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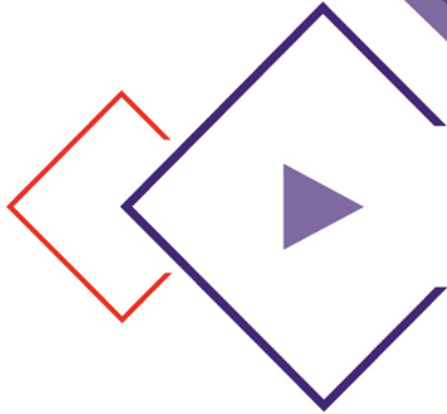
Doing business in China

Robert Watson

2017/11/15



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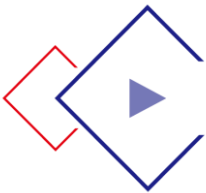
1. **Who are we ?**
2. **China Forage Market**
3. **China Business Environment**



Part 01

Who are We ?

The Biggest Supplier of imported high-quality genetic products for Dairy industry in China



Alta-Agricorp China

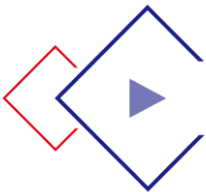
Brief Introduction



- ◆ Established in 2001 , Alta-Agricorp China has become the biggest supplier of imported high-quality genetic products for Chinese dairy industry.
- ◆ Wholly-owned subsidiaries of the biggest private-owned AI company--Alta Genetics.
- ◆ We work steadily and persistently towards the goal: “High-quality Semen, High-quality Service” .
- ◆ By providing reproduction solutions, we have been putting our commitment into practice.



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Alta Asian Bull Station

Brief Introduction

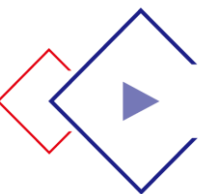
▶ The 5th Bull Stations of Alta Genetics



- ◆ First wholly foreign-owned bull station in China
- ◆ First and the only EU-standard lab in China
- ◆ Strict disease detection for over 7 items
- ◆ Progressive bull selection procedure
- ◆ All of our bulls participate NAAB genomic evaluation



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Business Cover

Our clients in China

▶ Alta Imported Semen



Farms with over 10,000 cows



Middle- and small-sized farms

▶ Alta Asian Semen



Farms with over 10,000 cows



Middle- and small-sized farms



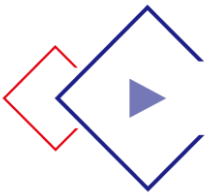
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A large warehouse filled with stacks of hay bales. The bales are arranged in neat rows, some appearing dry and golden, others more green and moist. The warehouse has a high ceiling with visible metal trusses and lighting fixtures. A blue diamond-shaped graphic with a white dashed border is overlaid on the left side of the image.

Part 02

China Forage Market

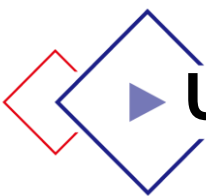


12% drop in milk prices 2014-15 in China

China Monthly average prices of farm-gate milk fat 3,1% p.p. prot. 2,8% p.p. CNY/100 kg - € per 100 kg												
Month	2014		2015		2016		2017		± on prev. month (CNY)	± on 2016 (CNY)	± on prev. month (€)	± on 2016 (€)
	CNY	€	CNY	€	CNY	€	CNY	€				
January	423	51,38	356	49,26	356	49,86	354	48,37	+0,64%	-0,56%	+0,36%	-3,00%
February	426	51,23	344	48,48	356	49,00	354	48,40	0,00%	-0,56%	+0,06%	-1,22%
March	423	49,59	342	50,57	354	49,02	353	47,90	-0,28%	-0,28%	-1,03%	-2,27%
April	421	48,96	340	50,85	347	47,24	350	47,37	-0,85%	+0,86%	-1,12%	+0,28%
May	416	48,57	340	49,16	346	46,84	345	45,32	-1,43%	-0,29%	-4,33%	-3,26%
June	408	48,20	341	49,00	342	46,20	342	44,73	-0,87%	0,00%	-1,30%	-3,19%
July	400	47,65	341	49,95	340	46,00	341	43,74	-0,29%	+0,29%	-2,22%	-4,92%
August	395	48,19	341	48,28	339	45,48						
September	392	49,49	344	48,14	344	45,98						
October	390	50,24	347	48,64	345	46,50						
November	384	50,25	350	51,17	347	46,97						
December	379	49,65	354	50,43	352	48,20						
Avg Annual Price	405	49,45	345	49,49	347	47,27	348	46,55				
± on the previous year	+11,9%	+11,7%	-14,8%	+0,1%	+0,7%	-4,5%	+0,3%	-1,5%				



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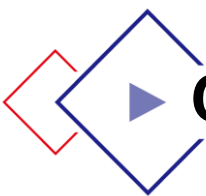


US Exports of Alfalfa to Top 5 Countries, 2015-2017

	<i>Volume</i>			<i>% Total</i>		
	2015	2016	2017.7	2015	2016	2017.7
Total	1939186	2485427	184218	100%	100%	100%
1. China	868595	1093810	84384	44.79%	44.01%	45.81%
2. Japan	463412	490379	39536	23.90%	19.73%	21.46%
3. Saudi Arabia	71492	257564	23236	3.69%	10.36%	12.61%
4. UAE	222900	319820	16158	11.49%	12.87%	8.77%
5. Korea, South	183104	193302	11379	9.44%	7.78%	6.18%
Top5	129683	2354875	174693	93.31%	94.75%	94.83%



Source: USDA



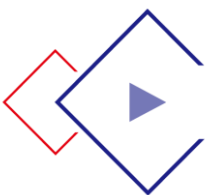
China Imports of Alfalfa by Month, 2014-2017 Unit: MT

	2014	2015	2016	2017			
				Current	YoY%	Total	YoY%
Jan	66126.04	78795.94	110270.93	108607.80	-1.51	108607.80	-1.51
Feb	33235.46	60757.87	58630.00	94524.23	61.22	203132.03	20.27
Mar	72161.88	71212.97	132187.14	147462.77	11.56	350594.81	16.44
Apr	89344.68	112500.86	120220.40	142589.41	18.61	493184.22	17.06
May	82506.11	112891.74	131617.82	173539.75	31.85	666723.97	20.58
Jun	62217.80	131343.29	140118.37	167748.55	19.72	834472.52	20.41
Jul	73542.80	124568.26	140352.00	132047.84	-5.92	966520.36	15.97
Aug	70675.86	115793.08	157077.28	130101.78	-17.17	1096622.14	10.72
Sep	89652.60	126558.05	134743.50				
Oct	79122.28	83365.65	105618.89				
Nov	72176.02	100097.61	107471.47				
Dec	93770.58	95505.99	124882.23				
Total	883,995.11	1213391.29	1463141.29				



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Source: China Customs



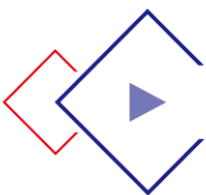
CIF Prices of Imported Alfalfa by month, 2014-2017 Unit: \$US

	2014	2015	2016	2017	MoM	YoY
Jan.	364.31	403.47	319.74	299.27	0.65%	-6.40%
Feb.	365.03	401.93	320.84	296.10	-1.06%	-7.71%
Mar	364.00	411.34	334.40	279.34	-5.66%	-16.47%
Apr	366.71	406.43	300.43	271.29	-2.88%	-9.70%
May	372.84	410.64	302.16	267.06	-1.56%	-11.62%
Jun	379.75	402.59	267.09	267.89	0.30%	0.31%
Jul	394.75	390.39	307.67	281.95	5.25%	-8.36%
Aug	400.62	377.33	316.85	267.38	-5.17%	-15.61%
Sep	402.23	374.84	316.59			
Oct	411.55	363.60	312.03			
Nov	405.88	353.76	304.30			
Dec	401.20	343.47	297.35			
Average	387.23	386.32	307.55			

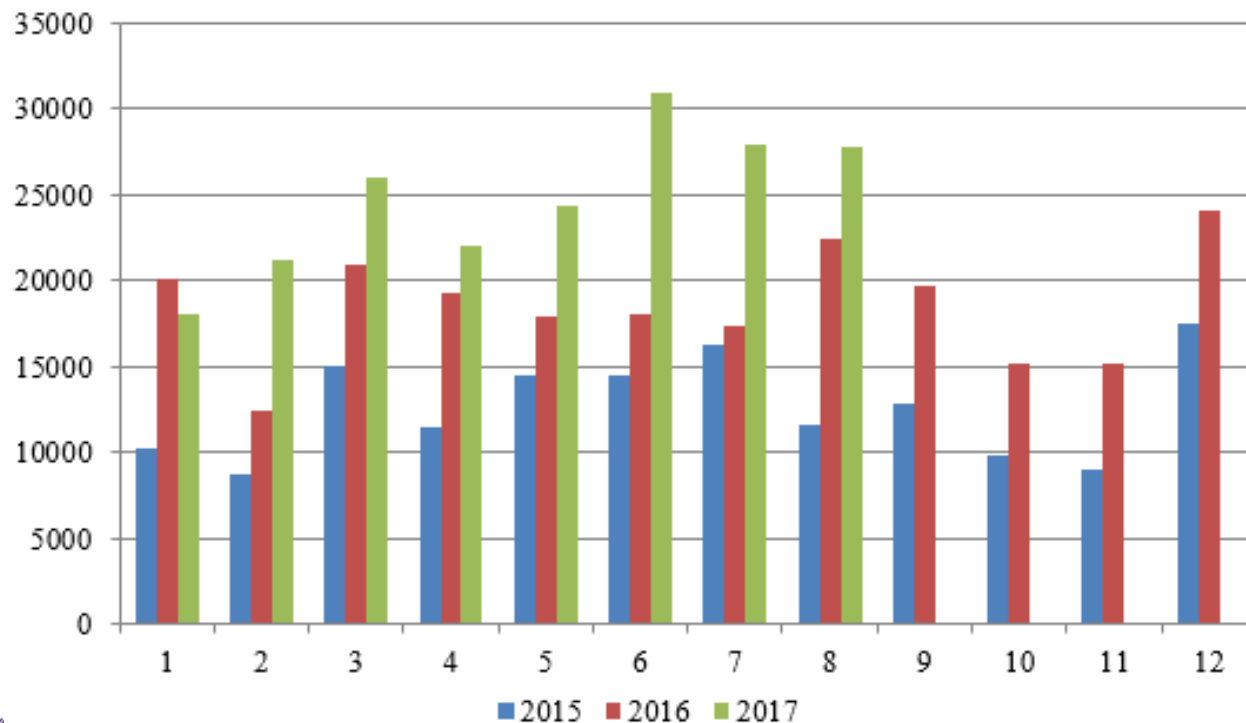


ALTA-AGRICORP
亚达-艾格威

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China Imports of Oaten hay by Month, 2015~2017 Unit: MT

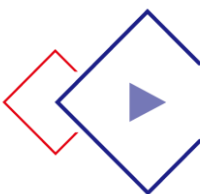


ALTA-AGRICORP

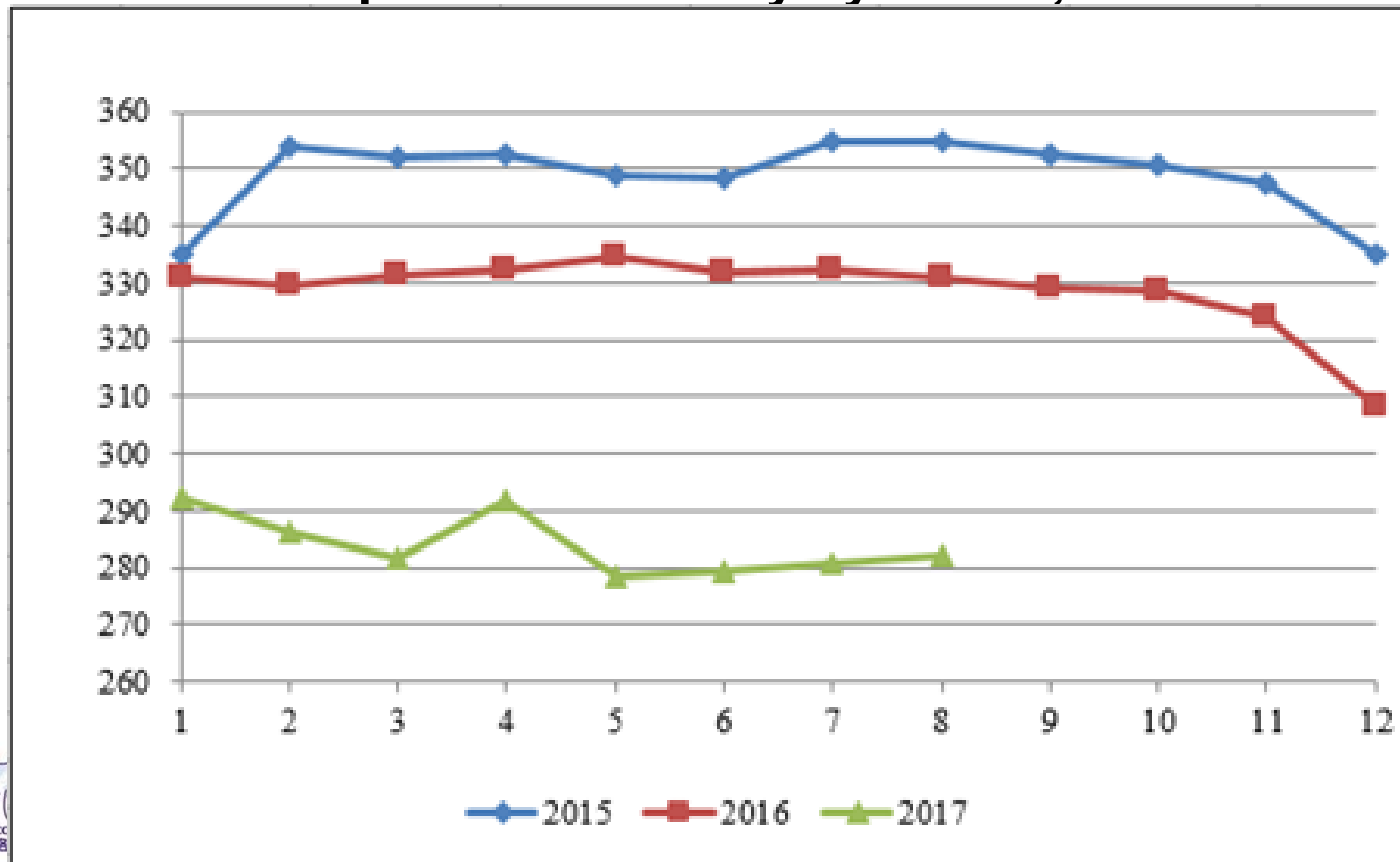
亚达-艾格威

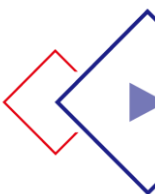
Source: China Customs

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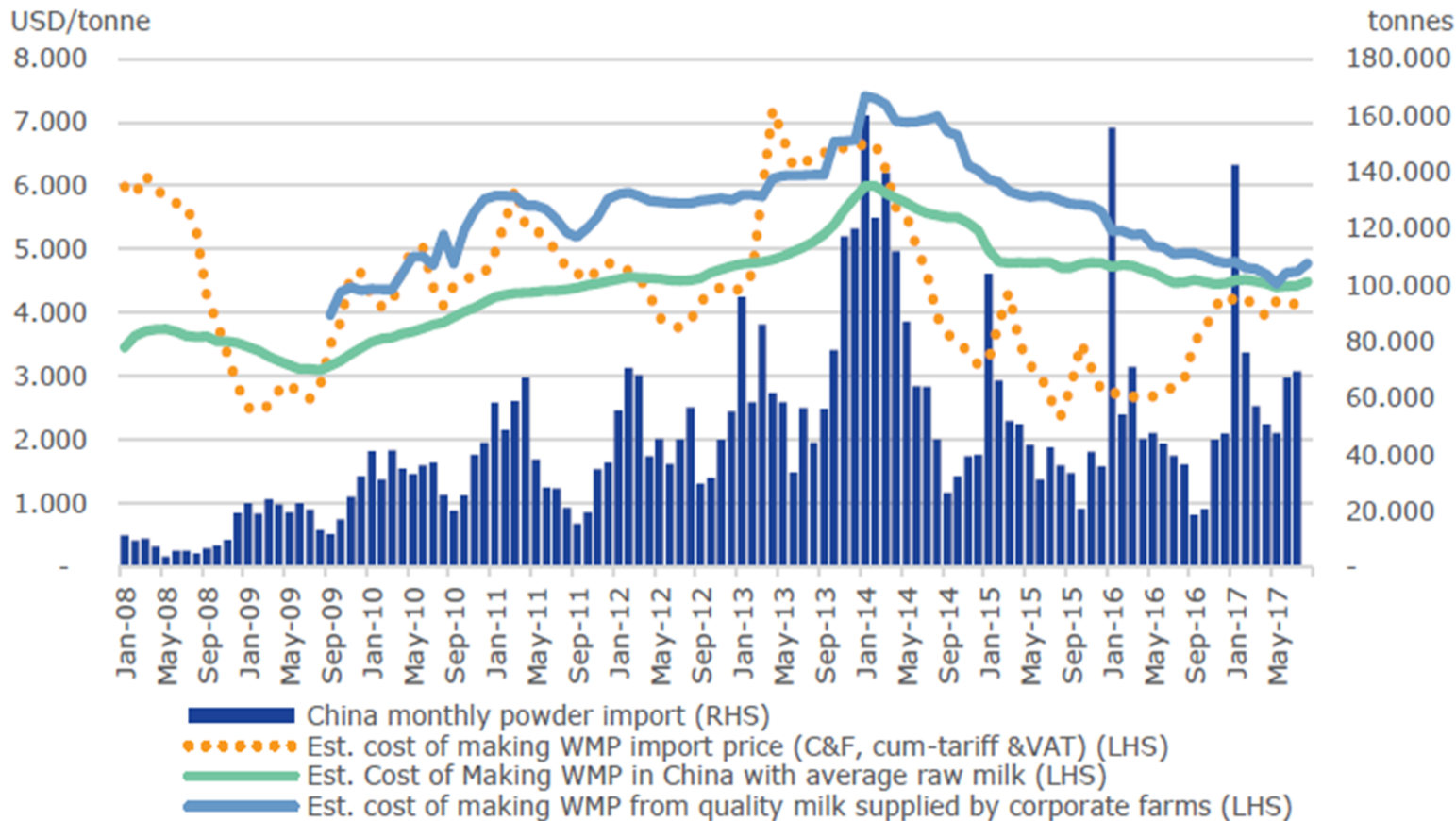


CIF Prices of Imported Oaten hay by month, 2015~2017





China WMP import parity analysis, Jan 2011-Aug 2017





Part 03

China Business Environment

Culture

- Be a respectful visitor
 - China has a long history with many interesting traditions.
 - You are not expected to know all the customs on your first visit. If you make an effort it is appreciated.
- Be a good host.
 - Do not just drop the client at the hotel after the meetings are done.
 - Communication to figure out exactly what they would like to do



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Partner Selection

- Make sure your goals are aligned.
- Do not take things at face value.
- Move at a speed you are comfortable with and do not be pressured.
- Look at all options available to you.
- Due diligence



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Customer Loyalty

- Can be difficult to achieve.
- Extremely large clients will rarely sole source product.
- Tough negotiations.



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A photograph of several black and white cows in a barn, with a purple diamond overlay containing the text "Thank you!". The cows are standing in a row, and the background is slightly blurred. The text is white and centered within the diamond.

Thank you !