



FANWOOD CHEMICAL, INC.

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April Agrochemical Notes

New Entries into the big pivot table included:

- ADAMA imported 40 MT of Plemax® from Israel. It is said to be an insecticide that combines Novaluron with Indoxacarb.
- MGK imported 121 MT of N-Octyl Bicycloheptane Dicarboximide from Germany, an Insecticide.
- ADAMA imported 2.5 MT of a blend of Dicamba and Picloram from Colombia.
- ADAMA imported 68 MT of a blend of MCPA and Fluroxypyr from Israel.

Additions or corrections:

- We missed 393 MT of what appears to be 2,4 D LV-6 delivered to Generic Crop Science by Polaquimia in December and January. This quantity has been added into the table in the appropriate month.

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	8,417 MT	8,142 MT	12,334 MT	7,302 MT	2,927 MT	6,656 MT	10,711 MT
February	9,831 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	63,180 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 March, more Glyphosate, as acid, has been imported into the USA than the entire previous “crop year” by more than 20%. If this rate continues, 23/24 imports could top 21/22 imports as the traditionally strong import months of April, May and June are still ahead of us. We wonder if the industry is “boomeranged” back way too far.

Glufosinate imports picked up considerably. Interestingly, it looks like the first deliveries of L Glufosinate arrived into BASF in St. Louis from Germany during February. Additional quantities were imported in March, also from Germany.

2,4-D Dumping Case: Attached please an updated version of the letter we wrote to our friends and subscribers updating the details on the dumping action to include information concerning critical circumstances.

Jim listened and took careful notes during the preliminary hearing held in the USITC hearing room from 9:30 AM until 4:00 PM on April 4, 2024. This hearing brought out several interesting facets of this petition, including but not limited to:

- Scope: As originally envisioned the U.S. production base for the scope of this hearing was to be limited producers of 2,4 D Acid, making Corteva the sole litigant. The opponents have argued that since the “scope” of the investigation has been defined to include 2,4 D Acid, Salts and Esters, and products that contain the same, then they need to be considered U.S. producers. Since the law requires that companies representing a minimum of 50% of the productive capacity in the U.S. have to agree that the petition is warranted, if this argument is sustained, then Corteva will need to prove that they represent a minimum of 50% of such capacity to continue the case. It is expected that this issue will be determined relatively quickly. If Corteva does not meet this test, this case could be terminated in a very short period of time.
- There are additional U.S. importers and/or processors that will likely be sent questionnaires so that the USITC can get a better handle on the entire marketplace. U.S. persons (including corporations), by law, must respond to the USITC requests. While foreign persons/corporations, need not respond, it is strongly recommended that they do so.
- Only one foreign producer participated in their own name. If the case moves forward to the next stage, it would be expected that others will become directly involved, especially if they wish to win favorable margin versus their competitors.
- There was also a fair amount of testimony that Corteva had pulled back from the supply of 2,4 D Acid to the domestic market. While it is unlikely that this is germane, it was pretty awkward for the petitioner.
- The “Corn Board” testified in opposition on behalf of U.S. Corn Farmers.
- In order for Corteva to “win” this case they need to prove that they have been “damaged” by imports. The objectors clearly do not believe that Corteva’s 2,4 D business has been hurt by the imports.

There was no direct discussion in the hearing concerning imports of formulated 2,4 D from Colombia. However, the way the scope has been written, it would appear to be the clear intent of the petitioner that if a producer in a third country were to convert 2,4 D Acid to salt, ester, or formulated product it would be covered by the order. This would likely be the case in lands in which the U.S. does not have a Free Trade Agreement, or if an agreement is in place, it has relatively weak, GSP style rules of origin. However, the U.S./Colombia Free Trade Agreement clearly defines the fact that a chemical reaction that produces a new molecule is origin transforming. Therefore, for Colombia, Mexico, Canada, Australia, and several other countries that have agreements with the U.S. that include the chemical reaction rule, such third country production may “skirt” the order if it is imposed.

As mentioned last month, **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. As a result of this presentation, **Bob Trogele and Jim DeLisi** teamed up to write an article on the subject of sustainability of the Agrochemicals Industry. The article is attached to this letter. Interestingly, the final draft of this article was released to Agribusiness Global on the morning of March 21, 2024. Later that day, Corteva presented the paperwork to initiate the 2,4 D dumping case discussed above.

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): No update. It continues to amaze me that USTR has not yet finalized their review of this entire program.

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.

Syngenta IPO: It was announced that Syngenta has suspended their efforts to seek outside funding.

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 February 2024 is attached.

Below, please find value information for the month of February as well as totals for the first two months of 2021, 2022, 2023 and 2024.

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.

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

	2/2021	2/2022	2/2023	2/2024
3808.91 – insecticides	\$34,795	\$38,546	\$56,161	\$43,219
3808.92 – fungicides	\$55,077	\$72,608	\$87,412	\$62,009
3808.93 – herbicides	\$46,366	\$40,264	\$88,723	\$37,126

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

	2021	2022	2023	2024
3808.91 – insecticides	\$63,319	\$78,809	\$117,800	\$83,928

3808.92 – fungicides	\$90,664	\$149,040	\$160,102	\$114,180
3808.93 – herbicides	\$89,632	\$167,277	\$202,135	\$83,298

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

Very truly yours,

Jim

V.M. (Jim) DeLisi

VMJD: me