



Artemisia Cultivation & Artemisinin Production in China (2012-2013)

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Christine Lin | Managing Director | PIDI STANDARD (HOLDINGS) LTD.

1. Cultivation of Artemisia 2012
2. Procurement of Artemisia Leaf 2012
3. Production of Artemisinin 2012
4. Price of Artemisinin 2012
5. Prospects of 2013

- Farmers' motivation raised.
- Investments in cultivation increased.
- Cultivation area expanded.
- Suitable climate

Challenges:

- Shortage of manpower

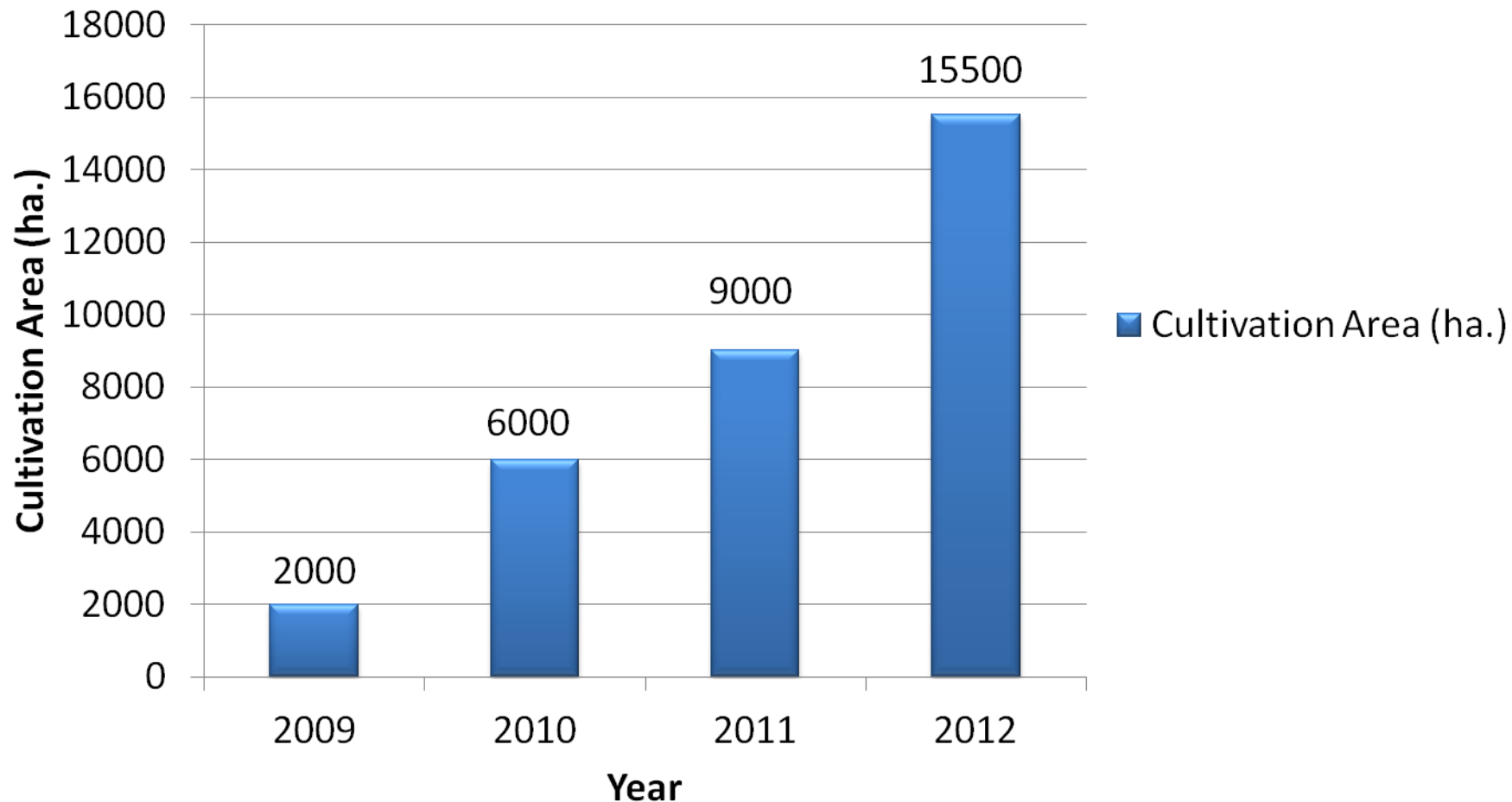
Young labors preferred to work in cities than in villages.

- Competition over the other crops

Farmers preferred to plant high-value and high-yield crops.

(e.g. food crops)

Trend of cultivation area (ha.) in China



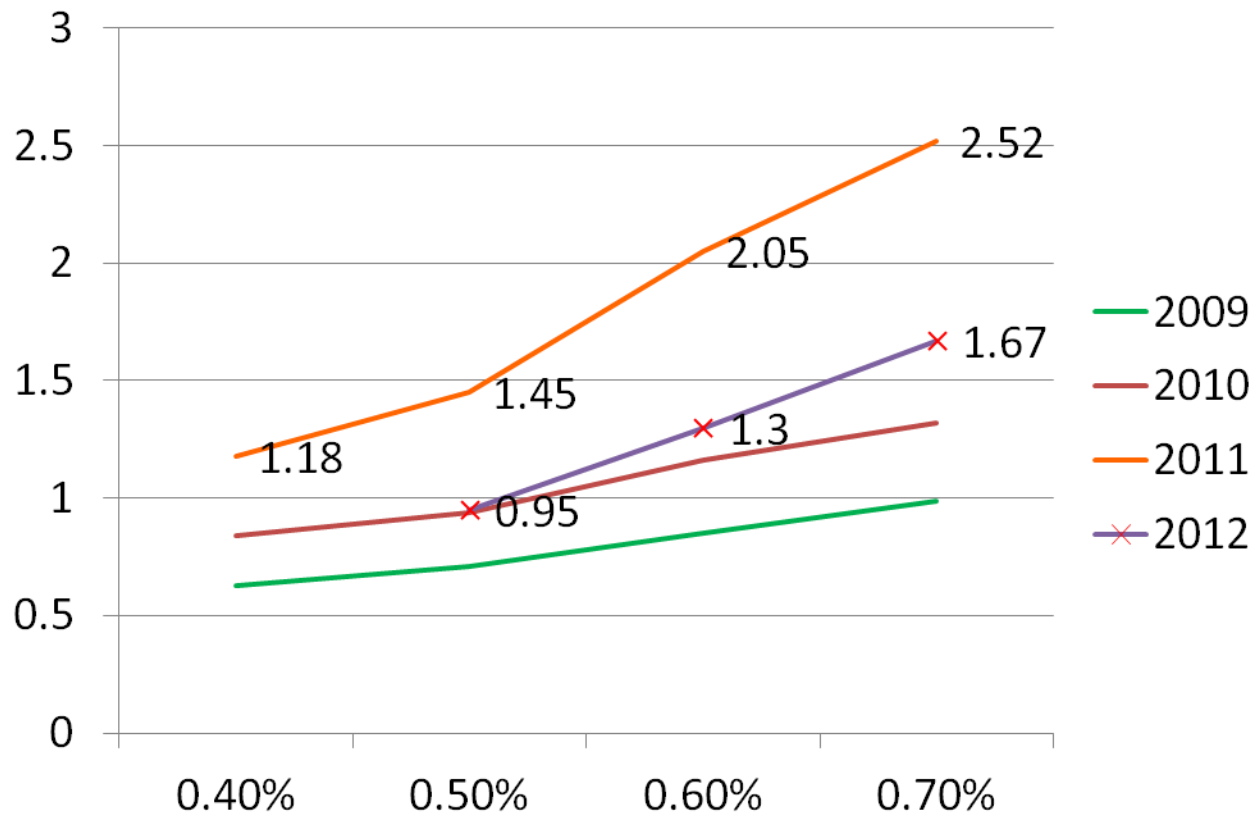
- Price decreased
- Quality improved

Price decreased compared with 2011

- Price of Artemisinin was decreased before harvest;
- Orders from Artemisinin buyers were delayed;
- Demand for Artemisinin from extraction was uncertain;
e.g. AMFm project, Semi- synthetic Artemisinin
- Quantity of planted leaves increased ,supply and demand were well-coordinated.

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Price of Artemisia (US\$/KG)



Better Quality

- Suitable harvest period:

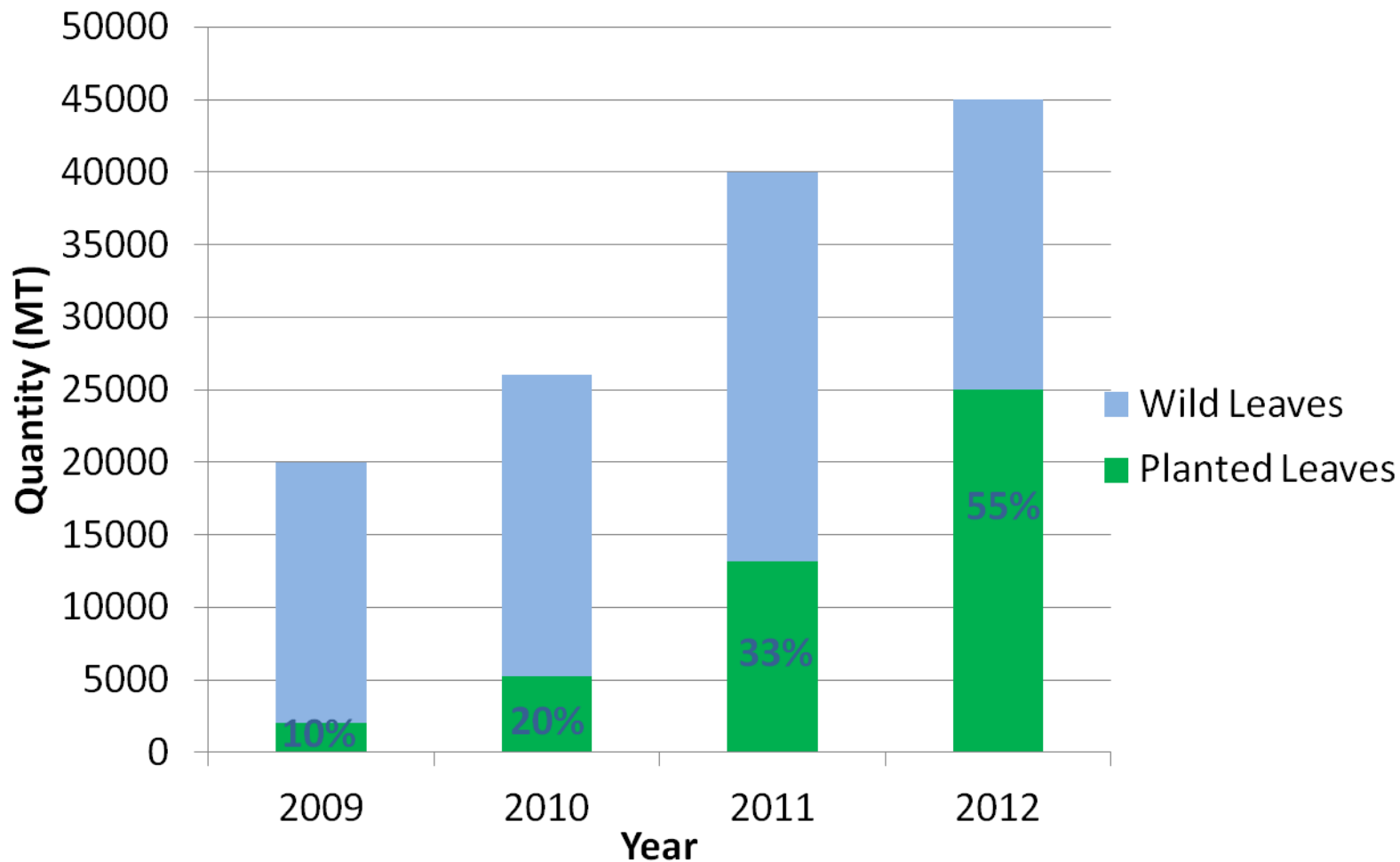
No panic buying;

The major extractors waited for the suitable time to harvest;

Quality was improved for both planted and wild leaves.

- More planted leaves & less wild leaves.

Quantity of the collected leaves



**The average yield of Artemisinin from the production
(from 1 MT of leaves)**

2009 3.5-4 kg

2010 4-4.5 kg

2011 3.2-3.4 kg

2012 ≈5.5 kg

Capacity	Extractors	Quantity of Artemisinin
≥ 20 MT	6	190 MT
10 MT-20 MT	2	20 MT
< 10 MT	7	20 MT
Total	15	230 MT

Actual production is depended on the market price.

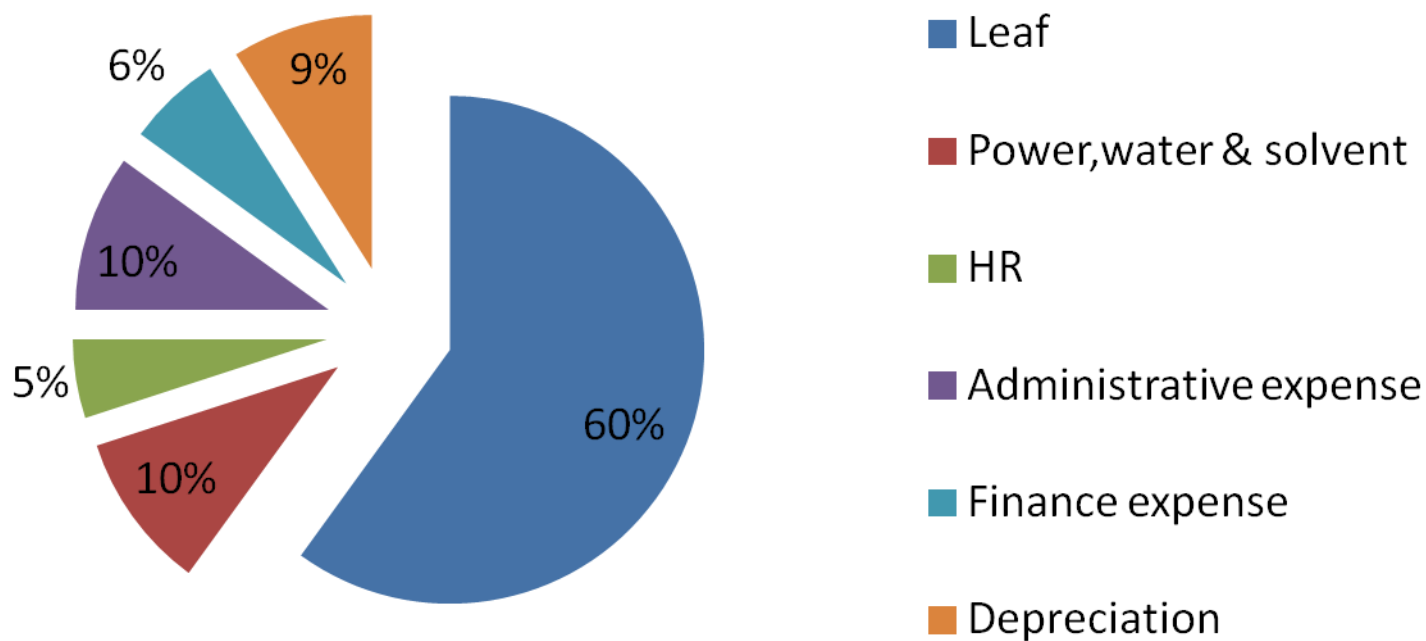
Some extractors will reduce the production because the Artemisinin price is decreased.

The total quantity of Artemisinin will be around **180-200MT** in 2012.

Artemisinin price dropped down compared with 2011

- Production cost was reduced;
e.g. cheaper Artemisia leaves and better production yield
- Artemisinin was sufficient in the market;
- Orders were delayed because of uncertainty of AMFm project
- Small extractors who didn't have regular order sold desperately.

Artemisinin Costs

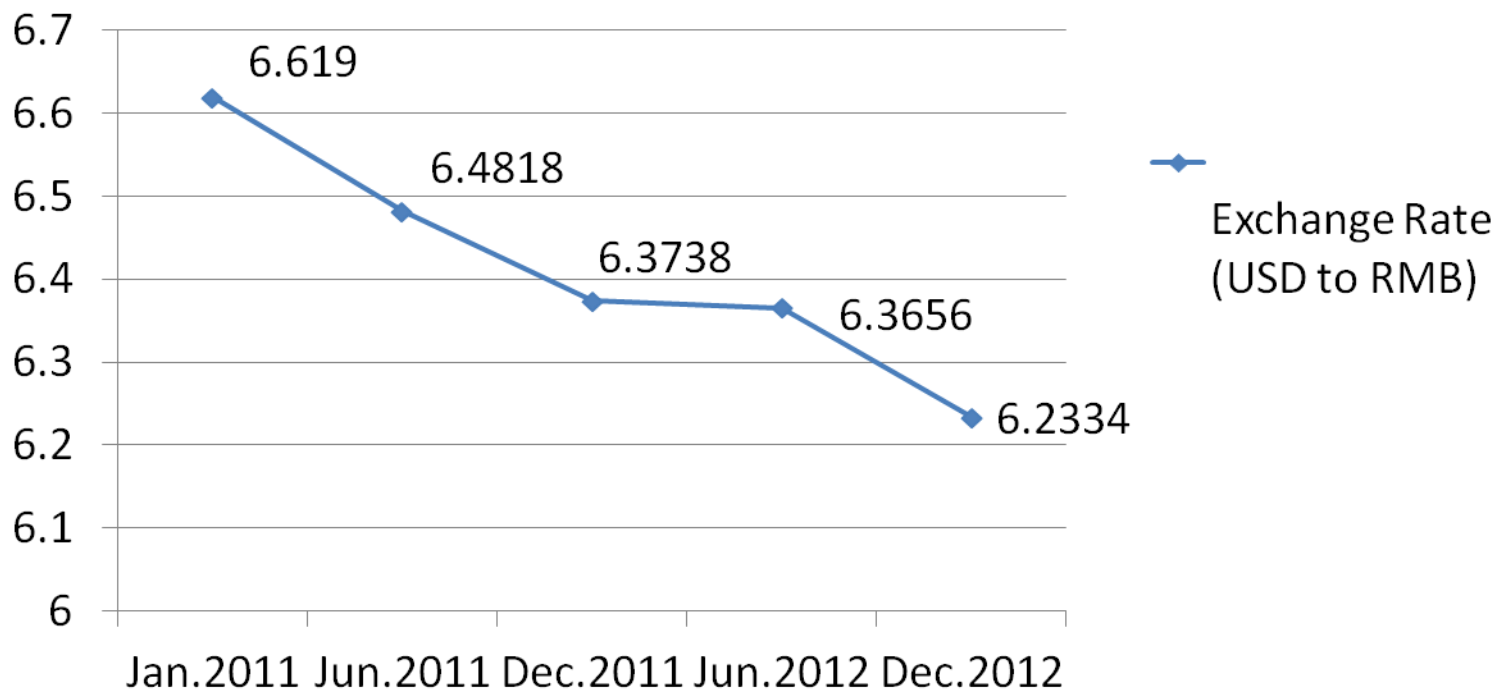


Fair price \approx USD400/kg

Challenges:

- Labor shortage and competition over the other crops for cultivation
- US Dollar was depreciated

Exchange Rate (USD to RMB)



Major Challenge: Confidence!

Artemisinin price is decreasing, which will affect the confidence of extractors to invest in cultivation.

It takes only 3 months to destroy
the confidence in cultivation,
but 3 years to rebuild it!



Thank You !

Christine Lin
Managing Director
PIDI Standard (Holdings) Ltd.

christine@standardpharma.com