



# 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

May 10, 2024

## May Agrochemical Notes

New Entries into the big pivot table include:

- BASF imported 54 MT of Mefentrifluconazole from India which is said to be a new fungicide.
- Sharda imported 17 MT of Empire® from China which is said to be 25.2% Boscalid and 12.8% Pyraclostrobin.
- Bayer CropScience imported 34 MT of Mefenpyr which is said to be a safener.
- ISK imported 7 MT of Pyriofenone from India which is said to be a fungicide.

We have continued to “mine” Mexican export data since January 1, 2023 and have added a significant number of entries into this table, mostly formulated products, including the following new entries:

- FMC has imported about 300 MT of a fungicide said to be a combination of Flutriafol with Bixafenin.
- Atticus has imported about 30 MT of a fungicide said to be a combination of Cyprodinil and Fludioxonil.
- UPL has imported about 9 MT of a fungicide said to be a combination of Captan and Carboxin.

**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	6,108 MT	2,295 MT	16,267 MT	8,067 MT	5,584 MT	3,241 MT	9,836 MT
March	9,346 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
<b>Total</b>	<b>69,764 MT</b>	<b>51,893 MT</b>	<b>125,103 MT</b>	<b>76,547 MT</b>	<b>71,971 MT</b>	<b>57,511 MT</b>	<b>85,270 MT</b>

As of the end of March, more Glyphosate, as acid, had been imported into the USA than the entire previous “crop year” by more than 20%. An additional 6,108 MT arrived in April. It looks like imports for this crop year will top all previous years, except 22-23 by a significant amount. You are urged to be cautious to protect against another inventory bubble!

Glufosinate imports continue at an accelerated pace. More “L” arrived. It appears as if the “L” is from China, not Germany as shown on the bills of lading.

### **2,4-D Dumping Case:**

- It was just announced that the USITC will take a vote as to whether to proceed with this case on May 17. It will be interesting to see what they decide.
  - This hearing is open to the public, either in person or via Webex. You can be assured that we will be taking notes and will report back if anything is decided.
- The US Department of Commerce has also made some pronouncements about this case:
  - They have “reset” the scope to include the salts and esters. As part of this announcement, they specifically referenced the Coline salt as being part of the scope.
    - This ruling may be problematic for Corteva. If the Coline salt is as profitable as many believe, then Corteva may not be able to prove that they have been damaged by the imports.
  - They agreed that the case can proceed as they ruled that Corteva has standing for “U.S. manufacturers”. This means that even with the revised scope, Corteva represents more than 50% of U.S. production.

However, now that the revised scoping has been published, it confirms that the intent of the petitioner is to be sure that if a producer in a third country were to convert Chinese or Indian 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 and 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.

**CPDA Conference:** Jim attended the CPMA Annual Conference a couple of weeks ago in Tucson. As expected, Terry Kipley and his “gang” did an outstanding job in preparing for this event.

Please request a copy of Jim’s slides. There were a couple of slides that will be highlighted below.

This slide highlight’s “the big ten” sales for the years 2023 and 2022. If you “do the math” you will see that in the case of agricultural chemicals, Syngenta’s worldwide sales are in excess of Bayer CropScience, Corteva Agriscience, and BASF Agro, combined!

The potential liabilities column seeks to show where these companies might be vulnerable to the plaintiff’s bar.

The last column is intended to show the approximate value of patents that have or will expire between 2020 and 2030. Unfortunately, we don't know of a good source that can give a reasonable estimate of the potential of newly patented products. If we could find such a source, it would make for a very interesting additional column.

	2023	2022	Seed	Ownership	Potential	Patents
	Sales	Sales	Sales		Liabilites	Expiring
Syngenta *	\$32.2 B	\$33.4 B	~\$4 B **	China	G, D, P	\$1.25 B
Bayer CropScience	\$23.3 B	\$25.2 B	~\$13 B **	Germany	G, D	\$1.24 B
Corteva Agriscience	\$17.2 B	\$17.5 B	~\$9 B **	U.S.	G	\$650 M
BASF	\$11.0 B	\$11.2 B	~\$1.5 B **	Germany	D	\$700 M
UPL	\$5.5 B	\$6.6 B	~\$3.0 B	India	none	none
FMC	\$4.5 B	\$5.8 B	none	U.S.	none	\$1.9 B
Sumitomo		\$3.8 B	few	Japan	none	11 M
Nufarm	\$3.5 B	\$3.8 B	few	Australia	G, D	none
Albaugh		\$2.0 B	none	U.S.	G, D	none
Rainbow		\$2.0 B	none	China	G	none
G = Glyphoisate, D= Dicamba, P = Paraquat			** included in sales		*includes Adama	

The chart below shows the volume, value and country count for 2023 formulated pesticide exports for the U.S., China, and India. You have to admire the level of global penetration that has been achieved by China.

	India	USD (000)	MT	# of Countries
	3808.9	\$1,342,614	151,368	151
	3808.9	\$762,128	176,636	122
	3808.9	\$1,252,490	148,252	117
	totals	\$3,357,232	476,256	

	China	USD (000)	MT	# of Countries
	3808.9	\$1,912,612	458,336	183
	3808.9	\$873,603	172,824	152
	3808.9	\$5,182,515	1,787,165	147
	totals	\$7,968,730	2,418,325	

	USA	USD (000)	MT	# of Countries
	3808.9	\$1,503,304	52,126	122
	3808.9	\$785,921	48,483	79
	3808.9	\$1,701,223	164,707	77
	totals	\$3,990,448	265,316	

**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. It is thought that an announcement will occur in the very near future.

**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. It is likely that the rule of origin will be strengthened by moving it up from 35% value content to 50% or more.

**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.

**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 March 2024 is attached.

Below, please find value information for the month of March as well as totals for the first quarter 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.

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

	3/2021	3/2022	3/2023	3/2024
3808.91 – insecticides	\$59,831	\$43,187	\$46,478	\$42,098
3808.92 – fungicides	\$71,180	\$80,919	\$88,104	\$66,013
3808.93 – herbicides	\$65,538	\$105,119	\$89,540	\$62,042

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

	2021	2022	2023	2024
3808.91 – insecticides	\$123,152	\$121,996	\$164,277	\$126,026
3808.92 – fungicides	\$161,843	\$229,959	\$248,206	\$180,193
3808.93 – herbicides	\$155,170	\$272,396	\$291,674	\$145,341

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

Very truly yours,

*Jim*

V.M. (Jim) DeLisi

VMJD: me