市海吉星国际农产品物流园

SHENZHEN HIGREEN INTERNATIONAL AGRICULTURAL PRODUCTS LOGISTICS PARK



Farmers Market and Frozen Foods.

All kinds of fresh fruits and vegetables.
Many types of melons, apples, nuts,
pineapples, sweet corn.



One of China's largest Frozen Food Distribution Centers





Joel
Haggard

Ming Liang

Lu Lu

Chen Lee
Jack





China does not have a national meat inspection program – Local Government
No official education. Use sanctions if officials know of issue = Jail Time



Pork and Chicken products available included Pork Ear, Pork Stomach, Pork Hooves, Pork Ribs, Chicken Paws, Thighs & Legs

Tyson Perdue Farms

Abbyland Pork from Curtis WI,

Mountaire Chicken from NC.

Marfrig Group, Boneless Beef - Brazil.

West Fleisch Pork Riblets – Germany.

Swift IBP

Sanderson Farms

Amick Farms Atlanta Georgia.

Persoon Breastbones - Holland

Danish Crown Pork





Typical Village Residential – Drying Clothes in Balcony





Walmart two story layout.
Located in a popular residential
area. No immediate parking out
front but nearby.

Sold appliances such as
stoves, refrigerators, clothes
washers. Dryers are not used.





















没有最好，只有更好，
因为前进的空间永远都存在。

There is no best
but better
because there is
always room for
improvement

U.S. Meat • Chef Story



Chef Tony's Successful Story with U.S. Meat

美国肉品 • 厨师故事精选


——穷孩子登上西餐殿堂之巅





美国肉类出口协会

  **U.S. Pork: Grain Fed to**
Tenderness 高品质·美国谷饲猪肉
谷物喂养，肉质多汁！

单点猪扒消费价值满100元以上，送价值48元蒜香美国猪排骨1份
单点猪扒消费价值不满100元，另加收24元可点价值48元的蒜香美国猪排骨1份

 蒜香美国猪排骨 48元
Roasted U.S. Pork Spareribs with Garlic

 青苹果酱烧美国猪小排 78元
Grilled U.S. Pork Spareribs with Green Apple Sauce

















请勿
疲劳驾驶

Don't Drive,
When Tired.



顺德区公安交警大队



Pete Lombardo & Peter Mishek

- AGP Traders
- Contacts in Southern China
- YueXing Industry Visit
- Machong Port Visit
- Pete Lombardo in 1995 brokered very 1st ship of U.S. Corn, Rice, & (2) SRW Wheat into China thru a Swiss Firm owned by Farmland
- Taught Chinese all aspect of trading



廣東粵星實業發展有限公司



YueXing Industry

廣東粵星實業發展有限公司

粤星集团宣传片

旗下企业:



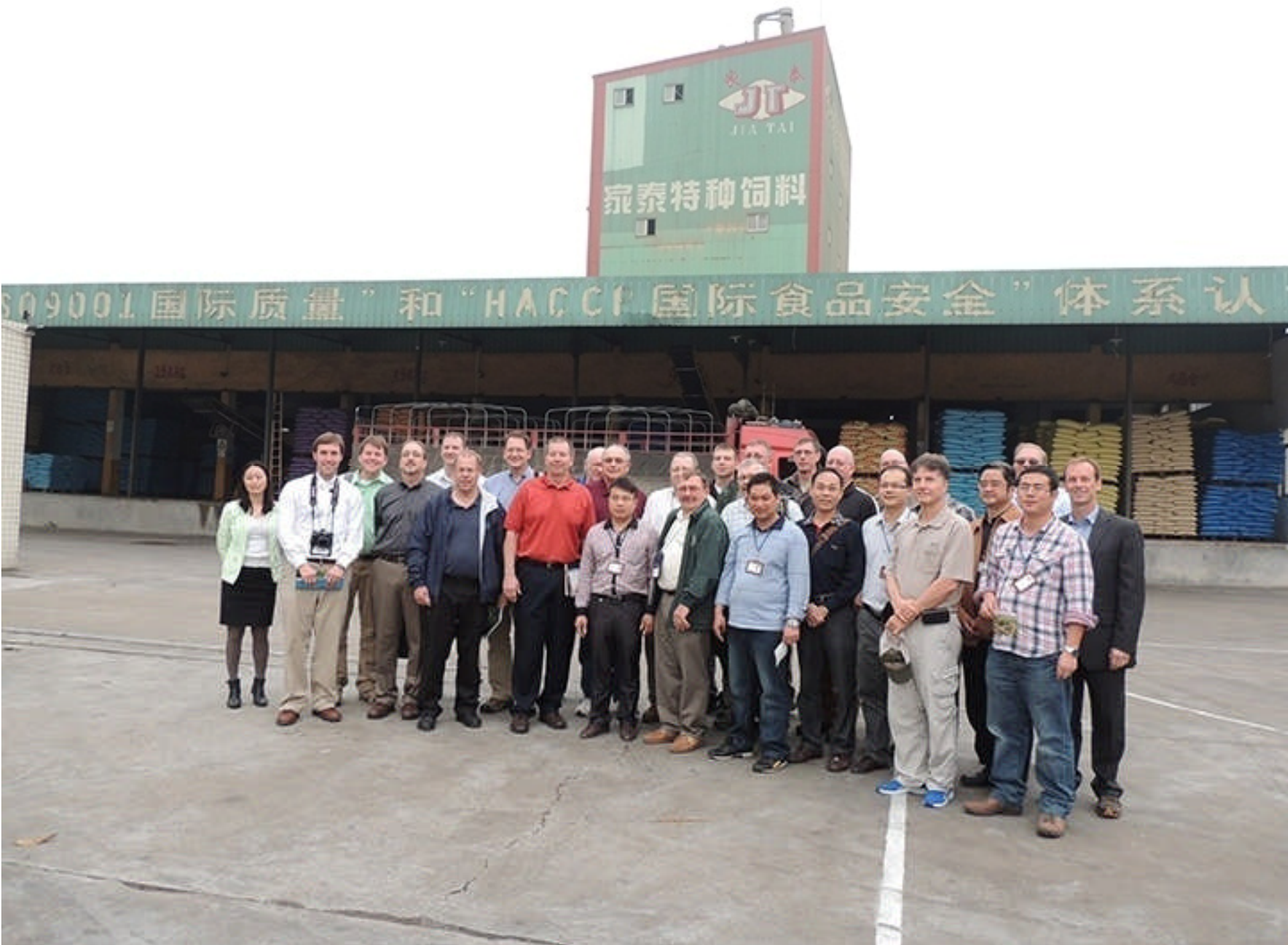
Yuexing Industry, headquartered in Xingyun Twon, is a 17 year old family company dedicated to be a leading company in China's feedstuff industry.

Top-100 Feedstuff Enterprise of China. Highly awarded for many new products , ISO 9001 quality and State Science & Technology Achievements.

粤星集团宣传片

旗下企业:







YueXing chairman Mai Shukun
visiting a Minnesota Farm in 2011.

The company has established a learning
abroad program for management and also a
western corporate culture of teamwork.

Free environment for employees to offer
ideas for corporate growth and social
progress.

Yuxing feed factory has four cutting-edge automated production lines for
granulated feedstuffs for chicken, ducks, fish and pigs run at a rate up to 40 tons
per hour. Monthly sales of over 10,000 tons.



YueXing uses a variety of feedstuffs and raw materials as their main business is feed mill for livestock and Canola Crushing. Feedstuffs used include soy meal, canola meal, corn and DDGS. All feed 50 kg bags. Aquatic feed is both Floating and Sinking. Port Ownership.

Hubei Joayi Cereals and Oils

Rape, Cotton Seed and Refined Salad Oils

Regional tastes, Cantonese like Peanut Oils

NE China like Soy Oils.

Sales & Procurement

Management Centers

U.S. Soy Meal has Better Color



Yichang – Near Three Gorges Dam
and Gezhou Dam



Jaitai Feed Factory Feedstuffs. Frogs, Sea Fish, Fresh Fish, Dog Fish, Eels, Turtles, Prawns,



Dexing Biological-Concentrate for pigs
All growth stages. Goal 10,000 tons
annually with five years.



Jainli Grain – 20 kinds feedstuffs
Pigs, Chicken, Ducks, Fish









Pearl River Delta is one of the 1st ports in China and the most efficient port in China.

World Port Volume Leaders

#1 Shanghai

#2 Singapore

#3 Hong Kong

#4 Chiwan & Pearl River

Member National Grain Reserve

SINO-Grain 770,000 tons

Port Working Capacity:

Store House: 280,000 tons

Silos: 140,000 tons

Loading & Unloading for
Corn

Soybeans 3.8 mmt

Rapeseed

Wheat, Barley, DDGS

Oil Processing 2.4 mmt

Feed Processing 1.1 mmt

Soy Flour Processing 1.2 mmt





赤湾港区 Chiwan Port

码头岸线、水深条件:

赤湾航道水深-11.0米, 拥有7个散货泊位, 岸线长1250米, 其中深水泊位3个, 5~6#泊位水深-12.0米, 7#泊位水深-13.0米。

Channel depth 11M, 7 berths (3 deep water berths, in particular berths 5&6 with 12m depth and berth no. 7, 13M depth)





麻涌港区 Machong Port

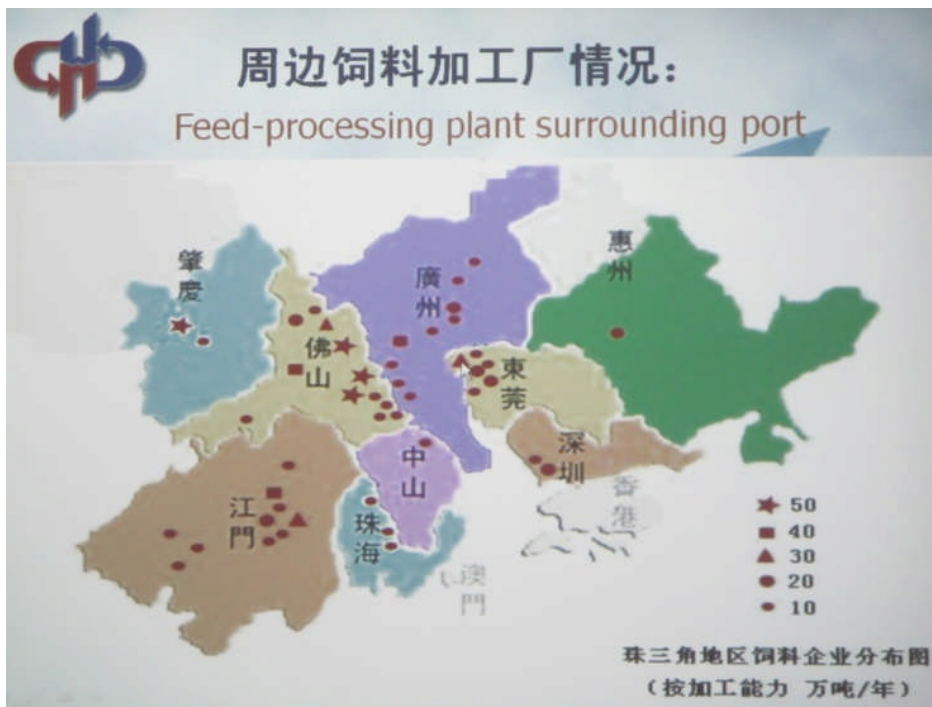
码头岸线、水深条件 The Port and Basics:

Machong/phase 1: Channel depth 13M, 2 berths under operation, LOA 525M

麻涌航道水深-13.0米，已建成投产一期2个泊位（2#、3#泊位），岸线长525米，前沿水深-13.0米。

Capacity to unload two 70,000 ton Panamax ships at a time
Panamax - maximum size able to navigate the Panama Canal











Welcome to Hong Kong

















Tue., Mar. 19, 2013 | Minneapolis/St. Paul, MN (MSP) to Beijing, People's Republic of China (PEK - Capital)

Depart:
8:17 a.m.
Tue., Mar. 19, 2013
Minneapolis/St. Paul, MN (MSP)

Arrive:
9:43 a.m.
Tue., Mar. 19, 2013
Chicago, IL (ORD - O'Hare)

Flight Time:
1 hr 26 mn

Flight: **UA6221**
Operated by Skywest Airlines dba United Express.
Aircraft: **Canadair Regional Jet 700**
Fare Class: **United Economy (L)**
Meal: **None**
No Special Meal Offered.

Change Planes. Connect time in Chicago, IL (ORD - O'Hare) is 3 hr 12 mn.

Depart:
12:55 p.m.
Tue., Mar. 19, 2013
Chicago, IL (ORD - O'Hare)

Arrive:
3:40 p.m. +1 Day
Wed., Mar. 20, 2013
Beijing, People's Republic of China (PEK - Capital)

Flight Time:
13 hr 45 mn

Travel Time:
18 hr 23 mn

Flight: **UA851**
Aircraft: **Boeing 777-200**
Fare Class: **United Economy (L)**
Meal: **Lunch**

Thu., Mar. 28, 2013 | Hong Kong (HKG) to Minneapolis/St. Paul, MN (MSP)

Depart:
11:10 a.m.
Thu., Mar. 28, 2013
Hong Kong (HKG)

Arrive:
12:30 p.m.
Thu., Mar. 28, 2013
Chicago, IL (ORD - O'Hare)

Flight Time:
14 hr 20 mn

Flight: **UA896**
Aircraft: **Boeing 747-400**
Fare Class: **United Economy (L)**
Meal: **Lunch**

Change Planes. Connect time in Chicago, IL (ORD - O'Hare) is 2 hr 16 mn.

Depart:
2:46 p.m.
Thu., Mar. 28, 2013
Chicago, IL (ORD - O'Hare)

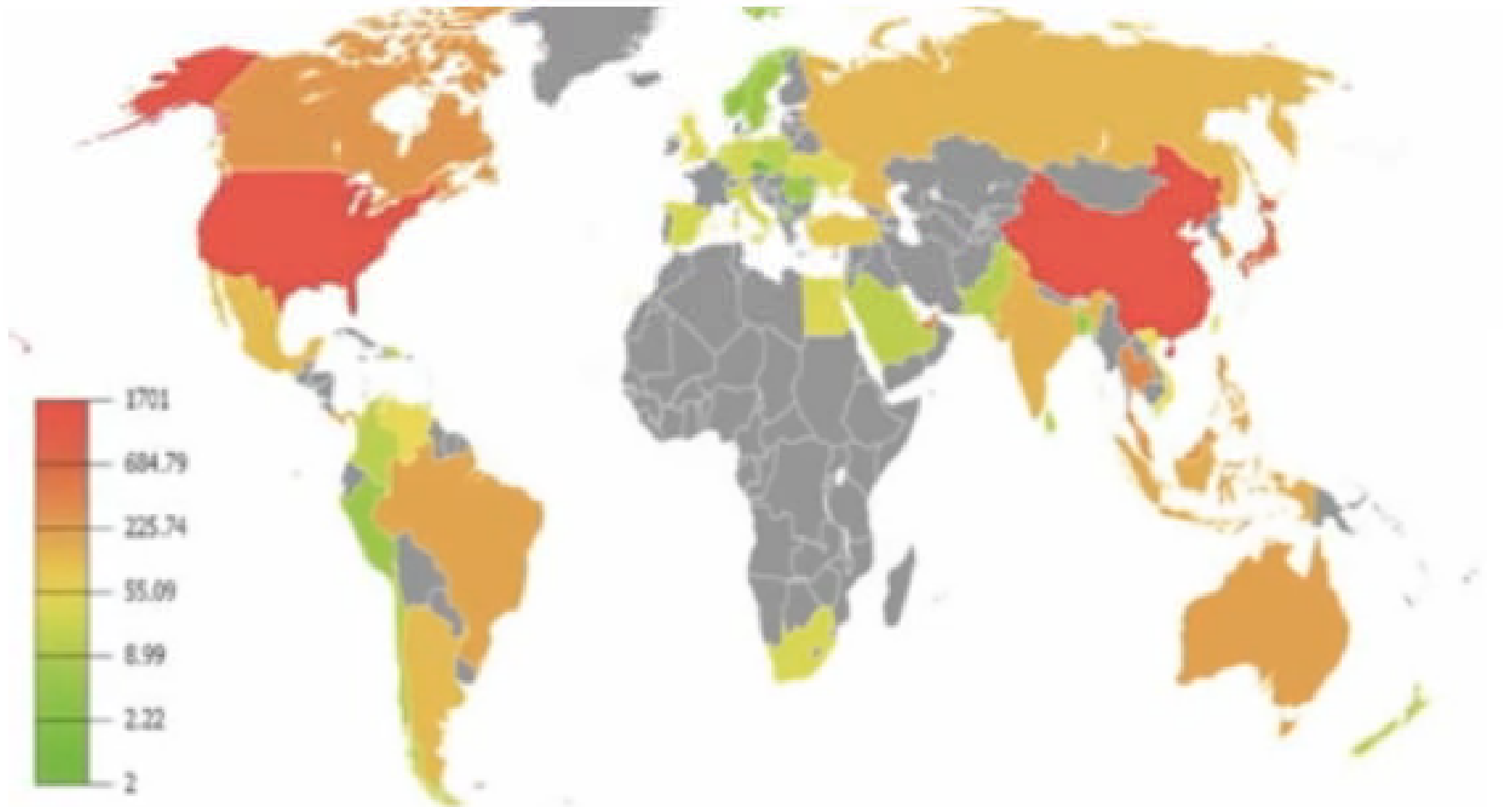
Arrive:
4:18 p.m.
Thu., Mar. 28, 2013
Minneapolis/St. Paul, MN (MSP)

Flight Time:
1 hr 32 mn

Travel Time:
18 hr 8 mn

Flight: **UA3525**
Operated by Shuttle America Airlines dba United Express.
Aircraft: **Embraer ERJ-170**
Fare Class: **United Economy (W)**
Meal: **None**
No Special Meal Offered.

Countries with Most Sky Scrapers





David Scheibel david@mnwestag.com