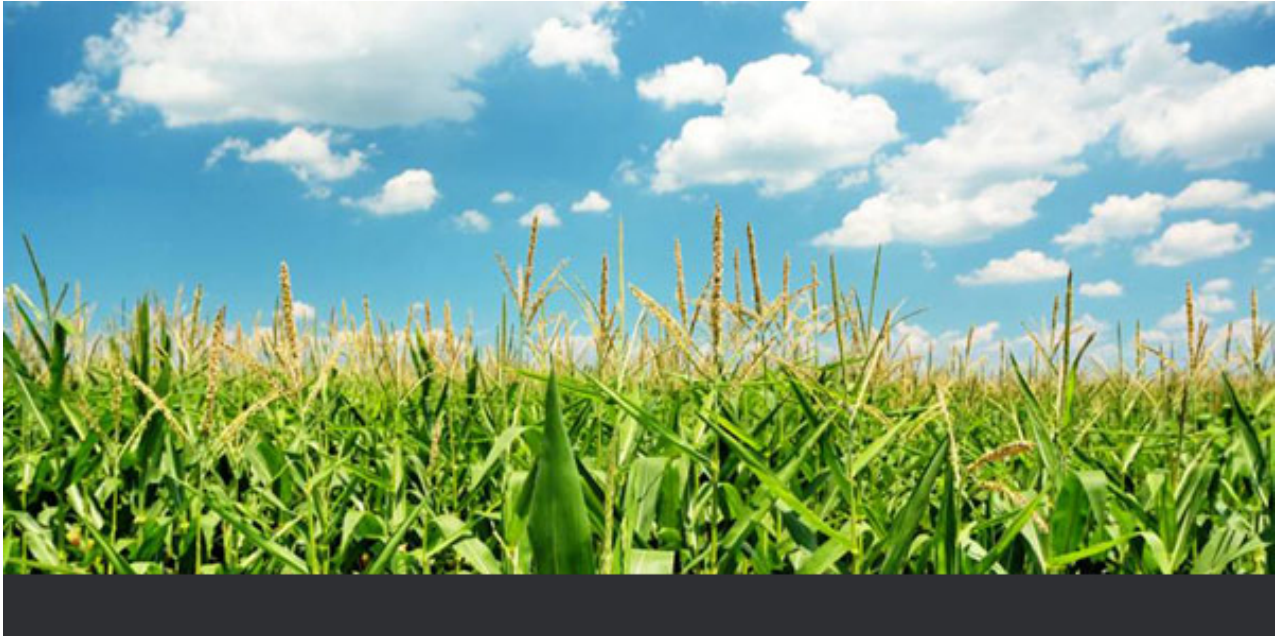




Deyu Agriculture Corp. (OTCBB: DEYU)

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About us

Deyu Agriculture Corp. is a vertically integrated agricultural value chain from farmland to consumer market, which produces, processes, markets and distributes organic and other agricultural products made from corn and grains operating in Shanxi Province in China. The Company has access to over 109,000 acres of farmland in Shanxi Province for breeding, cultivating, processing, warehousing and distributing grain and corn products. **Deyu Agriculture Corp.** has an extensive wholesale network in over 15 provinces and a retail distribution network of approximately 20,000 supermarkets and convenience stores in 29 provinces across

Grain Market Dynamics in China

INDUSTRY HIGHLIGHTS

- China allocates funds for spring grain production
- China boosts seed industry

The Chinese government has allocated 122.2 billion yuan (19.5 billion U.S. dollars) from its central budget to subsidize springtime grain cultivation, the Ministry of Finance (MOF) reported on January 21st. The subsidies will be given to farmers to cover part of their springtime grain production costs. The central government has also set aside 31.5 billion yuan (5.0 billion USD) for a grain risk fund for 2013, and has allocated an additional 6.7 billion yuan (1.1 billion USD), which has been raised from local governments for the fund, for a total of 38.2 billion yuan (6.1 billion USD). The fund was

China. **Deyu Agriculture Corp.**'s facilities include sophisticated production lines and modern warehouses with a total production capacity of over 105,000 tons for grain products, storage capacity of over 100,000 tons and annual turnover of 700,000 tons for corn products.

[Deyu Official Website »](#)

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set up in 1994 to safeguard farmers' interests, stabilize the grain market and ensure food security.

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Furthermore, China has vowed to boost its seed industry over the next decade to ensure grain stocks grow, amid fears that limited arable land and water may become constraints for agricultural production.

The five main staples - rice, wheat, corn, soybean and potato - and 15 varieties of cash crops have been listed as important fields for cultivating new varieties by 2020, according to a development plan of the General Office of the State Council.

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China will encourage industrial and commercial enterprises to be active in the agricultural sector to accelerate its development, senior officials said on Friday.

Such enterprises will be supported to help farmers in several areas, such as the supply of agricultural machinery and processing and marketing of agricultural products, said Chen Xiwen, director of the Office of the Communist Party of China Central Committee's Leading Group on Rural Work.

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SPOTLIGHT ON DEYU

- Deyu Agriculture Corp. Receives Local Government Grants

Jinzhong Deyu Agriculture Trading Co., Ltd ("Jinzhong Deyu"), Deyu's wholly-owned subsidiary, received 1.3 million yuan (206,000 USD) in Jinzhong city government subsidies. The subsidies shall be used to support Deyu's business operations as well as the construction of its grains processing projects (Jan 31, 2013).

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This press release contains forward-looking statements made under the «safe harbor» provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements are based upon the current plans, estimates and projections of Deyu Agriculture Corp.'s management and are subject to risks and uncertainties, which could cause actual results to differ from the forward looking statements. Such statements include, among others, those concerning market and industry segment growth and demand and acceptance of new and existing products; any projections of sales, earnings, revenue, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; uncertainties related to conducting business in China, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. Therefore, you should not place undue reliance on these forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: business conditions in China, general economic conditions; geopolitical events and regulatory changes, availability of capital, changes in the agricultural industry, the Company's ability to maintain its competitive position. Additional Information regarding risks can be found in the Company's quarterly and annual reports filed with the U.S. Securities and Exchange Commission at www.sec.gov.