



FANWOOD CHEMICAL, INC.

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March Agrochemical Notes

New Entries into the Pivot Table include:

- Gowan imported 3 MT of Bio-Tam ® 2.0 form Italy.
- 10 MT of Cloransulam-Methyl arrived from India.
- Adama imported 5 MT of Fahrenheit ® from China. This product is said to be a blend of Dicamba and Metsulfuron-Methyl.
- Ensystex imported 9 MT of Bitrex ®, a rodent bait from Slovenia.

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	9,832 MT	4,177 MT	11,768 MT	2,311 MT	1,636 MT	3,235 MT	8,601 MT
January	16,155 MT	10,704 MT	8,908 MT	5,660 MT	8,950 MT	6,100 MT	6,081 MT
December	11,945 MT	4,358 MT	7,006 MT	5,200 MT	3,800 MT	8,900 MT	7,477 MT
November	10,965 MT	8,521 MT	9,809 MT	4,700 MT	8,000 MT	6,000 MT	5,900 MT
October	2,944 MT	4,713 MT	9,417 MT	3,200 MT	8,000 MT	8,100 MT	3,800 MT
September	2,920 MT	4,018 MT	10,661 MT	4,000 MT	4,700 MT	8,600 MT	4,298 MT
Total	54,761 MT	51,893 MT	125,103 MT	76,547 MT	71,971 MT	57,511 MT	85,270 MT

Maybe the industry is beginning to turn a full circle and about to again go into an overstock situation with Glyphosate. As of the end of February, more Glyphosate, as acid, has been imported into the USA than the entire previous “crop year”. If this rate continues, 23/24 imports could top 21/22 imports as the traditionally strong import months of March, April and May are still ahead of us. We wonder if the industry is “boomeranged” back way too far.

Glufosinate imports continue to moderate. Interestingly, it looks like the first deliveries of L Glufosinate arrived into BASF in St. Louis from Germany during February.

David Li did a webinar for Agribusiness Global on February 28, 2024. As is his style, it was chocked full of statistics and highly detailed information. If you missed this presentation, it should be available on the ABG website within another week or so. My number one take away from his talk is that the current situation in China is unsustainable both in terms of volume and pricing and may be destabilizing to companies that produce competitive compounds in other parts of the world.

Paraquat & NBPT Exceptions: The comment period has closed to lobby for an extension of these exceptions. Hopefully, we will have an answer from USTR as to their path forward during April so that importers of these compounds can do some forward planning.

China section 301 tariffs (25% surtaxes): It continues to amaze me that USTR has not yet finalized their review of this entire program. There is no definitive date for the review's conclusion, though they were predicting that a report would be ready "in the fall". Clearly this did not happen. Even though the Administration is under pressure to promptly finalize this review, 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.

A key flash point that has arisen over the last month or so is Electric Vehicles. Chinese EV manufacturers have seriously undermined the competitiveness of this industry in the EU. It has been widely reported that the import tariff for such vehicles into the U.S. is 27.5%, blocking their progress here. This is not actually the fact. The import tariff is 2.5%, plus the 25% surcharge that is part of this same special 301 program. Therefore, removal of this program would be very detrimental to U.S. producers of EVs. It is highly unlikely that the U.S. Government would let this happen.

Forced Labor Issue: We would refer all our readers to the recent issue with Volkswagen automobiles for a tutorial on what happens if an importer into the U.S. appears to be in violation of this regulations. Volkswagen is in process of switching out a minor electronic component that is part of their vehicles so that they can enter the U.S. market. Until this component is changed, the cars are not being allowed into the country, even though it appears that the final assembly point was in Germany. While not widely publicized, there have been other products that have had similar issues, including some solar panels, and some chemicals. You are urged to be sure that your supply chain is carefully reviewed to be sure that there is no possibility that even the smallest component could have been sourced from a company that could be accused of using forced labor in their manufacturing process.

Dicamba: The recent judicial ruling on the over-the-top usage of Dicamba likely will have a huge impact on this product for this season. There is a tremendous amount of pressure, being applied to all levels of the U.S. Government to "fix" this decision and allow the continued use of Dicamba because of weed resistance to 2,4 D and Glyphosate. However, it is unlikely that this can be accomplished for this year's growing season.

GSP: The "trade press" is reporting that there may be progress in re-instituting this program, and renewing AGOA (African Growth and Opportunity Act) in the near term. We continue to believe that if GSP is re-authorized that India will be allowed back into this program shortly thereafter.

USMCA – Mexico – GMO Corn & Glyphosate: Knowledgeable individuals believe that this issue will be required to wait for the installation of a new President in Mexico. The election is scheduled for June 2, 2024.

Surprisingly, there are no updates on any of the following important topics: Please ask for additional details:

- **MTB:** duty suspension legislation
- **TPA & TAA**
- **Syngenta IPO**
- **Taiwan**

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 January 2024 is attached.

Below, please find value information for the month of January as well as totals for all 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 any freight, forwarding, duty expenses, or China surtaxes.

January 2024 details, as well as the previous 3 years are as follows (000):

	1/2021	1/2022	1/2023	1/2024
3808.91 – insecticides	\$28,524	\$38 546	\$61,638	\$40,709
3808.92 – fungicides	\$35,586	\$76 432	\$72,691	\$52,171
3808.93 – herbicides	\$43,266	\$79 242	\$113,412	\$46,172

Full year totals for the period (000) are shown below:

	2020	2021	2022	2023
3808.91 – insecticides	\$296,780	\$428,038	\$498,399	\$440,288
3808.92 – fungicides	\$412,968	\$677,835	\$833,876	\$729,082
3808.93 – herbicides	\$443,761	\$543,863	\$944,602	\$644,522

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

Very truly yours,

Jim

V.M. (Jim) DeLisi

VMJD: me