

II-3 Seed demand

II-3.1 Seed market summary

China's total seed market value had maintained continuous growth since 2001, reaching ██████████ in 2009, with CAGR of ██████████. The continuous growth of seed market value is mainly attributed to the soaring price of seeds with the commercialization level increase. The overall seed commercialization degree was ██████████ in 2009, ██████████ higher than that in 2001. However, total seed market volume has presented insignificant development trend.

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Among all classes of crops, vegetable constitutes the largest proportion ██████████ in the Chinese seed market in 2009, with the seed market value of ██████████. Besides, market value of the main three kinds of grain crops, namely corn, wheat and rice, ranked the ██████████ in the seed market. Comparatively, market value of all the kinds of crop seeds rose to some extent in 2009 compared with 2008, mainly thanks to the increase of seed price.

Table II-3.1.1 Seed market structure in China, 2008-2009

No.	Crop	Seed volume, '000 tonnes		Seed value, million USD		Planting area, '000 ha.	
		2008	2009	2008	2009	2008	2009
1	Wheat	████████	████████	████████	████████	████████	████████
2	Maize	████████	████████	████████	████████	████████	████████
3	Rice	████████	████████	████████	████████	████████	████████
4	Soybean	████████	████████	████████	████████	████████	████████
5	Cotton	████████	████████	████████	████████	████████	████████
6	Other crops	████████	████████	████████	████████	████████	████████
7	Vegetables	████████	████████	████████	████████	████████	████████
8	Others	████████	████████	████████	████████	████████	████████
		████████	████████	████████	████████	████████	████████

Source: CCM International

II-4 Main market segments of China's seed industry

II-4.1 Corn seed

Planting situation

China is the second largest corn producer in the world in total yield and planting area, but its unit yield of corn is just at the middle level in the world. With small room for planting area increase, China has attached increasing importance to raising corn unit yield, especially through improved varieties promotion of hybrid corn.

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Heilongjiang, Jilin, Shandong, Hebei and Henan are the top five corn production provinces in China, accounting [REDACTED] of the total corn planting area in China in 2009.

Table II-4.1.1 Planting situation of corn in China, 2005-2009

Year	Planting area, '000 ha.	Total yield, '000 tonnes	Unit yield, kg/ha.
2005	[REDACTED]	[REDACTED]	[REDACTED]
2006	[REDACTED]	[REDACTED]	[REDACTED]
2007	[REDACTED]	[REDACTED]	[REDACTED]
2008	[REDACTED]	[REDACTED]	[REDACTED]
2009est	[REDACTED]	[REDACTED]	[REDACTED]
CAGR, 05~09	[REDACTED]	[REDACTED]	[REDACTED]

Source: Ministry of Agriculture of P.R.C., China National Grain and Oils Information Center

Market summary

Market scale of corn seed ranked [REDACTED] among all kinds of crops in China, following that of vegetables. In 2009, Market value of corn seed hit [REDACTED] in China, up [REDACTED] over the previous year, mainly attributed to the rise in both market volume and average price of corn seed.

For one thing, China's total corn seed demand was estimated at [REDACTED] in 2009, [REDACTED] over the previous year, attributed to the increase in total planting area. Corn seed market is composed of conventional corn seed and hybrid corn seed. Hybrid corn has captured increasing market share in recent years and it constituted about [REDACTED] of the total corn planting area in China in 2009.

For another, average price of corn seed rose by [REDACTED] compared with 2008, which is the important reason resulting in the total corn seed market value increase. The price increase of corn seed is mainly induced by the soaring price of some advantageous varieties, such as [REDACTED]

It is predicted that corn seed price will grow by [REDACTED] in 2010, with the rising cost and increase in planting area of advantageous varieties, though the oversupply situation of hybrid corn seed will still be severe. Thus, the market scale of corn seed in 2010 will be further enlarged compared with 2009.

Key companies and institutes

China has 6 listed seed companies, five of which are in the A-share market and one is in the NASDAQ Stock Market. Five of them have rather strong competitiveness in the corn seed business in domestic market, namely [REDACTED]

[REDACTED] Besides these companies, some other seed companies, [REDACTED]
[REDACTED]
[REDACTED] also have their advantageous corn varieties.

Table II-4.1.2 Sales value and market share of key players' corn business, 2009

Enterprise	Sales value, million USD	Market share	Advantageous varieties
Dunhuang Seed			

Source: CCM International

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Market share of main varieties

are several kinds of corn varieties in China with

Among them, still accounted for of China's total corn planting area in 2009, compared with previous 2 years. With average price of in 2009, captured market share by value in China's corn seed market, with market value of in 2009.

, with average price of in 2009 which was much higher than other mainstreams, witnessed high growth both in market volume and value in 2009. It was estimated to capture market share by value in China's corn seed market.

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