

Herbicides China Monthly Report 202201

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Headline

On 27 Dec., 2021, Guang'an Municipal Ecological Environment Bureau approved the EIA report of the 30,000 t/a glufosinate-ammonium TC and AS project of Guang'an Lier.

On 1 Jan., the EIA report of AS product anti-cross contamination project of Zhejiang Wynca's Jiande pesticide factory was approved by local authorities.

At the beginning of 2022, Jiangsu CF closed the plant in the Coastal Chemical Park in Binhai County, Yancheng City, Jiangsu Province.

In Jan., prices of most herbicide TC products were lowered.

Ex-works price of glyphosate TC soared 177.51% from USD4,418.42/t (RMB28,900/t) at the beginning of 2021 to USD12,591.65/t (RMB80,200/t) by the year end, which contributed to outstanding performance of related listed companies.

The FOB price of paraquat TK remained high at USD3,215/t (RMB20,510/t) in late Jan., with little fluctuation over the prices seen in the previous quarter. The price is not expected to fall back in the short term since the ex-works price of upstream material pyridine has been steady in recent months.

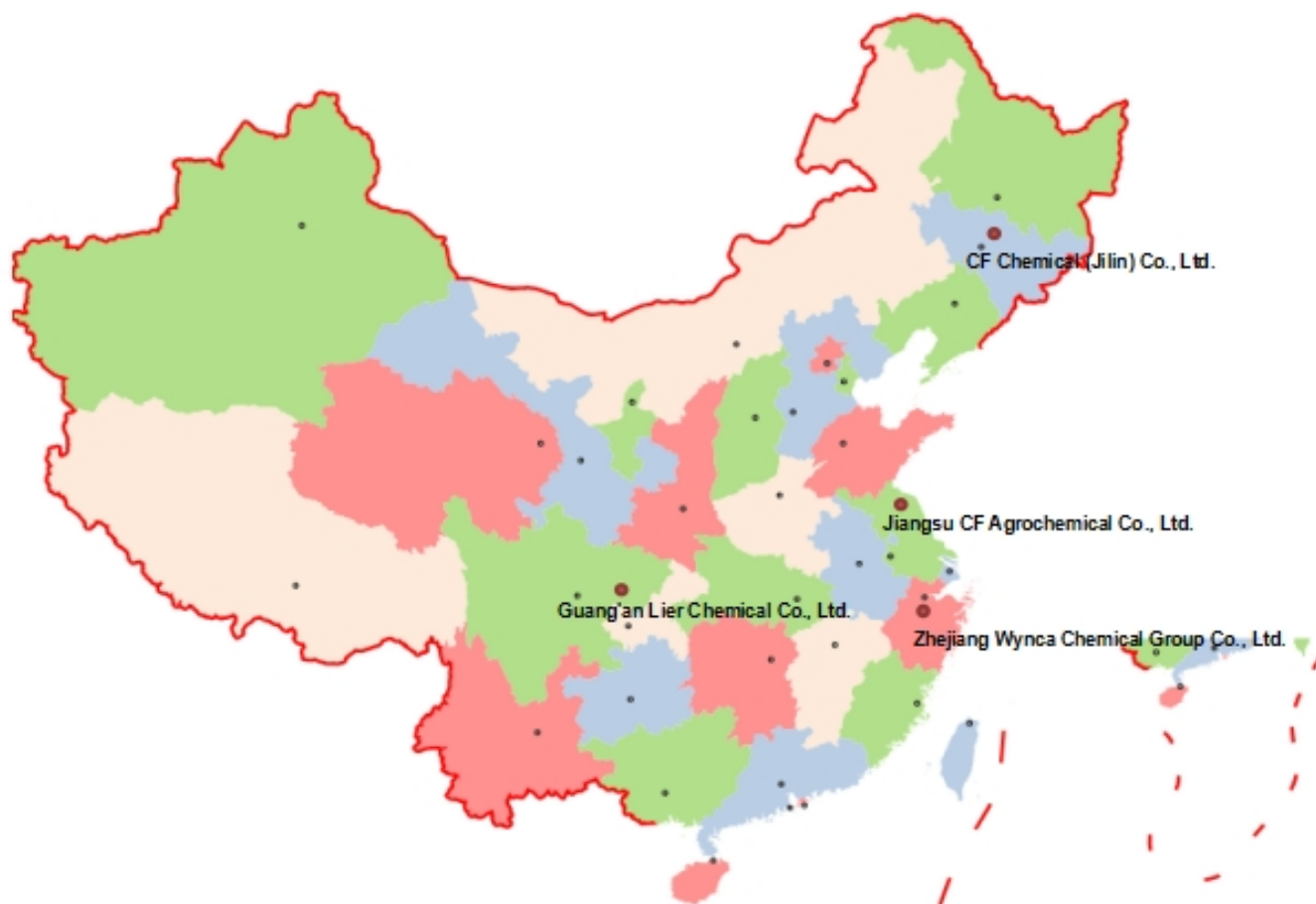
According to CCM's price monitoring, the ex-works price of pure pyridine in late Dec. stabilised at USD4,389/t (RMB28,000/t), the same as that of last month, excluding exchange rate effect.

In Q3 2021, China exported a total of 5,210.69 tonnes (actual volume) or 5,105.49 tonnes (100% AI volume) of dicamba products to 5 destinations such as the US, Argentina and Australia.

In Dec., 2021, ICAMA issued an approved list of registration of pesticides, including 11 herbicide products.

On 31 Dec., 2021, MARA and GACC jointly issued the Announcement No. 416 on optimising administration and services for pesticide import and export, and the new measures came into effect on 1 Jan., 2022.







Editor's note

In terms of company dynamics, on 27 Dec., 2021, EIA report of Guang'an Lier's 30,000 t/a glufosinate-ammonium TC and AS project was approved by Guang'an Municipal Ecological Environment Bureau; on 1 Jan., the EIA report of AS product anti-cross contamination project of Zhejiang Wynca's Jiande pesticide factory was approved by local authorities; at the beginning of 2022, Jiangsu CF closed the plant in the Coastal Chemical Park in Binhai County, Yancheng City, Jiangsu Province.

In terms of market dynamics, in Jan., prices of most herbicide TC products were lowered.

In terms of registration, in Dec., 2021, registration of 11 herbicide products was approved by the Ministry of Agriculture and Rural Affairs of the People's Republic of China.

In terms of policy, on 31 Dec., 2021, MARA and GACC jointly issued the Announcement No. 416 on optimising administration and services for pesticide import and export, and the new measures came into effect on 1 Jan., 2022.

The USD/CNY exchange rate in this newsletter is USD1.00=CNY6.3794 on 4 Jan., 2022, sourced from the People's Bank of China. All the prices mentioned in this newsletter will include the VAT, unless otherwise specified.



Company dynamics

EIA of Guang'an Lier's 30,000 t/a glufosinate-ammonium TC and AS project approved

Summary: On 27 Dec., 2021, Guang'an Municipal Ecological Environment Bureau approved the EIA report of the 30,000 t/a glufosinate-ammonium TC and AS project of Guang'an Lier.

On 27 Dec., 2021, environmental impact assessment (EIA) report of the 30,000 t/a glufosinate-ammonium TC and AS project of Guang'an Lier Chemical Co., Ltd. (Guang'an Lier) was approved by the Guang'an Municipal Ecological Environment Bureau.

Project overview

- Location: Xinqiao Industrial Park, Guang'an Economic and Technological Development Zone, Guang'an City, Sichuan Province
- Total investment: USD0.47 million (RMB3 million)
- Designed capacity:
 - 20,000 t/a Glufosinate-ammonium TC
 - 10,000 t/a Glufosinate-ammonium AS

As of 6 Jan., 2022, Guang'an Lier holds 9 valid registration certificates of herbicides in China. Its parent company is Lier Chemical Co., Ltd., which is a major R&D and production base of chloropyridine herbicide products in China, as well as a large-scale glufosinate-ammonium manufacturer.

TABLE 1: Registration of Guang'an Lier's herbicide products, as of 6 Jan. 2022

NO.	Registration No.	Product	Formulation	Total content	Valid until
1	PD20212237	Glufosinate-p	SL	15%	2026/9/28
2	PD20212235	Glufosinate-p	SL	10%	2026/9/28
3	PD20211663	Glufosinate-p	SL	20%	2026/8/24
4	PD20096786	Glyphosate	TC	95%	2024/9/16
5	PD20182534	Pinoxaden	TC	95%	2023/6/27
6	PD20181286	Diquat	TK	40%	2023/5/16
7	PD20181277	Flumioxazin	TC	99.20%	2023/5/16
8	PD20181514	Glufosinate	TC	95%	2023/4/17
9	PD20181271	Clodinafop-propargyl	TC	95%	2023/4/17

Source: Institute for the Control of Agrochemicals, Ministry of Agriculture and Rural Affairs (ICAMA)



EIA of Zhejiang Wynca's AS product anti-cross contamination project approved

Summary: On 1 Jan., the EIA report of AS product anti-cross contamination project of Zhejiang Wynca's Jiande pesticide factory was approved by local authorities.

On 1 Jan., Jiande branch of Hangzhou Municipal Ecology and Environment Bureau approved the EIA report of AS product anti-cross contamination project of Zhejiang Wynca Chemical Group Co., Ltd.'s (Zhejiang Wynca) Jiande pesticide factory.

Zhejiang Wynca has so far successively developed a series of mixed formulation products such as 43% 2,4-D dimethyl amine salt-glyphosate-isopropylammonium AS, 36% MCPA-glyphosate isopropylamine AS, 39% glufosinate-ammonium-glyphosate ammonium AS. These products are made in the same production lines, and preparing and cleaning procedures needed for switching between production of different products are cumbersome. Moreover, it is difficult to clean them thoroughly, which not only poses threat to the quality of products thus made, but also restricts better realisation of the existing capacity. Therefore, it is necessary to build new production facilities to prepare these mixed formulations separately, as well as transport and store them separately, so as to ensure product quality.

Overview of the AS product anti-cross contamination project

- Project nature: New construction
- Total land area: 0.13 ha
- Total investment: USD2.18 million (RMB13.88 million)
- Product and designed capacity:
 - 2,000 t/a of 36% MCPA-glyphosate AS
 - 5,000 t/a 43% 2,4-D dimethyl amine salt-glyphosate-isopropylammonium AS
 - 9,000 t/a Other mixed formulation products containing glyphosate or glyphosate-ammonium
 - 10,000 t/a 25% aqueous ammonia (self-use)

Jiangsu CF exits from Coastal Chemical Park in Binhai, Jiangsu

Summary: At the beginning of 2022, Jiangsu CF closed the plant in the Coastal Chemical Park in Binhai County, Yancheng City, Jiangsu Province.

At the beginning of 2022, Jiangsu CF Agrochemical Co., Ltd. (Jiangsu CF) announced that its plant in the Coastal Chemical Park of Binhai County, Yancheng City, Jiangsu Province had been officially closed; the exit passed the check from local authorities. Last year, its shareholders invested and established CF Chemical (Jilin) Co., Ltd. (Jilin CF) in Jilin Economic and Technological Development Zone, Jilin City, Jilin Province. A plant undertaking large-scale production of pesticides is planned in Jilin CF.

Same with many other chemical enterprises, Jiangsu CF made the decision to shut down under pressures from environmental protection.

The plant once held production capacity for a variety of pesticide products, including:

- Pesticide TC: 10,000 t/a 96% 2,4-D, 1,000 t/a 96% 2,4-D-ethylhexyl, 1,000 t/a 96% 2,4-D isobutyl ester, 1,000 t/a 96% 2,4-D butylate, 1,000 t/a of 97% MCPA and 3,000 t/a 90% ethephon;
- Pesticide formulation: 1,000 t/a 50% 2,4-D-ethylhexyl EC, 1,000 t/a 41% dicamba dimethylamine·2,4-D AS, 2,500 t/a 60% 2,4-D





dimethylamine salt AS, 1,000 t/a 13% MCPA-sodium AS, 300 t/a 480g/L trifluralin EC, 200 t/a 77.5% dichlorvos (DDVP) EC and 4,500 t/a 40% ethephon AS.

Jilin CF, established in June 2021, has proposed a project involving 31,800 t/a pesticide products and filed for recordation at local government. The project aims to take some high-quality production equipment from Jiangsu CF. As of Jan., 2022, Jilin CF is still going through the administrative examination and approval procedures required for project commencement.

Currently, Jiangsu CF still has 16 pesticide registrations within the validity period, including 12 registrations for herbicide products. It is expected that these registrations will be transferred to Jilin CF, together with some other resources.

TABLE 2: Registration of Jiangsu CF's herbicide products, as of 19 Jan. 2022

No.	Registration No.	Product	Formulation	Total content	Valid until
1	PD20161531	Dicamba	AS	480g/L	2026/11/14
2	PD20160947	2,4-D	TC	96%	2026/07/27
3	PD20110353	2,4-D dimethylamine salt	AS	60%	2026/03/24
4	PD20151156	MCPA-sodium	AS	13%	2025/06/26
5	PD20142105	2,4-D dimethyl amine salt-dicamba	AS	41%	2024/09/02
6	PD20096424	Trifluralin	EC	480g/L	2024/08/04
7	PD20141351	2,4-D·picloram	AS	27%	2024/06/04
8	PD20132144	Dicamba	TC	98%	2023/10/29
9	PD20183195	2,4-D-ethylhexyl-florasulam	SE	459g/L	2023/07/23
10	PD20131117	2,4-D-ethylhexyl	EC	50%	2023/05/20
11	PD20180545	2-Methyl-4-chlorophenoxyacetic acid (MCPA)	TC	97%	2023/02/08
12	PD20121610	2,4-D-ethylhexyl	TC	96%	2022/10/29

Source: Institute for the Control of Agrochemicals, Ministry of Agriculture and Rural Affairs (ICAMA)





Market analysis

Prices of most herbicide TC products drop in Jan.

Summary: In Jan., prices of most herbicide TC products were lowered.

Sulfonylurea herbicides

- Quizalofop-P-ethyl: Its ex-works price increased to USD35,662/t (RMB227,500/t) amid many export orders, up 5.81% (based on RMB price, the same thereafter) MoM.
- Nicosulfuron: Ex-works price of this product slipped to USD53,297/t (RMB340,000/t), down 2.86% MoM. Manufacturers of nicosulfuron TC mainly fulfil previous orders.

Amides herbicides

- Pretilachlor and acetochlor: Ex-works price of pretilachlor TC decreased by 1.82% MoM. Larger decline was witnessed in the price of acetochlor TC, by 5.00% MoM.
- Metolachlor: The price remained at USD7,838/t (RMB50,000/t), a peak recorded since Nov. 2021, supported by high-priced raw materials and low operating rates in the manufacturers.

Organophosphorus herbicides

- Glyphosate: Its ex-works price dropped by 3.49% MoM to USD12,148/t (RMB77,500/t). However, the price of yellow phosphorus was still at a high level; the current quotation is USD5,173/t (RMB33,000/t). Thus glyphosate TC producers are still burdened with high production cost.
- Glufosinate-ammonium: The price reached USD47,732/t (RMB304,500/t), up 5.00% MoM. Supply of TC products has not seen much trouble, but new orders have come slow.

Bipyridinium herbicides

- Diquat: Ex-works price of 40% diquat TK decreased to USD9,092/t (RMB58,000/t), down 6.45% MoM. Manufacturers of diquat TK have been fulfilling previous orders.



TABLE 3: Ex-works prices of main herbicides at the end of Jan.

Category	Product	Content	Ex-works price on 25 Jan., RMB/t	USD/t	MoM change based on RMB	Ex-works price on 25 Dec., RMB/t	USD/t
Triazine herbicides	Atrazine	97%	41,000	6,427	-1.20%	41,500	6,516
	Ametryn	95%	53,600	8,402	0.00%	53,600	8,415
Sulfonylurea herbicides	Nicosulfuron	95%	340,000	53,297	-2.86%	350,000	54,951
	Quizalofop-P-ethyl	95%	227,500	35,662	5.81%	215,000	33,756
	Bensulfuron-methyl	96%	220,000	34,486	-12.00%	250,000	39,251
Amides herbicides	Pretilachlor	95%	54,000	8,465	-1.82%	55,000	8,635
	Acetochlor	92%	47,500	7,446	-5.00%	50,000	7,850
	Metolachlor	97%	50,000	7,838	0.00%	50,000	7,850
Organophosphorus herbicides	Glufosinate-ammonium	95%	304,500	47,732	5.00%	290,000	45,531
	Glyphosate	95%	77,500	12,148	-3.49%	80,300	12,607
Triazolo[1,5-a]pyrimidine-2-sulfonanilide herbicides	Florasulam	98%	520,000	81,512	-5.45%	550,000	86,352
Bipyridinium herbicides	Diquat	40%	58,000	9,092	-6.45%	62,000	9,734
Substituted phenylurea herbicides	Diuron	97%	53,000	8,308	-3.64%	55,000	8,635

Source:CCM

Ex-works price of glyphosate TC up 177% through 2021

Summary: Ex-works price of glyphosate TC soared 177.51% from USD4,418.42/t (RMB28,900/t) at the beginning of 2021 to USD12,591.65/t (RMB80,200/t) by the year end, which contributed to outstanding performance of related listed companies.

At the beginning of 2022, listed companies of pesticide enterprises released performance forecasts for 2021 one after another. Among them, Hubei Xingfa Chemicals Group Co., Ltd. (Hubei Xingfa), Nantong Jiangshan Agrochemical and Chemicals Co., Ltd. (Nantong Jiangshan) and Zhejiang Wynca Chemical Group Co., Ltd. (Zhejiang Wynca) stood out with significant growth in net profit. Their eye-catching performance mainly comes from the rocketing ex-works price of glyphosate TC in 2021, which increased from USD4,418.42/t (RMB28,900/t) in Jan. to USD12,591.65/t (RMB80,200/t) in Dec., up 177.51%. The price at the year's end reached a 10-year high. Two



main reasons led to the sharp rise in glyphosate price. First, rising raw material price pushed up production cost. Second, policies such as Double Control over energy consumption & intensity, power rationing and production limit sent the price soaring.

Performance forecasts for major listed companies involved in glyphosate business:

- Hubei Xingfa is expected a net profit attributable to equity holders of the listed company of USD658.37 million–USD689.72 million (RMB4.20 billion–RMB4.40 billion), marking a YoY increase of 573.14%–605.19%.
- Zhejiang Wynca forecasts a net profit attributable to equity holders of the listed company between USD407.56 million–USD423.24 million (RMB2.60 billion–RMB2.70 billion), jumping by some 344%–362% YoY.
- Nantong Jiangshan estimates that the net profit attributable to equity holders of the listed company would fall in the range USD122.27 million–USD135.59 million (RMB780 million–RMB865 million), with an increase of 132.88%–158.26% YoY.

Statistics show that domestic glyphosate capacity grew at a CAGR of 1.2% from 2017 to 2021, and glyphosate inventory in factories across China stand at 5,070 tonnes currently. Domestic capacity of glyphosate would not change much in the next one to two years, as so far only Inner Mongolia Xingfa Technology Co., Ltd. has disclosed 50,000 t/a new capacity to be expected in 2022.

It is expected that glyphosate market will remain prosperous in 2022. For on thing, new capacity is limited, so the market is believed to stay in a tight balance between supply and demand. For another, high price of raw materials will invite further rises in glyphosate price.

FIGURE 1: China's ex-works price of glyphosate TC, Jan.–Dec. 2021



Source:CCM





Paraquat and Pyridine

FOB Price of paraquat TK remains high in Jan.

Summary: The FOB price of paraquat TK remained high at USD3,215/t (RMB20,510/t) in late Jan., with little fluctuation over the prices seen in the previous quarter. The price is not expected to fall back in the short term since the ex-works price of upstream material pyridine has been steady in recent months.

FIGURE 2: FOB price of paraquat TK in China, Aug. 2021–Jan. 2022



Source:CCM

Price of pure pyridine stays flat in Jan.

Summary: According to CCM's price monitoring, the ex-works price of pure pyridine in late Dec. stabilised at USD4,389/t (RMB28,000/t), the same as that of last month, excluding exchange rate effect.





FIGURE 3: Ex-works price of pure pyridine in China, Aug. 2021–Jan. 2022



Source:CCM





Import and export

Export data of dicamba products from China in Q3 2021

Summary: In Q3 2021, China exported a total of 5,210.69 tonnes (actual volume) or 5,105.49 tonnes (100% AI volume) of dicamba products to 5 destinations such as the US, Argentina and Australia.

Data (as of 5 Nov., 2021) from Tranalysis shows China exported a sum of 5,210.69 tonnes (actual volume) or 5,105.49 tonnes (100% AI volume) of dicamba products to 5 destinations in Q3 2021. The US was the largest export destination. Details are as follows:

Dicamba formulation

- Product: 70% Dicamba WG
- Export destination: In Q3 2021, 3.52 tonnes (actual volume) of dicamba formulation were exported from China at an average export price of USD9.89/kg. Paraguay was the only destination in this period.
- Exporter: Shandong Weifang Rainbow Chemical Co., Ltd. was the only exporter in this period.

Dicamba TC

- Product: 98% Dicamba TC
- Main export destinations: In Q3 2021, 5,207.17 tonnes (actual volume) of dicamba TC were exported to major destinations from China at an average export price of USD11.69/kg. The top export destination was the US, with an amount of 5,040.10 tonnes (actual volume), making up 96.79% of the total volume of dicamba TC products exported in the period.
- Top 3 exporters: Youjia Crop Protection Co., Ltd., Nufarm Chemical (Shanghai) Co., Ltd. and Jiangsu Changqing Agrochemical Co., Ltd., together with an amount of 4,224.12 tonnes (actual volume), accounted for 81.12% of the total dicamba TC export from China in the period.

TABLE 4: China's exports of 70% dicamba WG by month, Q3 2021

Month	Volume, kg	Value, USD	Unit price, USD/kg
7	3,520.00	34,814.91	9.89
8	0.00	/	/
9	0.00	/	/
Total	3,520.00	34,814.91	9.89

Note: The export data were updated as of 5 Nov., 2021.

Source: Tranalysis



**TABLE 5:** China's exports of 98% dicamba TC by month, Q3 2021

Month	Volume, kg	Value, USD	Unit price, USD/kg
7	1,751,525.81	20,441,851.97	11.67
8	1,753,082.00	20,535,188.56	11.71
9	1,702,560.00	19,873,727.50	11.67
Total	5,207,167.81	60,850,768.03	11.69

Note: The export data were updated as of 5 Nov., 2021.

Source: Tranalysis

TABLE 6: China's export volume of 70% dicamba WG by destination, Q3 2021

No.	Destination	Volume, kg	Value, USD	Unit price, USD/kg
1	Paraguay	3,520.00	34,814.91	9.89
Total		3,520.00	34,814.91	9.89

Note: The export data were updated as of 5 Nov., 2021.

Source: Tranalysis

TABLE 7: China's export volume of 98% dicamba TC by destination, Q3 2021

No.	Destination	Volume, kg	Value, USD	Unit price, USD/kg
1	The US	5,040,100.81	58,883,637.52	11.68
2	Argentina	157,000.00	1,849,525.49	11.78
3	Australia	10,042.00	117,255.01	11.68
4	Brazil	25.00	350.00	14.00
Total		5,207,167.81	60,850,768.03	11.69

Note: The export data were updated as of 5 Nov., 2021.

Source: Tranalysis



TABLE 8: China's exports of 70% dicamba WG by exporter, Q3 2021

No.	Exporter	Volume, kg	Value, USD	Unit price, USD/kg
1	Shandong Weifang Rainbow Chemical Co., Ltd.	3,520.00	34,814.91	9.89
Total		3,520.00	34,814.91	9.89

Note: The export data were updated as of 5 Nov., 2021.

Source: Tranalysis

TABLE 9: China's exports of 98% dicamba TC by exporter, Q3 2021

No.	Exporter	Volume, kg	Value, USD	Unit price, USD/kg
1	Youjia Crop Protection Co., Ltd.	2,216,480.00	25,901,092.20	11.69
2	Nufarm Chemical (Shanghai) Co., Ltd.	1,172,580.00	13,688,857.84	11.67
3	Jiangsu Changqing Agrochemical Co., Ltd.	835,060.00	9,738,402.71	11.66
4	Nutrichem Co., Ltd.	594,623.83	6,953,668.08	11.69
5	Sharda Cropchem Limited	176,660.00	2,063,519.53	11.68
6	Jiangsu Rotam Chemistry Co., Ltd.	60,721.98	710,447.17	11.70
7	Red Surcos Trade (Shanghai) Co., Ltd.	24,000.00	264,672.29	11.03
8	Ningbo Generic Chemical Co., Ltd.	16,000.00	190,123.00	11.88
9	Nanjing Bioagriland Crop Care Co., Ltd.	16,000.00	166,200.00	10.39
10	Guangdong Keywa Chemical Trading Center Co., Ltd.	16,000.00	181,600.00	11.35
11	Others	79,042.00	992,185.21	12.55
Total		5,207,167.81	60,850,768.03	11.69

Note: The export data were updated as of 5 Nov., 2021.

Source: Tranalysis

Registration

ICAMA approves 11 herbicides registration in Dec. 2021

Summary: In Dec., 2021, ICAMA issued an approved list of registration of pesticides, including 11 herbicide products.

In Dec., 2021, an approved list of registration of pesticides was disclosed by the Institute for the Control of Agrochemicals, Ministry of Agriculture and Rural Affairs of the People's Republic of China (ICAMA)—11 herbicide products were listed, including one TC product (90% glufosinate-p TC) and formulations (mainly OD). These pesticide products are mainly applicable to transplanted rice field. Specifically, effective components of these products include butachlor, oxadiargyl and glyphosate.

TABLE 10: Applied sites of registered herbicides in China, 11 Nov., 2021–16 Dec., 2021

No.	Site	Amount
1	Transplanted rice field	4
2	Rice field (direct seeding)	1
3	Non-cultivated cropland	1
4	Winter wheat field	1
Total		7

Note: Four products are excluded due to vacant info on the item of applied site.

Source: ICAMA

TABLE 11: Forms of registered herbicides in China, 11 Nov., 2021–16 Dec., 2021

No.	Form	Amount
1	OD	4
2	SC	2
3	TC	1
4	EW	1
5	WG	1
6	EC	1
7	WP	1
Total		11

Source: ICAMA



Policy

New policy on managing pesticide import and export implemented from 1 Jan.

Summary: On 31 Dec., 2021, MARA and GACC jointly issued the Announcement No. 416 on optimising administration and services for pesticide import and export, and the new measures came into effect on 1 Jan., 2022.

On 31 Dec., 2021, the Ministry of Agriculture and Rural Affairs of the People's Republic of China (MARA) and General Administration of Customs, People's Republic of China (GACC) jointly issued the Announcement No. 416 on optimising administration and services for pesticide import and export, and the new measures took effect from 1 Jan., 2022. Along with the announcement, the *Catalogue of the People's Republic of China for the Administration of the Import and Export of Pesticides* (2022 version) and the list of pesticides covered by the Rotterdam Convention were given.

Previously, pesticide import and export companies must apply to MARA for the pesticide registration certificate for import or export before engaged in particular activities. Nowadays, such certificates for import or export are no longer needed; instead, a note of pesticide import or export is adopted. Each note is issued for one shipment of pesticides imported/exported, valid for three months. In another word, a note could only correspond to one Customs declaration form for import/export goods. Companies go through the formalities of customs clearance and release upon strength of the digitalised note. Under normal conditions, paper documents are no longer accepted by GACC.

If pesticide producers export by themselves, they shall directly go through the procedures via the system China International Trade Single Window. If producers entrust the export to traders, they shall sign export authorisation agreements with the traders. If producers export pesticides produced by their OEMs, they shall submit the OEMs' pesticide production licences and the OEM agreements. Pesticides registered under the export-only category or subject to special management shall comply with relevant rules separately specified. Import/export of the pesticides covered under the Rotterdam Convention, and of the pesticides prohibited/restricted in China shall comply with relevant rules and regulations specified in the Convention.

Pesticides shall be registered in China before they can be imported/exported, and the importers/exporters shall obtain pesticide business permits and be responsible for product quality. Besides, the pesticides exported should be manufactured by licensed pesticide producers. For enterprises exporting pesticides to China, their sales offices in China or the entrusted Chinese agencies shall deal with the note procedures; if multiple production sites are involved, information of corresponding production sites shall also be provided.





News in Brief

Lier Chemical expects large increase in net profit in 2021

On 4 Jan. 2021, Lier Chemical Co., Ltd. (Lier Chemical) disclosed its performance projection of 2021. It is expected that the net profit attributable to equity holders of the listed company would reach USD156.75 million–USD169.29 million (RMB1.00 billion–RMB1.08 billion), having a YoY increase of 63%–76%.

Reasons for a growth in business performance in 2021 are as follows:

- Active actions were taken to fight against adverse factors like production suspension in its main production bases and supply chain fluctuations.
- Workplace safety, environmental protection and pollution control were improved to ensure stable production and supply.
- Sales volumes and prices of Lier Chemical's main products increased.

Estimated increase in Shenzhen Noposion's net profit in 2021

On 30 Dec., 2021, Shenzhen Noposion Agrochemicals Co., Ltd. (Shenzhen Noposion) disclosed its performance projection of 2021. It is expected that the company's net profit attributable to equity holders of the listed company would stand at USD39.19 million–USD52.36 million (RMB250 million–RMB334 million), marking a YoY increase of 50%–100%.

In 2021, Shenzhen Noposion witnessed significant increases in sales volume of pesticide formulations and its gross profit margin. Meanwhile, the company has been actively integrating crop variety and technological resources from home and abroad and gaining support from local governments. Its specialty crop business development strategy—establishing full-chain operation covering crop variety selection and breeding, agricultural park management, large-scale cultivation and branding—has been implemented effectively. According to Shenzhen Noposion, it collected positive profits from dragonfruit planting the first year it dabbled in this field.

Hainan issues plan for reducing the use of chemical fertilisers and pesticides

On 31 Dec. 2021, as part of efforts to speed up building into national pilot zones for ecological conservation and for green agricultural development and to facilitate high quality development of agriculture, the Hainan Provincial Government issued the *General Plan for Reducing the Use of Chemical Fertiliser and Pesticide in Hainan Province During 2021–2025* (the Plan).

According to the Plan, by 2025:

- Cut down use of chemical pesticides by 15% from 2020 level;
- Newly constructed monitoring points on chemical fertiliser and pesticide use should reach 360, and that on pests & diseases would add up to 180;
- To curb the spread of pests & diseases, the area carrying out green prevention and control and unified prevention and control would stand at 133,333.33 ha and 300,000 ha, respectively;
- Active actions would be taken to carry out precise pesticide application on 200,000 ha of farmland and control the use of herbicides and plant growth regulators on 166,666.67 ha of farmland;
- Recycling rate of pesticide packaging waste would see an increase to over 90%.





Heilongjiang to increase sown area of soybean in 2022

As part of efforts to optimise crop structure and enhance the capability for guaranteeing supply of key agricultural products, Heilongjiang is to increase soybean-growing area by 666,666.67 ha in 2022, the Heilongjiang Provincial Government said on 2 Jan. Being one of the main production and supply bases of high-quality soybean in China, Heilongjiang has been ranking the first in China in terms of growing area and yield of soybean. In addition, farmers' income is boosted and the enthusiasm for soybean production in 2022 inspired by rising market price of soybean; the price trend is witnessed in this purchase and sale season of soybean from Northeast China.

In 2021, total yield of soybean in China witnessed a significant drop along with shrinking sown area, as higher profitability of corn prompted farmers to greatly expand corn cultivation.

FLAGCHEM obtains an invention patent for pinoxaden synthesis

On 13 Jan., Jiangsu Flag Chemical Industry Co., Ltd. (FLAGCHEM) announced that the company obtained one invention patent for a method for synthesising pinoxaden through 2,6-diethyl-4-methylphenyl malonate (Patent application No.: 201910645032.X), issued by the State Intellectual Property Office of the People's Republic of China. Characterised by environmental-friendly, cost-effective, simplified production techniques and relatively high yield, this synthesis method avoids the use of expensive heavy-metal catalysts and highly-toxic cyanide agents, and it can be used in large-scale industrial production. The method was filed for patent on 17 July, 2019.

Yuntianhua expects USD9 million gain to net profit via transfer of idle assets

On 11 Jan., Yunnan Yuntianhua Co., Ltd. (Yuntianhua) announced that its wholly-owned subsidiary—Yunnan Tian'an Chemical Co., Ltd. (Yunnan Tian'an)—had transferred some of its idle assets for yellow phosphorus production via public auction in the Yunnan Equity Exchange Co. Ltd. at two batches. Altogether, deals worth of USD30.72 million (RMB196 million) was made in the auction, which could bring in an estimated increase of USD9.01 million (RMB57.50 million) to Yuntianhua's net profit attributable to equity holders of the listed company of 2021. According to Yuntianhua, the transfer is conducive to cash collection in Yunnan Tian'an, and the land cleared after dismantling equipment could provide construction land for new projects, which will boost sustainable development of the company.

So far, Yunnan Tian'an has completed the transaction of the first batch of idle assets and received the full payment of USD8.06 million (RMB51.40 million). Transaction contract of the second batch has not been signed, however, due to the outbreak of the COVID-19 epidemic in Anning City, Kunming City; the transfer price totalling USD22.74 million (RMB145.04 million) has not been paid as well.

China's import of grain sees YoY growth

The General Administration of Customs unveiled on 14 Jan. that China imported more than 160 million tonnes of grain in 2021, which equals 24% of the total domestic grain output the same year. The total import of grain in 2021 marked a YoY increase of 15.37% or 21.92 million tonnes, achieving an all-time high. In particular, 96.52 million tonnes of soybean was imported, accounting for 58.6% of the total volume of grain imported. In general, China witnessed a growth in the external dependence of grain.

Previously, the National Bureau of Statistics of the People's Republic of China announced that the total grain yield in China reached an





all-time high at 682.85 million tonnes in 2021, registering a YoY increase of 2% or 13.36 million tonnes compared with that in 2020.

MARA approves Shandong Luba's 97% topramezone TC

Shandong Luba Chemical Co., Ltd. (Shandong Luba) becomes the first Chinese enterprise that has obtained pesticide registration certificate of topramezone TC in China and the second registration holder of the TC product in China after BASF SE. Shandong Luba's 97% topramezone TC (Registration No. PD20220017, low-toxicity) was approved by the Ministry of Agriculture and Rural Affairs of the People's Republic of China (MARA) on 18 Jan., valid until 17 Jan., 2027.

To date, a total of 23 topramezone formulations have been approved in China, including 11 single formulations and 12 mixed ones, which can be applied to corn-growing fields against annual weeds.

Hebei unveils third batch of chemical parks to be approved

On 14 Jan., the Industry and Information Technology Department of Hebei Province unveiled the third batch of chemical parks to be approved. To date, Hebei has disclosed three batches of chemical parks to be approved, including six chemical parks in the first batch, three of which are specialised chemical parks, and seven and nine chemical parks listed on the second batch and third batch, respectively, adding up to 22 in total.

TABLE 12: Third batch of chemical parks to be approved in Hebei Province

No.	Chemical park
1	Zhao County Biological Industrial Park
2	Chemical Industrial Zone of Hebei Xinle Economic Development Zone
3	Chemical Industry Concentration Zone of Tangshan Nanpu Economic Development Zone
4	Chemical Industrial Park of Hebei Leping Economic Development Zone
5	Chemical Industrial Park of Hebei Fengnan Economic Development Zone
6	Chemical Industrial Park of Hebei Luanzhou Economic Development Zone
7	Chemical Industrial Park of Hebei Haixing Economic Development Zone
8	Chemical Industry Concentration Zone of Hebei-Tianjin Circular Economy Industrial Demonstration Zone
9	New Material Industrial Park of Hebei Dingzhou Economic Development Zone

Source: The Industry and Information Technology Department of Hebei Province

Hubei Xingfa sees significant growth of its net profit

On 4 Jan., Hubei Xingfa Chemicals Group Co., Ltd. (Hubei Xingfa) disclosed its performance projection of 2021 and showed that the





company's net profit attributable to equity holders of the listed company of 2021 stood at USD658.37 million–USD689.72 million (RMB4.20 billion–RMB4.40 billion), registering a YoY increase of 573.14%–605.19%. Thanks to the considerable YoY increase of sales price of Hubei Xingfa's flagship products like organosilicone, glyphosate and yellow phosphorus, profitability of Hubei Xingfa has been boosted significantly. In addition, recovering global economy brought about strong demand for major chemical products, and development of phosphorus chemical industry was spurred.





Price Update

Ex-works prices of key herbicide raw materials in China, 8 Jan., 2022

TABLE 13: Ex-works prices of key herbicide raw materials in China, 8 Jan., 2022

Raw Materials	20211208		20220108	
	Original Price (RMB/t)	Price (USD/t)	Original Price (RMB/t)	Price (USD/t)
98% Glycine	35,000	5,495.11	35,000	5,486.41
92% Iminodiacetonitrile	9,300	1,460.13	9,300	1,457.82
99% Isopropylamine	9,550	1,499.38	9,550	1,497.01
98% N-(Phosphonmethyl) Iminodiacetic acid	48,000	7,536.15	46,000	7,210.71
99% Phosphorus trichloride	11,170	1,753.72	11,925	1,869.30
99.9% Pyridine	28,000	4,396.09	28,000	4,389.13

Note: Ex-works price includes VAT.

Source: CCM

Ex-works prices of main herbicides in China, 8 Jan., 2022



TABLE 14: Ex-works prices of main herbicides in China, 8 Jan., 2022

Product	20211208		20220108	
	Original Price (RMB/t)	Price (USD/t)	Original Price (RMB/t)	Price (USD/t)
92% Acetochlor technical	50,000	7,850.16	47,500	7,445.84
97% Atrazine technical	41,500	6,515.63	41,000	6,426.94
96% Bensulfuron-methyl technical	250,000	39,250.78	240,000	37,621.09
92% Butachlor technical	55,000	8,635.17	45,000	7,053.95
95% Clomazone technical	120,000	18,840.37	120,000	18,810.55
95% Cyhalofop-butyl technical	240,000	37,680.75	225,000	35,269.77
97% Diuron technical	58,000	9,106.18	55,000	8,621.50
98% Fenclorim technical	210,000	32,970.66	200,000	31,350.91
95% Fenoxaprop-P-ethyl technical	210,000	32,970.66	200,000	31,350.91
96% Fluroxypyr technical	235,000	36,895.73	200,000	31,350.91
95% Fomesafen technical	135,000	21,195.42	144,000	22,572.66
95% Glufosinate ammonium technical	315,000	49,455.98	283,600	44,455.59
95% Glyphosate technical	80,100	12,575.95	78,500	12,305.23
95% Haloxyfop-P-methyl technical	280,000	43,960.87	280,000	43,891.28
97% Metolachlor technical	50,000	7,850.16	50,000	7,837.73
95% Metsulfuron-methyl technical	135,000	21,195.42	135,000	21,161.86
95% Nicosulfuron technical	350,000	54,951.09	340,000	53,296.55
97% Oxyfluorfen technical	250,000	39,250.78	250,000	39,188.64
95% Pendimethalin technical	57,000	8,949.18	62,000	9,718.78
95% Pretilachlor technical	55,000	8,635.17	55,000	8,621.50
97% Pyrazosulfuron-ethyl technical	345,000	54,166.08	345,000	54,080.32
80% Quinclorac technical	147,000	23,079.46	143,500	22,494.28



95% Quizalofop-P-ethyl technical	215,000	33,755.67	215,000	33,702.23
95% Tribenuron-methyl technical	180,000	28,260.56	170,000	26,648.27
95% Trifluralin technical	46,000	7,222.14	38,000	5,956.67

Note: Ex-works price includes VAT.

Source: CCM

Shanghai Port prices of main herbicides in China, 8 Jan., 2022



TABLE 15: Shanghai Port prices of main herbicides in China, 8 Jan., 2022

Product	20211208		20220108	
	Original Price (RMB/t)	Price (USD/t)	Original Price (RMB/t)	Price (USD/t)
92% Acetochlor technical	50,500	7,928.66	48,000	7,524.22
97% Atrazine technical	42,000	6,594.13	41,500	6,505.31
96% Bensulfuron-methyl technical	250,500	39,329.28	240,500	37,699.47
92% Butachlor technical	55,500	8,713.67	45,500	7,132.33
95% Clomazone technical	120,500	18,918.88	120,500	18,888.92
95% Cyhalofop-butyl technical	240,500	37,759.25	225,500	35,348.15
97% Diuron technical	58,500	9,184.68	55,500	8,699.88
98% Fenclorim technical	210,500	33,049.16	200,500	31,429.29
95% Fenoxaprop-P-ethyl technical	210,500	33,049.16	200,500	31,429.29
96% Fluroxypyr technical	235,500	36,974.24	200,500	31,429.29
95% Fomesafen technical	135,500	21,273.92	144,500	22,651.03
95% Glufosinate ammonium technical	315,500	49,534.49	284,100	44,533.97
95% Glyphosate technical	80,600	12,654.45	79,000	12,383.61
95% Haloxyfop-P-methyl technical	280,500	44,039.38	280,500	43,969.65
97% Metolachlor technical	50,500	7,928.66	50,500	7,916.10
95% Metsulfuron-methyl technical	135,500	21,273.92	135,500	21,240.24
95% Nicosulfuron technical	350,500	55,029.60	340,500	53,374.93
97% Oxyfluorfen technical	250,500	39,329.28	250,500	39,267.02
95% Pendimethalin technical	57,500	9,027.68	62,500	9,797.16
95% Pretilachlor technical	55,500	8,713.67	55,500	8,699.88
97% Pyrazosulfuron-ethyl technical	345,500	54,244.58	345,500	54,158.70
80% Quinclorac technical	147,500	23,157.96	144,000	22,572.66



95% Quizalofop-P-ethyl technical	215,500	33,834.17	215,500	33,780.61
95% Tribenuron-methyl technical	180,500	28,339.06	170,500	26,726.65
95% Trifluralin technical	46,500	7,300.65	38,500	6,035.05

Note: Port price equals the ex-works price plus the transport fee from the factory to the port, and the ex-works price includes VAT.

Source: CCM

FOB Shanghai prices of main herbicides in China, 8 Jan., 2022





TABLE 16: FOB Shanghai prices of main herbicides in China, 8 Jan., 2022, USD/t

Product	20211208	20220108
92% Acetochlor technical	7,800.52	7,407.07
97% Atrazine technical	6,278.43	6,194.97
96% Bensulfuron-methyl technical	38,336.91	36,751.81
92% Butachlor technical	8,563.93	7,025.97
95% Clomazone technical	18,488.26	18,458.98
95% Cyhalofop-butyl technical	35,512.97	33,251.08
97% Diuron technical	9,021.98	8,550.37
98% Fenclorim technical	32,229.63	30,654.20
95% Fenoxaprop-P-ethyl technical	32,229.63	30,654.20
96% Fluroxypyr technical	36,046.68	30,654.20
95% Fomesafen technical	20,778.48	22,117.55
95% Glufosinate ammonium technical	46,558.76	41,867.87
95% Glyphosate technical	13,496.93	13,209.71
95% Haloxyfop-P-methyl technical	42,917.37	42,849.42
97% Metolachlor technical	7,800.52	7,788.17
95% Metsulfuron-methyl technical	20,778.48	20,745.59
95% Nicosulfuron technical	53,605.10	51,995.83
97% Oxyfluorfen technical	36,985.74	36,927.18
Paraquat 42% TK	3,220.06	3,214.96
95% Pendimethalin technical	8,869.29	9,617.45
95% Pretilachlor technical	8,563.93	8,550.37
97% Pyrazosulfuron-ethyl technical	52,841.69	52,758.03
80% Quinclorac technical	22,610.67	22,041.33





95% Quizalofop-P-ethyl technical	32,993.04	32,940.80
95% Tribenuron-methyl technical	27,649.17	26,081.00
95% Trifluralin technical	6,941.18	5,753.84

Note: FOB Shanghai price considers factors of Shanghai port price, port sur-charges, loading charges, traders' profits and export tax refund. And the shipment cost shall be paid by the buyer. This FOB price is the average of quotations offered by enterprises and it may be lower than the one reported in customs data which is the actual purchase price.

Source: CCM



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