

Mail Stop 3561

April 13, 2007

Via U.S. Mail

Liping Deng  
President and Chief Executive Officer  
China Agri-Business Inc.  
Finance Plaza 9<sup>th</sup> Floor  
Hi-Tech Road No. 42  
Hi-Tech Industrial Development Zone  
Xi'an, Shaanxi, CHINA 710068

**Re: China Agri-Business, Inc.**  
**Amendment no. 1 to Registration Statement on Form SB-2**  
**Filed April 2, 2007**  
**File No. 333-135729**

Dear Mr. Deng,

We have reviewed your responses to the comments in our letter dated February 14, 2007 and have the following additional comments.

Registration Statement  
General

1. We note that you have placed the dealer prospectus delivery obligation language in Part II of the registration statement before the signature page. The language should appear on the outside back cover page of the prospectus. Please revise or advise.

Cautionary Note Regarding Forward-Looking Statements, page 8

2. Please delete the second sentence of the fourth paragraph of this section. You may advise not to place undue reliance on future statements, but it is not acceptable to advise placing no reliance on them.

Corporate Information, page 10

3. Please revise, if true, to clarify that you own directly or indirectly 100% of Xinsheng.

Risk Factors

4. We note that you earned approximately \$.6 million on approximately \$1.6 million revenue in the first nine months of 2006 and that you have no patents for your products. If there is a risk that you might face severe pricing pressure from copycat products, please add a risk factor. If there is not, please tell us why.

We are in the process of applying for a permanent registration certificate, page 13

5. We note the addition of this risk factor and your revised disclosure on page 27. Please revise to further discuss the status of the application and when you expect a determination will be made. Please also discuss the risk(s) to your business if a certificate will not be issued. Similarly revise your disclosure on page 27.

Use of Proceeds, page 20

6. We note your response to prior comment 10. Please also revise your "Calculation of Net Proceeds" table to present a midpoint figure.

Business

Organic Biochemical Agricultural Application Products, page 26

7. We note response to prior comment 11 and your disclosure on page 27 that your estimates are based on your own testing and a field trial report issued in 2006 by an independent third party, Chunhua County Land and Fertilizer Working Station. Please be advised that you must provide consents with respect to any statistics or other data provided by a third party named in the prospectus unless such information is based on public information available for free or at a nominal cost. See Rule 436 of Regulation C.

Competition, page 29

8. We note your response to prior comment 13. Please provide the basis for the following statements:
  - "our products contain a greater proportion of chitosan than those of our competitors";

- “our customers choose our products because their greater efficiency offsets the customers’ greater cost”; and
- “Seeing the results, potential customers are inclined to purchase our products.”

Recent Developments, page 31

9. We note your response to prior comment 12. Please revise to discuss the reasons for acquiring an equity interest in Tianwei and what part it has in your business strategy, if any.

Management’s Discussion and Analysis, page 32

10. We note your disclosure that the reason for the increase in general and administrative expenses in the nine months ended September 30, 2006 was mainly due to a one time write off in prepaid accounts and long term deferred asset account for incorporation and reorganization related expenses. We also note your disclosure that the increase in general and administrative expenses for the year ended December 31, 2005 as compared with the same period in 2004 is a result of a one time write-off of incorporation expenses and reorganization related expenses for both fiscal year 2005 and 2004. Given that these incorporation and reorganization expenses appear to have been incurred during all periods presented, we do not believe they should be considered or referred to as “one-time charges.” In addition, we also do not believe that the existence of these charges could be the reason for the change in the general and administrative expenses between periods since the charges appear to have been incurred in all periods presented. Please revise your disclosure to provide improved disclosure of the reasons for the increases in general and administrative expenses in all periods discussed.

Executive Compensation, page 47

11. We note your response to prior comment 12 and reissue in part. Please provide narrative disclosure in response to Item 402(c) of Regulation S-B or advise.

Note 10. Series A Preferred Stock, page F-13

12. We note from your response to our prior comment 36 that you have included a table with pro forma net income and earnings per share in Note 10 to the financial statements. As previously requested, please revise to include a pro forma balance sheet giving effect to the conversion of the Series A Preferred shares into common shares in connection with the offering and to the recognition of a dividend associated with the beneficial conversion feature. The pro forma balance sheet should be presented on the face of the historical balance sheet. Also, the pro forma earnings per share data should be presented on the face of the income statement.

Refer to the guidance outlined in SAB Topic 1:B:3 and Topic III, Sections IV.B and C of the Division of Corporation Finance Staff Training Manual.

Signature Page

13. We note your response to prior comment 21. Please ensure with future amendments that the registration statement is signed as of the date of filing.

Exhibit 5.1

14. Your legal opinion must include all securities that are being registered. Please provide a legal opinion with respect to the Units and the warrants.
15. Refer to the third to last paragraph of the opinion. Please revise your second sentence to clarify that you are opining on Maryland law by removing references to “internal law” and “without reference to conflict of laws.”
16. Refer to the second to last paragraph of the opinion. Please remove the last sentence of this paragraph, as it is an impermissible limitation.

Other

17. The financial statements should be updated, as necessary, to comply with Rule 3-10 (g) of Regulation S-B at the effective date of the registration statement. Please note that audited financial statements for the year ended December 31, 2006 should be provided in your next amendment to the Form SB-2 registration statement.

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As appropriate, please amend the registration statement in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings reviewed by the staff to be certain that they have provided all information investors require for an informed decision. Since the company and its management are in possession of all facts relating to a company’s disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

We will consider a written request for acceleration of the effective date of the registration statement as a confirmation of the fact that those requesting acceleration are

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aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. We will act on the request and, pursuant to delegated authority, grant acceleration of the effective date.

We direct your attention to Rules 460 and 461 regarding requesting acceleration of a registration statement. Please allow adequate time after the filing of any amendment for further review before submitting a request for acceleration. Please provide this request at least two business days in advance of the requested effective date.

You may contact Claire Erlanger at (202) 551-3301 or Linda Cvrkel at (202) 551-3813 if you have questions regarding comments on the financial statements and related matters. Please contact Rolaine Bancroft at (202) 551-3313 or me at (202) 551-3750 with any other questions.

Regards,

Max A. Webb  
Assistant Director

cc: Darren Ofsink, Esq.  
Guzov Ofsink, LLC  
via facsimile: 212-688-7273