

I-6.3 Distribution of Stevia planting bases in 2007

- Characteristics of current stevia planting bases distribution in China

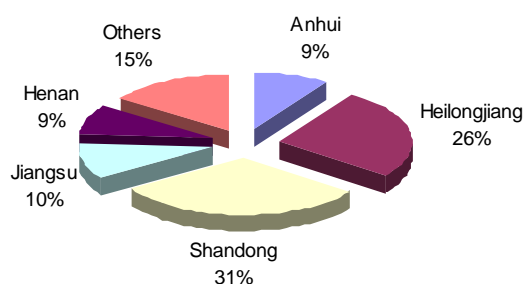
There are several characters for distribution of stevia plantations in China.

- ✓ The stevia planting area in China mainly concentrates in Shandong, Heilongjiang, Anhui and Jiangsu province. The total planting area of stevia leaf in these five province accounts for about 85.26% of domestic planting area.

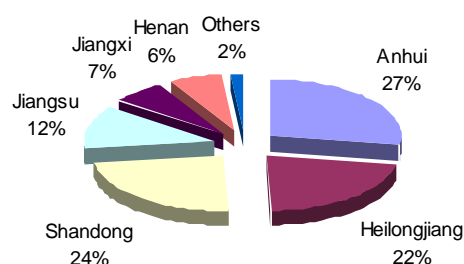
- ✓ In 2007, there is a hike in the proportion of Anhui's stevia planting area among the total planting area in China. Its stevia plantation area has jumped to 27% of the total in 2007 from the 9% in 2006. The stevia plantation in Anhui province will continue to expand in the near future, because GLG invested in a production base for stevia leaves processing in Anhui province. Generally, Shoutian series are planted more in increment of Anhui's plantation area.

Figure I-6.3-1 Comparison of stevia planting distribution in China between 2006 and 2007

Geographical Distribution of stevia plantation area in 2006



Geographical Distribution of stevia plantation area in 2007



- The stevia planting situation in different planting bases in China

- ✓ In northern provinces including Heilongjiang, Liaoning, Shandong, etc. Because of cold climate, the plant period is one-year with renursery every year. The way of increasing the stevia output is the qualified seed. Common stevia is planted more in this region.

- ✓ Central China in this report includes the area of Jiangxi, Anhui, Jiangsu, Shanghai, Henan, Hunan, etc.

This region is the best for stevia planting in China. High-quality stevia raw material can be obtained and the excellent seed for asexual reproduction is planted here. The mother stevia could live through the winter with or without protection, thus the cost of seeding in the next year will be reduced.

- ✓ Southern China including Yunnan, etc.

This region is suitable for the growth of the stevia because of the warm climate. So the asexual reproduction is most suitable, normally the retrogression grade is slow with 1%-2% decrease after 5-8 years.

On the basis of information available, and the information obtained from some planting areas, CCM summarizes the distribution of stevia plantation in China. (Note: 15 mu = 1 hectare)

- **Detailed introduction to planting situation in major stevia planting provinces in China**

- ✓ **Anhui Province**

Anhui province has become the largest stevia planting base in China since 2007, substituting Shandong Province. As an important planting area, there are several planting bases of stevia leaves in Anhui, including Mingguang Guandian, Dingyuan Fuxiao, Bengbu Guzhen and Mingguang Ziyang. In this province, Shoutian No.2 is largely planted and the stevia quality is good.

Before 2006, there were few changes to the stevia planting area in Anhui province, and the planting area stayed at round xxx mu. The major reason is that Anhui has no stevioside producers to push the growth of stevia planting.

However, the stevia planting area in Anhui is enlarged to xxx mu in 2007, with the foundation of new stevioside production plants in Anhui province. Anhui Gold-Land put into the production of stevioside in 2006. The GLG also invested in a stevioside production base in Anhui province in 2007. These new producers need a large quantity of dried stevia leaves.

It is estimated that the stevia planting area in Anhui will expand to xxx mu in the near future.

- ✓ **Shandong Province**

Shandong used to be the largest stevia planting province in China before 2007, but with the planting area expansion in Anhui province, it has become the second largest stevia planting base next to Anhui. The stevia planting area in Shandong is up to xxx mu in 2007. The output of stevia leaves in Shandong accounts for 20.63% of the total stevia leaves output in China.

Shandong province mainly plants common stevia, which accounts about 70% of all the specifications of stevia leaves in Shandong.

Jining city is the largest stevia planting area of Shandong province. The average price is about RMB12/kg. About 50% of stevia leaves in Jining is sold to Shandong Jining Yunhe