

Yongye International, Inc.
 Form 4
 June 10, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MORGAN STANLEY

(Last) (First) (Middle)
 1585 BROADWAY,
 (Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Yongye International, Inc. [YONG]

3. Date of Earliest Transaction
 (Month/Day/Year)
 06/09/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

See explanation of responses

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Series A Convertible Preferred Stock, par value \$0.001	\$ 0	06/09/2011	A	5,681,818					06/09/2011 ⁽⁴⁾	06/09/2016	Common stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORGAN STANLEY 1585 BROADWAY NEW YORK, NY 10036	X	X		See explanation of responses
MS HOLDINGS INC 1585 BROADWAY NEW YORK, NY 10036	X	X		See explanation of responses
MORGAN STANLEY PRIVATE EQUITY ASIA III, INC. 1585 BROADWAY NEW YORK, NY 10036	X	X		See explanation of responses
MORGAN STANLEY PRIVATE EQUITY ASIA III, L.L.C. 1585 BROADWAY NEW YORK, NY 10036	X	X		See explanation of responses
MORGAN STANLEY PRIVATE EQUITY ASIA III LP 1585 BROADWAY NEW YORK, NY 10036	X	X		See explanation of responses
MORGAN STANLEY PRIVATE EQUITY ASIA EMPLOYEE INVESTORS III LP 1585 BROADWAY NEW YORK, NY 10036	X	X		See explanation of responses
MORGAN STANLEY PRIVATE EQUITY ASIA III HOLDINGS (CAYMAN) LTD C/O WALKERS CORPORATE SERVICES LIMITED WALKER HOUSE, 87 MARY STREET GEORGE TOWN, GRAND CAYMAN, E9 KY1-9005	X	X		See explanation of responses
MSPEA AGRICULTURE HOLDING LTD C/O WALKERS CORPORATE SERVICES LIMITED WALKER HOUSE, 87 MARY STREET GEORGE TOWN, GRAND CAYMAN, E9 KY1-9005	X	X		See explanation of responses

Signatures

MORGAN STANLEY, By: /s/ Christina Huffman, Authorized Signatory	06/10/2011
__Signature of Reporting Person	Date
MS HOLDINGS INCORPORATED, By: /s/ Harvey Bertram Mogenson, Director / President	06/10/2011
__Signature of Reporting Person	Date
MORGAN STANLEY PRIVATE EQUITY ASIA III, INC., By: /s/ Alan K. Jones, President	06/10/2011
__Signature of Reporting Person	Date
MORGAN STANLEY PRIVATE EQUITY ASIA III, L.L.C., By: Morgan Stanley Private Equity Asia III, Inc., its sole member, By: /s/ Alan K. Jones, President	06/10/2011
__Signature of Reporting Person	Date
MORGAN STANLEY PRIVATE EQUITY ASIA III, L.P., By: Morgan Stanley Private Equity Asia III, L.L.C., its general partner, By: Morgan Stanley Private Equity Asia III, Inc., its sole member, By: /s/ Alan K. Jones, President	06/10/2011
__Signature of Reporting Person	Date
MORGAN STANLEY PRIVATE EQUITY ASIA EMPLOYEE INVESTORS III, L.P., By: Morgan Stanley Private Equity Asia III, L.L.C., its general partner, By: Morgan Stanley Private Equity Asia III, Inc., its sole member, By: /s/ Alan K. Jones, President	06/10/2011
__Signature of Reporting Person	Date
MORGAN STANLEY PRIVATE EQUITY ASIA III HOLDINGS (CAYMAN) LTD, By: /s/ Alan K. Jones, Sole Director	06/10/2011
__Signature of Reporting Person	Date
MSPEA AGRICULTURE HOLDING LIMITED, By: /s/ Alan K. Jones, Sole Director	06/10/2011
__Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This form is filed by (i) Morgan Stanley, a Delaware corporation ("MS Parent"), (ii) MS Holdings Incorporated, a Delaware corporation ("MS Holdings"), (iii) Morgan Stanley Private Equity Asia III, Inc., a Delaware corporation ("MS Inc"), (iv) Morgan Stanley Private Equity Asia III, L.L.C., a Delaware limited liability company ("MS LLC"), (v) Morgan Stanley Private Equity Asia III, L.P., a Cayman Islands limited partnership ("MS LP"), (vi) Morgan Stanley Private Equity Asia Employee Investors III, L.P., a Cayman Islands limited partnership ("MS Employee"), (vii) Morgan Stanley Private Equity Asia III Holdings (Cayman) Ltd, a Cayman Islands limited liability company ("MSPEA Holdings") and (viii) MSPEA Agriculture Holding Limited, a Cayman Islands limited liability company ("MSPEA") (collectively, the "Reporting Persons"). MS Holdings is a wholly owned subsidiary of MS Parent. MS Inc is a wholly owned subsidiary of MS Holdings and is the managing member of MS LLC.

(2) (cont'd from FN1) MS LLC is the general partner of both MS LP and MS Employee. MS LP holds 92.13% of MSPEA Holdings and MS Employee holds 7.87% of MSPEA Holdings. MSPEA Holdings owns 100% of MSPEA. MSPEA is the record holder of 5,681,818 shares of Series A Convertible Preferred Stock, par value \$0.001 per share (the "Preferred Shares"). MS Parent may be deemed to beneficially own the Preferred Shares beneficially owned by operating units (collectively, the "MS Reporting Units") of MS Parent, its subsidiaries and affiliates (collectively, "MS"). This filing does not reflect securities, if any, beneficially owned by any operating units of MS whose ownership of securities is disaggregated from that of the MS Reporting Units in accordance with the Securities and Exchange Commission Release No. 34-39538 (January 12, 1998).

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- (cont'd from FN2) Neither the filing of this Form 4 nor any of its contents shall be deemed to constitute an admission by any Reporting Person that it is the beneficial owner of any such Preferred Shares for purposes of Section 16 of the Securities Exchange Act of 1934, or for any other purpose, and each of the Reporting Persons expressly disclaims the beneficial ownership thereof except to the extent of its pecuniary interest therein, if any. MSPEA has affirmed the appointment of its nominee to the Issuer's board of directors, Mr. Homer Sun, who became one of the Issuer's directors on June 9, 2011. By virtue of Mr. Homer Sun being one of the Issuer's directors, each of the Reporting Persons is a director by deputization.
- (3)
- (4) The Preferred Shares may be converted into Common Stock at any time at the holder's election. The Preferred Shares will convert into Common Stock automatically on the 5th anniversary of the issuance, which will be on June 9, 2016.
- The conversion price is \$8.80 per share. The conversion price is subject to adjustments for any share subdivision, consolidation or reclassification, share dividend or capital distribution, mergers or reorganizations or issuances of common stock at prices below the conversion price then in effect. Following the filing with the Securities and Exchange Commission of the audited financial statements of the Issuer for the fiscal year ended December 31, 2011, the conversion price is also subject to adjustments if the net income falls short of, or exceeds, certain specified levels (which are themselves subject to adjustment), provided that as a result of such adjustments, the conversion price will not exceed \$15 per share (adjusted for customary anti-dilution adjustments).
- (5)
- (6) Full Alliance International Limited ("Full Alliance"), a shareholder of the Issuer, agreed to transfer to MSPEA upon conversion of the Preferred Shares, for a total consideration of \$1, shares of Common Stock necessary to make MSPEA whole with respect to certain adjustments to the conversion price. Full Alliance granted a security interest to MSPEA in 5,600,000 shares of Common Stock of the Issuer that it currently owns. These shares of Common Stock serve as collateral for the obligations of Full Alliance to transfer shares of Common Stock to MSPEA and to comply with restrictions on transfer of its shares of Common Stock.
- The maximum number of shares of Common Stock that MSPEA may receive upon, or in connection with, conversion of the Preferred Shares (including shares of Common Stock delivered by the Issuer, with payable in kind dividends, and shares of Common Stock transferred by Full Alliance) may not exceed 19.99% of the shares of Common Stock outstanding as of May 29, 2011 (adjusted for any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, combination or other like changes in the Issuer's capital structure).
- (7)
- (8) MSPEA has the right to require the Issuer to redeem the Preferred Shares upon specified material adverse events at a redemption price that will provide MSPEA with an internal rate of return of 30% on its investment in the Preferred Shares. MSPEA also has the right to require the Issuer to redeem the Preferred Shares if the Issuer fails to meet specified earnings per share and net income targets (which are subject to adjustment), at a redemption price that will provide MSPEA with an internal rate of return of 20% on its investment in the Preferred Shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.