# Integrated and Sustainable Livestock Value Chain Project

**Project Name**: Integrated and Sustainable Livestock Value Chain Project

**Project Number**: 53027-001

**Borrower / Company**: New Hope Liuhe Co., Ltd.

**Country / Economy**: China, People's Republic of

**Location**: Nation-wide

## Type or Modality of Assistance

<table>
<thead>
<tr>
<th>Type or Modality of Assistance</th>
<th>Loan</th>
<th>Ordinary capital resources</th>
<th>USD 40.00 million</th>
<th>Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>CF91</td>
<td>B-Loan</td>
<td>Other</td>
<td>USD 0.00</td>
<td>Cancelled</td>
</tr>
</tbody>
</table>

## Strategic Agendas

- Environmentally sustainable growth
- Inclusive economic growth

## Drivers of Change

- Partnerships
- Private sector development

## Sector / Subsector

- Agriculture, natural resources and rural development / Livestock

## Gender

- Effective gender mainstreaming

## Responsible ADB Department

- Private Sector Operations Department

## Responsible ADB Officer

- Wong, Yee To

## Project Sponsor(s)

- New Hope Liuhe Co., Ltd.

## Description

The project includes the construction of: (i) a hog farm in Huanghua, Hebei Province, (ii) a hog farm in Xiangzhou, Guangxi Province, and (iii) a meat processing facility in Pinggu District of Beijing. ADB provides a long-term loan to support NHLs integrated food and agribusiness value chain in the PRC, including animal feeds, livestock farming, slaughtering, meat processing and distribution. The project will (i) improve the resource efficiency of hog farming in the PRC by increasing the number of hogs per sow, improving the feed conversion ratio, and reducing water usage; (ii) promote an inclusive business model through an increase in the income of farm workers and contract farmers; and (iii) mitigate climate change by adopting waste management systems such as the biogas digester facility.

## Status of Operation/Construction

The loan was fully disbursed in Jun 2020 to finance the construction of 1) Huanghua hog farm in Hebei Province, 2) Xiangzhou hog farm in Ordinarily capital resources. The project is classified as C for involuntary resettlement in compliance with ADB's Safeguard Policy Statement (2009). Establishment and operation of the 3 subprojects in different provinces of PRC will not lead to involuntary resettlement impact. New Hope adopts an ESMS which embodies the policies and principles of land acquisition and involuntary resettlement compliant with the applicable national and local laws and regulations and ADB SPS (2009).

## Status of Development Objectives

As of end 2022, the development objectives have been 54% met. Underperformance of certain objectives was mainly caused by negative impact of African Swine Fever and the downscaled operation of ADB-funded farms amid dampened hog prices.

## Linkage to Country/Regional Strategy

The project is consistent with Strategy 2030 Operational Plan for Priority 5 (Promoting Rural Development and Food Security, 2019 to 2024) which calls for: (i) modern, sustainable, and responsible corporate farming models; (ii) the integration of farmers, agribusinesses, and consumers into efficient and sustainable value chains; (iii) the reduction in agriculture's contribution to GHG emissions through improved farming and livestock practices; and (iv) food safety and traceability systems development.

## Summary of Environmental and Social Aspects

### Environmental Aspects

Environmental impact assessments (EIAs) were prepared for the two hog farms and an Initial Environmental Examination (IEE) was prepared for the meat processing plant. ADB has undertaken a corporate and site level compliance audit at due diligence stage as all subprojects were under construction, all subprojects have completed construction as of October 2021. During operation phase there would be generation of manure and animal carcasses, wastewater, odor and noise nuisance, as well as waste including veterinary waste. Effective measures manage identified impacts have been incorporated in the environmental and social management plans. New Hope has developed a formal environmental and social management system at corporate level. An environmental and social monitoring report has been submitted to ADB reporting on its compliance and environmental performance. New Hope will continue to submit monitoring report on an annual basis.

### Involuntary Resettlement

The project is classified as C for involuntary resettlement in compliance with ADB's Safeguard Policy Statement (2009). Establishment and operation of the 3 subprojects in different provinces of PRC will not lead to involuntary resettlement impact. New Hope adopts an ESMS which embodies the policies and principles of land acquisition and involuntary resettlement compliant with the applicable national and local laws and regulations and ADB SPS (2009).

### Indigenous Peoples

The project is classified as C for Indigenous Peoples (IPs). The construction and operation of the 3 subprojects will not lead to any adverse impact on IPs. New Hope's ESMS embodies the policies and principles of Indigenous peoples compliant with the applicable national and local laws and regulations and ADB Safeguard Policy Statement (2009).
Stakeholder Communication, Participation, and Consultation

Consultation was carried out during the EIA and IEE preparation. Additional consultation has been conducted during the audit with local villagers. A formal Grievance Redress Mechanism (GRM) has been established and adopted to ensure that grievances are communicated and addressed appropriately, if any.

<table>
<thead>
<tr>
<th>Timetable for assistance design, processing and implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Clearance</td>
</tr>
<tr>
<td>Credit Committee Meeting</td>
</tr>
<tr>
<td>Approval</td>
</tr>
<tr>
<td>Last PDS Update</td>
</tr>
</tbody>
</table>

Project Page  https://www.adb.org/projects/53027-001/main
Request for Information http://www.adb.org/forms/request-information-form?subject=53027-001
Date Generated 03 December 2023

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.