



FANWOOD CHEMICAL, INC.

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June 14, 2023

June Agrochemical Notes

Please join us at the following upcoming trade shows/conferences where we will be making presentations on issues impacting trade in agrochemicals:

- Specialty and Agrochemicals America
 - Savannah, GA: June 19 – 22
- Agribusiness Global Trade Summit
 - Fort Lauderdale/Miami, FL: August 9-10

Jim will be “on stage” twice in Savannah. First presentation is a general review of current U.S. trade policy impacting chemicals. The second presentation is in conjunction with Alex Polinsky and will be focusing on trade issues directly impacting Agricultural Chemicals. Drafts of both presentations have been completed. Please let me know if you are interested in receiving a copy. Such copies will be available after the show.

Special Note: As you know the MTB has not yet been enacted. This means that some of the granularity that had been the norm in the census statistics is still missing which makes pulling the necessary data for this report more difficult. At this point in time, while the new Chairman of the House Ways & Means Committee’s subcommittee on Trade has signaled his support for this legislation, there is no apparent vehicle for getting this done.

Imports of Glyphosate, as acid, for the period September through August for the last 5 years as well as year-to-date are at least as much as shown below:

	22-23	21-22	20-21	19-20	18-19	17-18
August		6,507 MT	7,847 MT	4,611 MT	5,997 MT	3,364 MT
July		8,414 MT	9,178 MT	7,985 MT	2,735 MT	6,562 MT
June		11,592 MT	8,972 MT	6,749 MT	3,495 MT	6,333 MT
May	272 MT	12,420 MT	10,110 MT	9,029 MT	4,542 MT	12,307 MT
April	2,295 MT	16,267 MT	8,067 MT	5,584 MT	3,241 MT	9,836 MT
March	8,142 MT	12,334 MT	7,302 MT	2,927 MT	6,656 MT	10,711 MT
February	4,177 MT	11,768 MT	2,311 MT	1,636 MT	3,235 MT	8,601 MT
January	10,704 MT	8,908 MT	5,660 MT	8,950 MT	6,100 MT	6,081 MT
December	4,358 MT	7,006 MT	5,200 MT	3,800 MT	8,900 MT	7,477 MT
November	8,521 MT	9,809 MT	4,700 MT	8,000 MT	6,000 MT	5,900 MT
October	4,713 MT	9,417 MT	3,200 MT	8,000 MT	8,100 MT	3,800 MT
September	4,018 MT	10,661 MT	4,000 MT	4,700 MT	8,600 MT	4,298 MT

Total 50,210 MT 125,103 MT 76,547 MT 71,971 MT 57,511 MT 85,270 MT

Despite a very strong showing in January, the slowdown in import volumes, year on year, noted in September, will be hard to overcome. I must admit that I am concerned about the accuracy of the May import number. If correct, it is the lowest import level, by a factor of 10, that is observable over the last 10 years! At this rate, total imports for the year will be +/- 65,000 MT, about 50% of what they were last year.

News:

There is not much new to report this month, except for the fact that the **Syngenta IPO** has been resurrected. One of the stated objectives of the IPO is to raise money to allow Syngenta to make more acquisitions. It would be suspected that if they choose to acquire companies in China that there will be little of no impediments. However, if they seek to acquire companies outside of China, it is possible that various anti-trust authorities could “get in the way”.

It will be interesting to see and review any financial disclosures which accompany this IPO. It also will be interesting to see if the U.S. will apply any restrictions on the participation of our citizens in this transaction.

Taiwan: The U.S. and Taiwan have closed several chapters under the “early harvest” provisions: Trade Facilitation, Services, SME’s (Small, Minority Enterprises), GRP (Good Regulatory Practices), and anticorruption. This was not a complete surprise since these subjects were considered “low hanging fruit” as they are not controversial. It is important note that the U.S. still supports a “one China” policy. There has been no change in this position. Therefore, any agreement with Taiwan will actually be between the U.S. and the “The American Institute of Taiwan”. This Institute was created by the Public Law 96-8, the Taiwan Relations Act of April 10, 1979 which still governs relations between the U.S. and Taiwan. Interestingly. Though the Administration did not seek it, it appears that Congress is about to pass legislation to approve this pact. This is Congresses way of exerting it’s presence in trade negotiations.

IPEF: Negotiations continue. The “Supply Chain Pillar” is said to be essentially closed. This pillar sets up a series of committees to stay abreast of these issues with the goal of avoiding significant breakdowns in the supply chain as occurred during the COVID Pandemic.

It remains the case that the most the Chemical industry can hope for in any of these negotiations is agreements on sound science and transparency in regulatory decision-making processes, acceptance of GMO crops, improvements and less corruption in cross border flow of goods and services. There is no market opening tariffs discussion being undertaken under this, or any other discussions by this Administration.

USMCA – Mexico – GMO Corn & Glyphosate: The US has now requested that a dispute resolution panel be set up to resolve this issue. If something is not done, exports of U.S. GMO corn will be suspended on January 1, 2024. Mexico is the U.S.’s largest corn market, most of which goes to animal feed. Canada has also asked to be part of this panel. Mexico appears to be self-sufficient for white corn that is consumed for tortillas and other human consumption purposes.

There is a new push in the U.S. Senate to address competition issues with **China**. It will likely include trade provisions and a focus on limiting U.S. investment in China. In addition, both the House and Senate have passed bills overriding the Biden Administration's delay in imposing dumping duties on solar panels that are imported from several Asian countries that appear to have been trans-shipped from China. This is further evidence that it is highly unlikely that the USTR review of the 301 tariffs will result in any changes.

Electric Vehicles (EVs): I remain fascinated by the impact that the push to convert our transportation infrastructure to electric vehicles will have on the farm community. I have yet to find any literature directly related to this subject. Please let us know of your thoughts.

General observation: Overall imports appear to have slowed significantly in April/May, across the board. Please see additional details below in the notes section under "the Index".

Notes:

- The updated version of the "Index" which includes import details for all formulated Agrochemical imports in 3808.91, 3808.92 and 3808.93 for April is attached.

Below, please find value information for the month of April as well as totals for the first four months year of 2020, 2021, 2022 and 2023.

It is important to observe, that the value figures are "customs value" which would include materials entered into Free Trade Zones, but not China surtaxes.

April 2023 details, as well as the previous 3 years are as follows (000):

	4/2020	4/2021	4/2022	4/2023
3808.91 – insecticides	\$28,223	\$38,007	\$45,434	\$36,499
3808.92 – fungicides	\$41,607	\$87,015	\$50,541	\$66,678
3808.93 – herbicides	\$46,169	\$36,930	\$128,269	\$59,291

First four-month totals for the period (000) are shown below:

	2020	2021	2022	2023
3808.91 – insecticides	\$129,532	\$161,158	\$167,430	\$200,776
3808.92 – fungicides	\$174,736	\$248,859	\$280,500	\$314,885
3808.93 – herbicides	\$212,339	\$192,101	\$400,665	\$350,965

Please let us know how we can best be of service.

Very truly yours,

Jim

V.M. (Jim) DeLisi

VMJD: me