OSI’S VERTICALLY INTEGRATED POULTRY INVESTMENT IN CHINA EXCEEDS USD $750 MILLION

Company on track to be one of China’s largest poultry producers and food processors

Shanghai, China, November 12, 2013 – When OSI Group, LLC celebrated the grand opening of its ninth and tenth plants in China in October, it set itself on the path to become one of China’s largest poultry producers and food processors.

The addition of a 100% wholly-owned, LEED-certified further processing plant and the opening of its neighboring integrated poultry operation in Henan Province have established the American-based corporation as a significant supplier in the region.

The opening of the DaOSI complex, a joint venture between OSI and Doyoo Group, a leading Chinese poultry company, adds to OSI’s two existing fully vertically integrated poultry operations in China. These include OSI Group (Weihai) Poultry Development Co. in Shandong Province and SunOSI Poultry Development Co. in Fujian Province. SunOSI is a joint venture with leading publicly traded Chinese poultry company Fujian Sunner Development.

With this latest investment, OSI is on track to process more than 300 million birds per year, becoming one of the few poultry players in China with a nationwide footprint, spanning geographies of the north, central and south of the country. All three of OSI’s vertically integrated operations follow the model of 100% company-owned farms to provide the highest level of certainty in delivering biosecurity, food safety and traceability throughout the supply chain.
The DaOSI facility is OSI’s largest integrated poultry operation globally, spanning over 36,500 square meters, or nearly 400,000 square feet. The overall investment in the DaOSI operation exceeds USD $300 million, making OSI’s total investment, together with all of its partners, more than USD $750 million overall in the three vertically integrated poultry operations in China. With the addition of DaOSI, OSI continues to deliver on improved food safety control by assuring the highest standards in quality, as the source and handling of the birds is under company control.

OSI’s further processing plant in Shandong Province, OSI Weihei Foods, is dedicated to specialty products and spans approximately 7,500 square meters, or 80,000 square feet. The further processing facility in Henan Province, known as OSI Henan Foods, will be substantially larger. The construction of this new plant has been planned in two phases: Phase One, now complete, sets its footprint at 35,000 square meters, or 377,000 square feet; Phase Two will add another 20,000 square meters, or 215,000 square feet. Upon its completion in 2016, OSI Henan Foods will be one of the largest further processing facilities in the world, at 55,000 square meters, or more than 592,000 square feet.

OSI Henan Foods will take advantage of fresh, raw material poultry supply from the DaOSI poultry operation located nearby, and this advantage of proximity will lower costs through savings on transportation and packaging, as well as energy-improved yields. The state-of-the-art OSI Henan Foods further processing facility brings together the latest technology in processing, automation and food safety standards. The facility’s Real Time Management Information System (RTMIS) delivers online tracking and traceability.

Additionally, OSI Henan Foods delivers on OSI’s commitment to sustainability. As a LEED-certified facility, OSI Henan Foods incorporates the latest eco-friendly industrial designs to reduce and recycle water as well conserve energy by utilizing HV-powered compressors, heat recovery systems, solar hot water systems and natural lighting systems for employee comfort.

OSI’s investment in just its two further processing facilities in Henan and Shandong exceeds USD $100 million in total. The company has also revised its employment estimates and expects to employ close to 10,000 people throughout the Asia Pacific region by the end of 2013.

With over 100 years of history and more than 20 years in China – where it will continue to expand – OSI has emerged as one of the largest value-added food processing companies in the world.

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About OSI
For close to 60 years, OSI Group, LLC has been a global leader in supplying value-added protein items and other food products to leading foods service and retail brands. It is a privately held corporation with more than 55 facilities in 16 countries. The company’s global headquarters is located outside of Chicago in Aurora, Illinois, USA.