

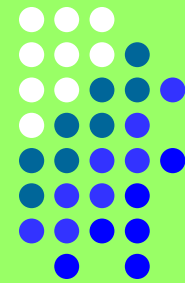
# China Agricultural Machinery Developing Report

- China Agricultural Machinery Distribution Association

**Jinfu Xiao**

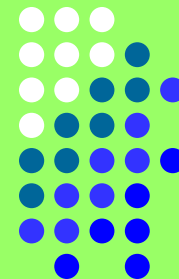
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# I China Agricultural Basic Situation



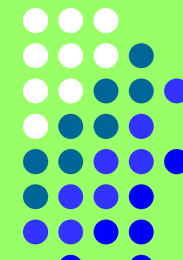
- | **1. The Situation of Crops, Area, Output in 2007**
- According to the statistics of 2007, the field area is 122 million Ha., compared with the area in 1996, decreased 8.33 million Ha. So far, the average field area of one person is only 0.092 Ha., it is only 4% of the average level in the world.
- In 2007, the foodstuff field area was 105.73 million Ha. Compared with 2003, it was increased 64 million Ha. The output of grain is 50.16 billion Kg. In 2007, the average output of foodstuff of one Ha reached 4743 Kg, and for grain, the output of one Ha was 5325 Kg. It was a new record in history.

# Foodstuff data in 2007



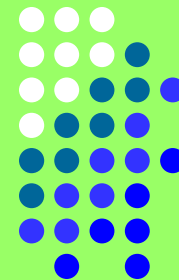
Type	index	2007
output	Field area (million Ha)	121.73
	foodstuff field area(million Ha)	104
	corn field area(million Ha)	85.87
	foodstuff Output(Kg/Ha)	4740
	The total output of foodstuff (Billion Kg)	501.6
	Oil plant area (Million Ha)	11.33
	Grassland (Million Ha)	262
	output of meat(tons)	68,000,000
	output of egg (ton)	252,600,000
	output of milk(ton)	350,900,000
Demand	foodstuff supply and demand rate(%)	98

## 2. Prices of main crops



### The prices in August,2009

<b>main crops market</b>	<b>variety</b>	<b>Price (Yuan/ ton)</b>	<b>Compare with last month (%)</b>
<b>Wuhu Rice wholesale Market</b>	<b>Spring rice</b>	<b>2,744</b>	<b>0.89</b>
	<b>Autumn rice</b>	<b>2,818</b>	<b>0.83</b>
<b>Huazhong Foodstuff Wholesale Market</b>	<b>Spring rice</b>	<b>2,800</b>	<b>0</b>
	<b>Autumn rice</b>	<b>2,940</b>	<b>0.55</b>
<b>Jiujiang Rice Wholesale Market</b>	<b>Spring rice</b>	<b>2,700</b>	<b>-1.93</b>
	<b>Autumn rice</b>	<b>3,075</b>	<b>1.16</b>
<b>Zhengzhou Foodstuff Wholesale Market</b>	<b>Spring rice</b>	<b>2,695</b>	<b>0.41</b>
	<b>common wheat</b>	<b>1,887.50</b>	<b>1.37</b>
	<b>High quality wheat</b>	<b>2,027.50</b>	<b>0.78</b>
	<b>Maize</b>	<b>1,792.50</b>	<b>4.95</b>



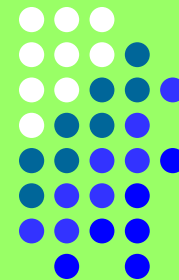
### 3. The import and export situation of the main crops in 2008

- In 2008, the agricultural products export volume increased slowly and import volume increased fast. The trade deficit expanded fast too. The export and import volume was 99.16 billion USD, increasing 27% compared to last year. The export volume was 40.5 billion USD, increasing only 9.4% compared to last year, but the import volume was 58.66 billion USD, increasing 42.8%. It is 3.4 times more than last year.

#### The import and export data of main crops in 2008

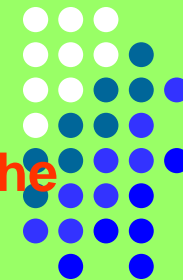
	Export		Import		Net Export	
	volume ( ton )	Year-on-year year (%)	Volume (ton)	Year-on-year year (%)	volume (ton)	Year-on-year (%)
Rice	947,000	-27.4	289,000	-38	657,000	-21.5
Maize	252,000	-94.9	49,000	39.7	203,000	-95.8
Wheat	126,000	-94.6	32,000	-61.8	94,000	95.8

The import and export volume of cotton and sugar decreased compared with last year, and the export volume of vegetable and fruits increased very slowly.



The import and export data of cotton, sugar vegetable and fruits in 2008

	Export		Import		Net Export	
	Volume (Ton)	Year-on-year (%)	Volume (Ton)	Year-on-year (%)	Volume (Ton)	Year-on-year (%)
<b>Cotton</b>	<b>21,000</b>	<b>-10.2</b>	<b>218.9</b>	<b>-16.3</b>	<b>216.8</b>	<b>-16.4</b>
<b>Sugar</b>	<b>62,000</b>	<b>-43.5</b>	<b>78</b>	<b>-34.6</b>	<b>71.8</b>	<b>-33.7</b>
<b>Vegetable</b>	<b>8,195,000</b>	<b>0.3</b>	<b>10.4</b>	<b>5.1</b>	<b>809.1</b>	<b>0.2</b>
<b>Fruits</b>	<b>4,841,000</b>	<b>1.4</b>	<b>169.2</b>	<b>25.6</b>	<b>314.9</b>	<b>-8.1</b>



◆ The edible oil seed imported volume increased very fast and the edible oil imported volume decreased.

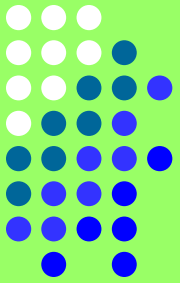
The edible oil seed : In 2008 the net imported volume was 37,817,000 tons, increasing 23.5% compared to last year.

Edible plant oil : In 2008 the net imported volume was 7,922,000 tons, decreasing 3.7% compared to last year.

◆ The trade deficit of livestock products increased and the trade favorable balance of aquatic products increased.

Product	Export (billion USD)	Increased(%)	Import (billion USD)	Increased(%)
Livestock products	4.39	8.5	7.73	19.4
Aquatic products	10.61	8.9	5.4	37.6

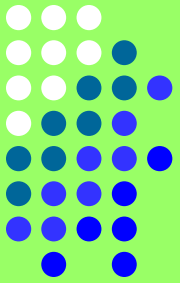
◆ The export volume to Japan and South Korea decreased, and import volume from USA and Brazil increased.



Countries	Export volume (billion USD)	Increased (%)
Japan	7.69	-8.1
EU	6.27	16
USA	5.13	16.1
ASEAN	4.58	16
South Korea	2.91	-12.1

Countries	Import volume (billion USD)	Increased (%)
USA	14.42	2.4
ASEAN	9.24	-1.6
Brazil	8.22	3.3
Argentina	8.41	1.7
EU	3.72	-0.5





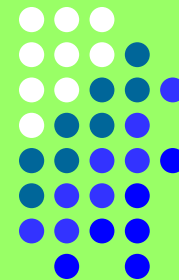
# The situation of China agricultural machinery

## Sales volume in 2007 and 2008

In 2008, China agricultural machinery developed very fast, not only in the domestic market, but also the international market.

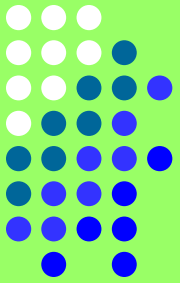
## The production value of agricultural machinery (not including the engine) in 2007 and 2008

Name	2007	2008	Increased
Unit	(1,000Yuan)	(1,000Yuan)	(%)
Industry general production value	148,705,192	198,477,759	33.47
New products production value	11,179,107	18,548,348	65.92
Sales volume	145,920,838	194,444,284	33.25

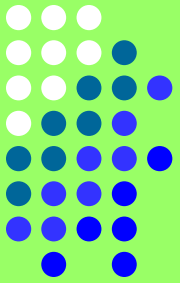


## The Main Agricultural Machinery Sales data in 2007 and 2008

<b>Machinery</b>	<b>2008 (set)</b>	<b>2007 (set)</b>	<b>Increased (%)</b>
Mid and big size tractors	217,133	192,483	12.81
Small size tractors	1,879,893	2,115,577	-11.14
Harvesters	327,361	269,808	21.33
Foodstuff processing machinery	1,542,406	1,508,204	2.27
Feedstuff processing machinery	340,472	253,526	34.29
Cotton processing machinery	41,253	32,407	27.3
The shovel and transportation machinery	201,263	183,161	9.88
Pump	62,117,804	59,593,568	4.24



- **Forecast the sales volume of agricultural machinery in 2009 and 2010**
- In 2009, the sales volume will reach 220 billion Yuan, and 250 billion Yuan in 2010.

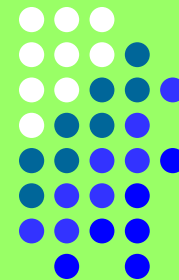


### 3. The tractor market developing trend in 2009 and the forecast situation in 2010

- ◆ The situation of tractors in 2009
- The medium and large size tractors 。
- Form Jan. to August in 2009, the demand of medium and large size tractors increased over two numbers, because of the subsidy from the Government and the season demand from the farmers.
- Statistics showed that 43 tractor manufacturers sold over 242,800 sets in the 8 months. It is new record in the 60 years and increased 85.95% compared the same term in last year.

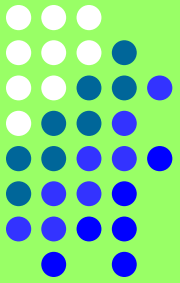
## Small size tractors

The sales volume still continues to decrease. From Jan to August in 2009, the sales volume is only 1.073,900 sets of small size tractors, decreased 14.7%.

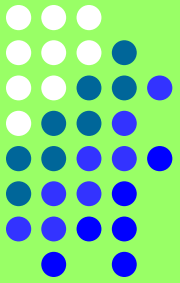


Tractors sales volume from Jan. to August in 2009 unit : set

Tractors	month	1	2	3	4	5	6	7	8	total
Middle and big size tractors	increased (%)	5.05	72.29	66.82	85.95	55.89	37.45	43.84	50.61	55.56%
	Ring growth (%)	28.99	37.28	107.58	10.31	-37.18	-25.23	-3.25	11.11	——
Small size tractors	increased (%)	-57.9	-7.03	-25.61	-10.27	-9.59	-13.71	15.76	4.37	-14.70%
	Ring growth (%)	-33.02	78.45	44	10.38	-28.88	-9.4	19.68	1.42	——

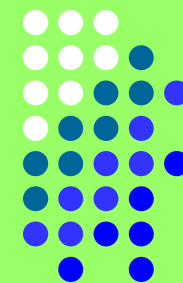


- **◆ The forecast of tractors in 2010**
- **A. The medium and large size tractor sales volume will continue to increase. We forecast that the sales market will keep up because of the Government subsidy, new market demand.**
- **B. Maize machinery will become hot. Some big agricultural provinces (Shandong, Henan, Hebei province) will list the maize harvesters (pulled by the tractors) as the important subsidy namelist, which will pull the demand of the big tractors.**
- **The demand of the large size tractors will expand. The demand of over 50 HP tractors will still keep increasing, especially in Heilongjiang, Xinjiang, Shandong, Henan, Hebei provices.**



#### 4. Special factors to agricultural machinery industry in 2009

- In the past 8 months in 2009, although the overseas market decreased a lot, export volume decreased fast, the demand of domestic market increased fast, many farmers and dealers were waiting for the tractors. The main factor is the subsidy from the Government, because this year the Center Government gave 13 billion Yuan subsidy for farmers buying agricultural machinery. It has increased a lot from last year ( 4 billion in last year).At the same time, some local Government will also give subsidies to farmers buying agricultural machinery.



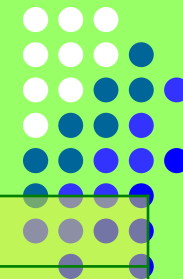
## 5. The import and export situation in 2008

The export volume reached a new record

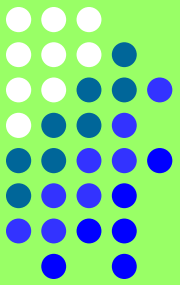
The import and export data of agricultural machinery in 2008

Types	Unite	Import			
		Quantity (set)	Increased (%)	volume (10,000 Yuan)	Increased (%)
Tractor	set	2007	21.27	15297.29	30.17
Transportation vehicle	set	75	13.64	684.26	-3.66
Harvesters	Set	1472	-27.38	11067.25	100.07
Combines	Set	1372	4.1	1759.26	15.42
Processing machinery of agricultural product, food and drink	Set	8459	28.09	17993.59	24.78
Pasturage machinery	Set	195	-50.51	513.76	61.66
Processing machinery of livestock product	Set	203	-0.49	2382.1	83.88





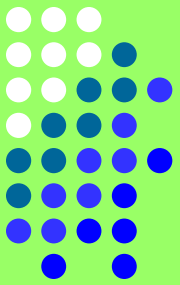
Types	Uite	Export			
		Quantity (set)	Increase d (%)	volume (10,0 00 Yuan)	Increased (%)
Tractor	set	180513	20.14	106456.3	30.41
Transportation vehicle	set	343611	-16.15	8830.59	34.22
Harvesters	Set	43678	27.77	4194.17	13.02
Combines	Set	6846	107.9	7860.39	199.94
Processing machinery of agricultural product, food and drink	Set	654269	76.3	21350.59	32.4
Pasturage machinery	Set	11812	67.12	338.93	34.16
Processing machinery of livestock product	Set	22455	217.52	3641.19	18.63



## **The export situation turns bad in 2009**

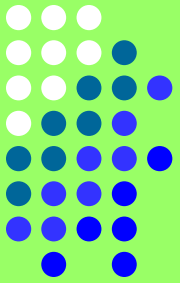
**The export volume of the main 28 tractor manufacturers decreased a lot, the export volume of the medium and large size tractors, small size tractors and working tractors decreased 54.47%, 50.81% and 24.19% in 2009.**

# III The situation of mechanization of farming



## 1. The remaining quantity of main agricultural machinery

- **In 2008, the total power of agricultural machinery reached 822 million KW, increased 6-91%. There is 45 KW power in 100 Mu( 15 Mu =1 Ha.) filed. There are 2,995,200 medium and large size tractors, increase of 46.26%. And there are 5,353,600 sets of agricultural implements suitable for medium and large size tractors, increase of 40.45%. Small size tractors and agricultural implements increased slowly. There are 17,224,100 small size tractors and 28,017,500 small size agricultural implements, increase of 5.7% and 1.92%.**
- **The combine and rice transplanter increased fast. There are 743,600 combines and 199,600 transplanters, increase of 17.56% and 27.75%. There are 47,100 maize combine harvesters, increase of 77.74%. And the potato harvesters, rape harvester, livestock machinery and fishing machinery also increased very fast**



## 2. The situation of mechanization of farming

- In 2008, the agricultural mechanization increased 3.38%, reaching 45.85%. The mechanization of cultivating, seeding and harvesting area were 91152600 Ha, 589726 Ha and 4748404 Ha. The mechanization rate reached 62.92%、37.74%、31.19%.
- For the mechanization of wheat, rice and maize reached 86.54%, 51.15% and 51.78%, but the mechanization of rape, potato, peanut and cotton are still very low. The mechanization rate is only 23%, 20.9%, 35.8% and 43.12%. For the mechanization area of grass land and silage are only 612101 Ha and 669515 Ha, but that also increased 13.3% and 8.59%.