



## FANWOOD CHEMICAL, INC.

219 MARTINE AVENUE, NORTH • P.O. BOX 159 • FANWOOD, NEW JERSEY 07023-0159  
(908) 322-8440 • FAX (908) 322-8494 • e-mail: info@fanwoodchemical.com

November 15, 2023

### November Agrochemical Notes

New Entries into the Pivot Table: NONE

**Special Note:** As you know the MTB (duty suspension legislation) 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. While the Chairman of the House Ways & Means Committee's subcommittee on Trade has signaled his support for this legislation, the best that we can hope for at this point is that they will re-authorize the USITC to begin collecting new details for a new round of petitions for duty relief. If they began the process early in 2024, it is likely that such relief could not be in place before July 1, 2025. Any reductions in tariffs that were in the draft legislation would have expired on December 31, 2023, with no potential that this date could have been expended, so passing the existing draft legislation would be pointless.

GSP renewal, which is tied to MTB also remains in limbo at this time. However, there appears to be an enormous amount of interest in making sure that AGOA (African Growth & Opportunity Act) does not lapse when it is set to expire in September of 2025. Maybe there is the potential for a grand bargain to tie these three programs together and get them all past early in the new year. Once GSP is re-authorized, it would be expected that earnest discussions would be held between the U.S. and India that could lead to India rejoining this valuable program.

**Imports of Glyphosate**, as acid, for the period September through August for the last 6 years as well as YTD appear to be as shown below:

	23-24	22-23	21-22	20-21	19-20	18-19	17-18
August		1,706 MT	6,507 MT	7,847 MT	4,611 MT	5,997 MT	3,364 MT
July		1,179 MT	8,414 MT	9,178 MT	7,985 MT	2,735 MT	6,562 MT
June		1,736 MT	11,592 MT	8,972 MT	6,749 MT	3,495 MT	6,333 MT
May		344 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	2,416 MT	4,713 MT	9,417 MT	3,200 MT	8,000 MT	8,100 MT	3,800 MT
September	2,831 MT	4,018 MT	10,661 MT	4,000 MT	4,700 MT	8,600 MT	4,298 MT
Total	5,247 MT	51,893 MT	125,103 MT	76,547 MT	71,971 MT	57,511 MT	85,270 MT

It appears that total imports for the year 9/2022 through 8/2023 was clearly a “down” year for Glyphosate and well below the levels of 2018-2019. Those that are speculating that there might be enough Glyphosate in current stocks in the USA to last well into 2024 are likely corrected as September and October import numbers continue to show significant reductions from previous years. Recent financial reporting from Bayer CropScience would appear to also support this conclusion.

### **News:**

There is not much “trade news” to report this month, except that the U.S. looks to be abandoning efforts to include a digital trade pillar in the IPEF negotiations. This is a surprising move since many sectors that utilize these processes were hoping that strong rules would have been helpful into the future. It is another indication that left leaning policy makers are strongly in control of the U.S. trade agenda.

However, the main topic of discussion continues to be companies looking to turn the corner towards “more normal” profitability and volumes. In the meantime, prices continue to “crater”. These issues are not unique to Agrochemicals, but are pervasive through-out the Chemical sector, including some Pharmaceutical companies.

### **Other news:**

Surprisingly, while the **Syngenta IPO** has supposedly been “green lighted” by the Shanghai Stock Exchange, there still is nothing we can find on the public record suggesting a date for it to occur. Syngenta’s recent financial reports were also not very enticing, following along with the trend from the rest of the industry, so perhaps this may not be an ideal time to accomplish this task!

As previously reported, the Biden Administration has published a proposal for placing restrictions on U.S. private investments in certain countries. These rules, as drafted, would not appear to inhibit a U.S. citizen or company from investing in this IPO.

The other development specific to Syngenta is Arkansas has demanded that they divest their ownership in some farmland in the state within 2 years. This land has been owned by Syngenta and its predecessor companies for many years. It would be anticipated that there will be further legal action by both parties before this actually happens. In the meantime, it will be interesting to see if any other States, or the Federal Government take similar actions. There clearly is concerns about Chinese ownership of farmland and other assets, especially in instances where such properties are close to military or other sensitive installations.

### **State of the Agrochemical Industry:**

“Upstream” recently reported the following on the “big 6”. The following list which they claim comes from company financial reports, is the only place we have observed that looks at Syngenta as a whole, including their “China business” and Adama. The figures are as follows in billions of USD:

Syngenta	\$33.4 B
Bayer CropScience	\$26.6 B

Corteva Agriscience	\$17.5 B
BASF (Crop Protection)	\$10.9 B
UPL	\$6.7 B
FMC	\$5.8 B

We're not sure if the figure for Syngenta includes manufacturing companies that they dominate in China, such as Yangnong. If it does not, then there is likely at least an additional \$2 B that needs to be added to their sales volume.

All of these companies continue to report "difficult" quarterly financial results.

**Taiwan**: No update, though China apparently continues to harass the island with aggressive military maneuvers and exercises.

**IPEF**: Further discussions are scheduled to occur in California before and around the APEC Ministerial that are likely to close many of the remaining pillars, except Digital Trade.

**USMCA – Mexico – GMO Corn & Glyphosate**: A panel has been set thought we have not seen dates for it to meet to try to resolve this issue. December 31, 2023, is quickly approaching!

**China section 301 tariffs (25% surtaxes)**: USTR continues to diligently work on their review of this program. There is no definitive date for the review's conclusion, though now they are predicting that a report will be ready "in the fall". We continue to believe that it is highly unlikely that there will be a change in position by the Administration prior to the 2024 election.

There is also no indication on how the current exceptions that impact Paraquat and NBPT will be handled. Under current rules, these exceptions expire on December 31, 2023. Once again, importers need to plan for their expiration and then celebrate if they are expended.

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

Very truly yours,

*Jim*

V.M. (Jim) DeLisi

VMJD: me