



# FANWOOD CHEMICAL, INC.

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## February Notes

### New Entries:

- Helm Agro imported 11 MT of Katagon© from ISK in Japan. Product appears to be a herbicide combination of 11.72% Tolpyralate with 11.72% Nicosulfuron.
- Summit Agro imported 300 kgs. of Pyrazosulfuron-Ethyl from Japan.
- Miklens Bio America imported 16 MT of Goweed© Bio Herbicide from India. We were not able to find any information on this company or this product.

Imports of Glyphosate, as acid, for the period September through August for the last 7 crop years as well as YTD appear to be as shown below:

	24-25	23-24	22-23	21-22	20-21	19-20	18-19	17-18
August		12,515 MT	1,706 MT	6,507 MT	7,847 MT	4,611 MT	5,997 MT	3,364 MT
July		6,716 MT	1,179 MT	8,414 MT	9,178 MT	7,985 MT	2,735 MT	6,562 MT
June		6,442 MT	1,736 MT	11,592 MT	8,972 MT	6,749 MT	3,495 MT	6,333 MT
May		7,837 MT	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	5,819 MT	8,193 MT	8,142 MT	12,334 MT	7,302 MT	2,927 MT	6,656 MT	10,711 MT
February	10,224 MT	9,831 MT	4,177 MT	11,768 MT	2,311 MT	1,636 MT	3,235 MT	8,601 MT
January	18,556 MT	16,155 MT	10,704 MT	8,908 MT	5,660 MT	8,950 MT	6,100 MT	6,081 MT
December	12,345 MT	11,945 MT	4,358 MT	7,006 MT	5,200 MT	3,800 MT	8,900 MT	7,477 MT
November	10,070 MT	10,965 MT	8,521 MT	9,809 MT	4,700 MT	8,000 MT	6,000 MT	5,900 MT
October	9,693 MT	2,944 MT	4,713 MT	9,417 MT	3,200 MT	8,000 MT	8,100 MT	3,800 MT
September	8,023 MT	2,920 MT	4,018 MT	10,661 MT	4,000 MT	4,700 MT	8,600 MT	4,298 MT
Total	74,730 MT	102,571 MT	51,893 MT	125,103 MT	76,547 MT	71,971 MT	57,511 MT	85,270 MT

While March shipments subsided from the rates of previous months, there must be significant inventories of Glyphosate sitting in U.S. Warehouses.

### President Donald Trump – Impact on Agrochemicals and China Trade

While we had been predicting that President Trump would be measured in his actions, especially until he had his full team in place, that has proven to be an incorrect assumption, especially considering the actions of April 2, 2025. He continues to take decisive actions, many of which are in direct violation of our agreement with the WTO and now USMCA, and maybe U.S. law.

A group known as the New Civil Liberties Alliance has filed a lawsuit, before the latest actions were known, claiming that the Administration’s use of International Emergency Economic Powers Act, which was also the basis for the “reciprocal tariffs”, is not constitutional. It will be interesting to see how the Courts rule. Undoubtedly, this case will get to the Supreme Court, hopefully on a highly expedited basis so the business community can get the stability we need.

The WTO is powerless in this instance since the Biden Administration did not re-constitute the appellate division of the WTO.

Last month, we published a table with full tariff rates as of March 10, 2025 for imports from China. Below, please find an updated version, including “reciprocity” tariffs and India as of April 5, 2025.

<b>Key Herbicides</b>		<b>China</b>	<b>China</b>	<b>China</b>	<b>China</b>		<b>All</b>	<b>Others</b>
HTS	Base	301	Fentanyl	Reciproca	China		Reciprocal	
Numbers	Tariff	Surtax	Tariff	Tariff	Total	Product	Tariff	Total
2918.99.20.10	6.5%	7.5%	20.0%	125.0%	159.0%	2,4 D	10.0%	16.5%
2933.69.60.21	3.5%	7.5%	20.0%	0.0%	31.0%	Atrazine	0.0%	3.5%
2930.90.10.00	6.5%	25.0%	20.0%	125.0%	176.5%	Clethodim	10.0%	16.5%
2934.99.15.00	6.5%	none	20.0%	0.0%	26.5%	Clomazone	0.0%	6.5%
2918.99.20.50	6.5%	7.5%	20.0%	125.0%	159.0%	Dicamba	10.0%	16.5%
2931.59.00.80	3.7%	none	20.0%	125.0%	148.7%	Ethephon	10.0%	13.7%
2931.49.00.10	3.7%	none	20.0%	0.0%	23.7%	Glufosinate	0.0%	3.7%
2931.49.00.20	3.7%	none	20.0%	0.0%	23.7%	Glyphosate	0.0%	3.7%
2930.90.10.00	6.5%	25.0%	20.0%	125.0%	176.5%	Mesotrione	10.0%	16.5%
2933.69.60.21	3.5%	7.5%	20.0%	0.0%	31.0%	Metribuzin	0.0%	3.5%
2933.39.23.00	6.5%	none	20.0%	0.0%	26.5%	Paraquat	0.0%	6.5%
2921.49.50.00	6.5%	25.0%	20.0%	0.0%	51.5%	Pendimethalin	0.0%	6.5%
2924.29.47.00	6.5%	25.0%	20.0%	125.0%	176.5%	Propanil	10.0%	16.5%
2934.99.90.01	6.5%	none	20.0%	0.0%	26.5%	Pyroxasulfone	0.0%	6.5%
2924.29.47.00	6.5%	25.0%	20.0%	125.0%	176.5%	S-Moc	10.0%	16.5%
2935.90.75.00	6.5%	none	20.0%	0.0%	26.5%	Sulfentrazone	0.0%	6.5%
2921.43.15.00	6.5%	25.0%	20.0%	125.0%	176.5%	Trifluralin	10.0%	16.5%
<b>most formulated</b>	6.5%	25.0%	20.0%	125.0%	176.5%	Aromatic	10.0%	16.5%
<b>most formulated</b>	5.0%	25.0%	20.0%	125.0%	175.0%	Non-Aromatic	10.0%	15.0%
<b>Key Insecticide</b>								
2932.20.50.50	Free - K list	none	20.0%	0.0%	20.0%	Abamectin	0.0%	free
2930.90.43.95	6.5%	25.0%	20.0%	125.0%	176.5%	Acephate	10.0%	16.5%
2916.20.50.00	3.7%	25.0%	20.0%	0.0%	48.7%	Bifenthrin	0.0%	3.7%
2933.39.27.00	6.5%	none	20.0%	0.0%	26.5%	Imidacloprid	0.0%	6.5%
2926.90.16.00	free	25.0%	20.0%	125.0%	170.0%	Lambda Cyhalothrin	10.0%	10.0%
2930.90.43.95	6.5%	25.0%	20.0%	125.0%	176.5%	Oxamyl	10.0%	16.5%
2916.20.50.00	Free - K list	25.0%	20.0%	0.0%	45.0%	Permethrin	0.0%	free
<b>most formulated</b>	6.5%	25.0%	20.0%	125.0%	176.5%	Aromatic	10.0%	16.5%
<b>most formulated</b>	5.0%	25.0%	20.0%	125.0%	175.0%	Non-Aromatic	10.0%	15.0%
<b>Key Fungicides</b>								
2933.59.15.00	6.5%	none	20.0%	0.0%	26.5%	Azoxystrobin *	0.0%	6.5%
2930.90.43.95	6.5%	25.0%	20.0%	125.0%	176.5%	Captan	10.0%	16.5%
2926.90.21.00	6.5%	none	20.0%	125.0%	151.5%	Chlorothalonil	10.0%	16.5%
2833.25.00.00	1.4%	25.0%	20.0%	125.0%	171.4%	Copper Sulfate	10.0%	11.4%
3808.92.24.00	free	25.0%	20.0%	125.0%	170.0%	Mancozeb	10.0%	10.0%
3808.92.50.80	5.0%	25.0%	20.0%	125.0%	175.0%	Micronized Sulfur	10.0%	15.0%
2934.99.12.00	6.5%	none	20.0%	0.0%	26.5%	Propiconazole	0.0%	6.5%
2933.99.22.00	6.5%	none	20.0%	0.0%	26.5%	Tebuconazole	0.0%	6.5%
<b>most formulated</b>	6.5%	25.0%	20.0%	125.0%	176.5%	Aromatic	10.0%	16.5%
<b>most formulated</b>	5.0%	25.0%	20.0%	125.0%	175.0%	Non-Aromatic	10.0%	15.0%

Please review all of these details with your tariff experts before taking any actions based on this chart.

We need to take this opportunity to remind all of our readers that the formulation of an agrochemical is not a substantial transformation under U.S. Customs definitions. Therefore, if you import a product into the U.S. from a third country that contains a Chinese active ingredient, for labeling purposes that material is likely properly classified as to where it was formulated, **but for tariff purposes, that product is likely still Chinese and therefore subject to whatever the current tariff situation may be at the time of importation!** When in doubt, you are urged to seek a binding customs ruling.

It also needs to be noted, except in instances where there are dumping margins, in countries where the U.S. has an existing free trade agreement, that agreement defines what is a substantial transformation.

Canada & Mexico: There are no tariffs for materials that meet the USMCA rules of origin. For non-originating materials, there is a Fentanyl tariff of 25%.

Upon request, we'd be pleased to supply copies of the Presidential Proclamations, as well as exceptions list.

It will be interesting to see how Customs implements these changes. It may be that there will be delays in the clearing of imports on a timely basis as they work to adjust their systems to account for all of these changes.

You will also find attached to this letter a spreadsheet that includes the status of almost 300 active ingredients, including section 301 tariffs as well as the exceptions from reciprocity. **Please double check the accuracy of this list against your own records before taking any actions.**

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

The USITC heard testimony on this issue for an entire day on Tuesday, April 2. Jim took careful notes (19 pages) which he is prepared to share upon request.

Earlier that same morning, the U.S. Department of Commerce released its final report. It was interesting to see that CAC also lost its unique margins so that there is now only one dumping margin for all Chinese producers.

#### DOC Determined Final Dumping Rates

Entity	Rate	Cash Deposit adjusted for subsidy offset
• China (all companies)	127.21%	126.58%
• India		
○ Atul	25.85%	20.62%
○ Meghmani	6.1%	3.18%
○ All others	15.98%	11.90%

#### Final Subsidy Rates

• China	
○ CAC	26.5%
○ Rainbow	169.63%
○ All others	26.5%
• India	

- Atul 5.29%
- Meghmani 6.32%
- All others 5.88%

#### Totals (deposit rates)

- China
  - CAC 153.08%
  - Rainbow 296.21%
  - All others 153.08%
- India
  - Atul 25.91%
  - Meghmani 9.5%
  - All others 17.78%

The current published schedule calls for the USITC to make its final determination on May 15, 2025, with the issuance of final orders on May 22, 2025. The USITC will have the final say on the merits of the case, as well as the final dumping and countervailing duty margins.

Once this is accomplished, pending imports, held open since the middle of November, will be liquidated in due course.

Assuming Corteva prevails, the maintenance of such orders is relatively simple, so it is likely that there will be dumping margins on U.S. imports of 2,4 D and derivatives for many years.

It is also important to acknowledge that this order covers imports of 2,4 D derivatives that contain Chinese or India 2,4 D Acid, esters, or salts, produced in any third country, including lands that have Free Trade Agreements with the U.S. that have rules of origin that would imply that the such materials were made in that country and otherwise enter the U.S. duty free.

**MTB & GSP:** No news but it is likely that both of these programs are dead for 2025 and maybe forever!

**USMCA:** No update on when discussions will start in earnest for the renewal of the agreement. Deadline remains July 1, 2026. There are indications that the Trump Administration will be looking for modification, most especially to tighten up the rules of origin to be sure that China can not use this agreement as a springboard into the U.S.

#### **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 2025 is attached.

Below, please find value information for the month of February as well as totals for the first two months of 2022, 2023, 2024 and 2025.

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 2025 details, as well as the previous 3 years are as follows (000):

	2/2022	2/2023	2/2024	2/2025
3808.91 – insecticides	\$40,264	\$56,161	\$43,219	\$52,549
3808.92 – fungicides	\$72,608	\$87,412	\$62,009	\$59,045
3808.93 – herbicides	\$88,035	\$88,723	\$37,126	\$89,749

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

	2022	2023	2024	2025
3808.91 – insecticides	\$78,809	\$117,780	\$83,928	\$86,643
3808.92 – fungicides	\$149,040	\$160,102	\$114,179	\$140,710
3808.93 – herbicides	\$162,277	\$202,135	\$83,298	\$165,214

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

Very truly yours,

*Jim*

V.M. (Jim) DeLisi

VMJD: me