

Herbicides China Monthly Report 202204

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Headline

Flagchem's 2021 annual report says the company achieved USD33.64 million (RMB213.61 million) net profit attributable to equity holders of the listed company this year, registering 8.88% YoY growth. It holds some 60% market share of fluroxypyr technical.

Weifang Rainbow released its 2021 annual report on 30 March, the first after it got listed on SZSE. It reported a total revenue of USD1.54 billion, up 34.39% YoY; the net profit attributable to equity holders of the listed company came to nearly USD126 million, up 82.74% YoY.

On 8 April, Nanjing Red Sun released its preliminary earnings estimate for the year 2021, which says the company suffered a net loss of USD586.68 million (RMB3,725.99 million). Previously on 4 March, Zhejiang Xinnong disclosed its preliminary earnings estimate for the year 2021, reporting a total revenue of USD183.09 million (RMB1,162.77 million), down 2.59% YoY.

Early April, prices of most herbicides TC tended to stabilise. As compared to last month, sulfonylurea herbicides TC saw small price drop, amide herbicides TC experienced some fluctuations, while organophosphorus herbicides TC suffered continuous price fall.

The FOB price of paraquat 42% TK remained high at USD3,229/t in April, edging down 0.78% MoM.

According to CCM's price monitoring, the ex-works price of pure pyridine in early April was USD4,802/t (RMB30,500/t).

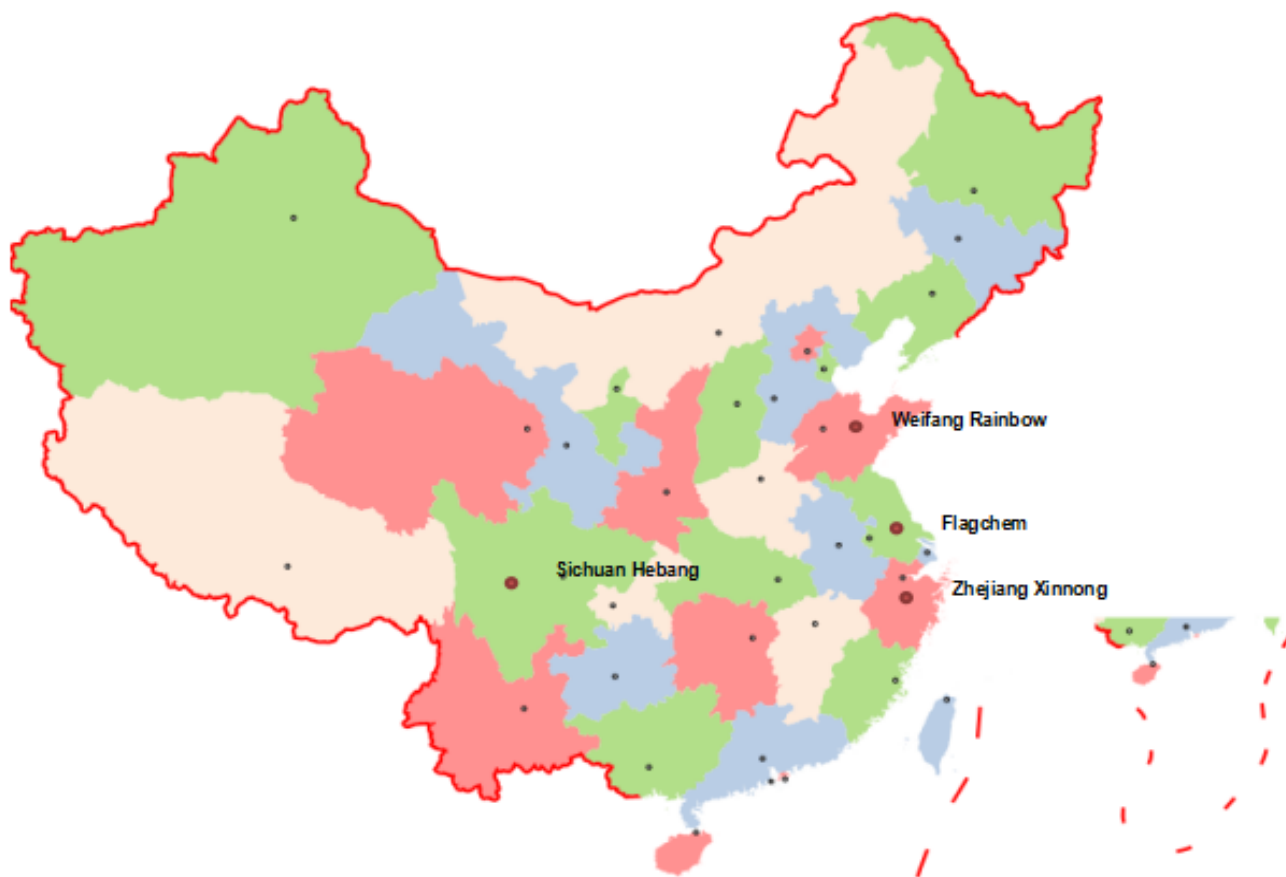
In 2021, major export destinations of China's atrazine products were Brazil, the US, Argentine and India. China exported 18,929.24 tonnes (actual volume) or 18,268.56 tonnes (converted to 100% AI) to Brazil, which accounts for 27.71% (based on actual volume) of China's total atrazine export to major destinations, up 1.06 percentage points from that in 2020.

In April 2022, ICAMA approved registration of 10 new herbicide products.

Zhejiang government has recently analysed current progresses of preparation work for spring ploughing and of spring tea production, and made arrangements for major tasks on the short-term agenda.

On 7 April, the Opinions on Promoting High-quality Development of Petrochemical and Chemical Industries in 14th Five-Year Period was jointly issued by the MIIT and five other departments.







Editor's note

From late March to early April, several pesticide listed companies released their annual reports or preliminary earnings estimates for the year 2021. On 30 March, Weifang Rainbow reported total revenue of USD1.54 billion, up 34.39% YoY. On 31 March, Flagchem announced an 8.88% YoY growth to its net profit, reaching USD33.64 million. However, Nanjing Red Sun and Zhejiang Xinnong cited higher logistics costs under still raging COVID as a major reason for their lacklustre performances. Nanjing Red Sun estimated a net loss of USD586.68 million on 8 April, and Zhejiang Xinnong disclosed a 2.59% YoY fall in its total revenue.

In early April, ex-works prices of most herbicides TC tended to stabilise. As compared to last month, sulfonylurea herbicides TC saw small price drop, amide herbicides TC experienced some fluctuations, while organophosphorus herbicides TC suffered continuous price fall.

In April, ICAMA approved registration of 10 new herbicide formulation products. Active ingredients include glufosinate-ammonium, metribuzin, haloxyfop-P-methyl and quinclorac.

As to latest policies, on 28 March, Zhejiang government held a meeting to analyse current progresses of preparation work for spring ploughing and of spring tea production, and made arrangements for major tasks on the short-term agenda; on 7 April, MIIT issued the *Opinions on Promoting High-quality Development of Petrochemical and Chemical Industries in 14th Five-Year Period*, jointly with five other departments.

The USD/CNY exchange rate in this newsletter is USD1.00=CNY6.3509 on 1 April, 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

Flagchem reports 8.88% YoY growth in net profit in 2021

Summary: Flagchem's 2021 annual report says the company achieved USD33.64 million (RMB213.61 million) net profit attributable to equity holders of the listed company this year, registering 8.88% YoY growth. It holds some 60% market share of fluroxypyr technical.

On 31 March, Jiangsu Flag Chemical Industry Co., Ltd. (Flagchem) released its annual report for the year 2021.

During the reporting period:

- Total revenue: USD345.27 million (RMB2,192.81 million), up 17.78% YoY
- Net profit attributable to equity holders of the listed company: USD33.64 million (RMB213.61 million), up 8.88% YoY
 - Net profit excluding extraordinary profit and loss: USD31.63 million (RMB200.90 million), up 21.22% YoY
- Basic earnings per share: USD0.16 (RMB1.03)

The same day, the company revealed a plan to distribute cash dividends of USD0.47 (RMB3, tax inclusive) per 10 shares to all shareholders, and to transfer 2 shares for every 10 shares to all shareholders by capital reserve.

TABLE 1: Flagchem's revenue by category, 2021

Category	Revenue, million USD	Share to the total revenue
Pesticide technical	188.50	54.59%
Pesticide intermediate	46.22	13.39%
Pesticide formulation	22.99	6.66%
Trade	83.83	24.28%

Source: Jiangsu Flag Chemical Industry Co., Ltd.

Flagchem mainly engages in R&D, production and sale of pesticides of high efficacy, low toxicity and low residue. In China, it (along with its subsidiaries) has acquired some 50 production permits and more than 100 pesticide registrations; in major markets outside China, it cooperated with customers and obtained multiple registrations and permits. Flagchem itself holds 57 domestic herbicide registrations: 31 for technical products and 26 for formulation products. Its main products fluroxypyr TC, clodinafop-propargyl TC and imazamox TC capture 60%, 40% and 40% share in respective segment markets.

In the future, Flagchem will invest in several pesticide projects in Huai'an and Ningyitai production bases, and a new factory in Nanjing City. It will also increase investment in R&D facilities and R&D programs, so as to broaden its product portfolio and its pool of patented technologies.



TABLE 2: Flagchem's main products and their applications

Product type	Main product	Main application
Pesticide technical	Fluroxypyr	Processed into herbicide products
	Clodinafop-propargyl	
	Imazamox	
	Lufenuron	Processed into insecticide products
	Clothianidin	
Pesticide formulation	Haloxyfop-P-methyl EC	Directly applied on crops
	Fluroxypyr EC	
	Fenoxaprop-P-ethyl EW	

Source: Jiangsu Flag Chemical Industry Co., Ltd.

Weifang Rainbow achieves 82% jump in net profit in 2021

Summary: Weifang Rainbow released its 2021 annual report on 30 March, the first after it got listed on SZSE. It reported a total revenue of USD1.54 billion, up 34.39% YoY; the net profit attributable to equity holders of the listed company came to nearly USD126 million, up 82.74% YoY.

On 30 March, Shandong Weifang Rainbow Chemical Co., Ltd. (Weifang Rainbow) released its first annual report after got listed on Shenzhen Stock Exchange (SZSE). It plans to distribute cash dividends of USD1.31 (RMB8.33, tax inclusive) per 10 shares to all shareholders.

During the reporting period:

- Total revenue: USD1.54 billion (RMB9.80 billion), up 34.39% YoY
 - Revenue from herbicides: USD1.26 billion (RMB7.99 billion), up 37.52% YoY, which is 81.58% to the total revenue.
- Net profit attributable to equity holders of the listed company: USD125.92 million (RMB799.72 million), up 82.74% YoY
 - Net profit excluding extraordinary profit and loss: USD125.65 million (RMB798.01 million), up 82.08% YoY
- Basic earnings per share: USD0.53 (RMB3.39), up 60.66% YoY
- Weighted average return on equity: 21.22%

Weifang Rainbow's rich product mix covers five categories: herbicide, insecticide, fungicide, plant growth regulator and seed treating agent. As of the end of 2021, it held 242 domestic pesticide registrations and 4,007 overseas registrations. According to the report, its herbicide production capacity was 220,000 t/a in 2021, with a utilisation rate of 79.81%; some 83,010 t/a capacity was under construction. It now mainly produces phenoxyacid herbicides, triazine herbicides, cyclohexene oxime herbicides and trichloromethylthio fungicides.



The company not only engages in R&D and production of pesticide technical and formulation products, but also set foot in branding, distribution channel building, marketing and other services. It has business in over 80 countries and is actively improving its global marketing network. It plans to basically set up a fast market access platform in major overseas markets before the end of 2024, except in the US, Canada and Japan, for which the deadline is extended to 2029.

TABLE 3: Main production bases of Weifang Rainbow

Production base	Product
Weifang Binhai Chemical Industrial Park (Weifang City, Shandong Province)	Herbicides, insecticides, fungicides
Xinhe Chemical Industrial Zone (Qingdao City, Shandong Province)	Herbicides, fungicides
Pingluo Chemical Industrial Zone (Shizuishan City, Ningxia Hui Autonomous Region)	Herbicides, fungicides

Source: Shandong Weifang Rainbow Chemical Co., Ltd.

Nanjing Red Sun and Zhejiang Xinnong: logistics and raw material cost impact 2021 performance

Summary: On 8 April, Nanjing Red Sun released its preliminary earnings estimate for the year 2021, which says the company suffered a net loss of USD586.68 million (RMB3,725.99 million). Previously on 4 March, Zhejiang Xinnong disclosed its preliminary earnings estimate for the year 2021, reporting a total revenue of USD183.09 million (RMB1,162.77 million), down 2.59% YoY.

On 8 April, Nanjing Red Sun Co., Ltd. (Nanjing Red Sun) released its preliminary earnings estimate for the year 2021, which says the company suffered a net loss of USD586.68 million (RMB3,725.99 million). The company did report a YoY surge of 16.44% in total revenue for the year 2021, mainly due to increased sales volume and sales price of flagship products since Q3, against the backdrop of soaring raw material price, climbing overall cost of sales, steeply rising shipping freight in a COVID-raging world. However, according to the company, the "order first, production later" model it adopted was trapped in a "low to high" price trend, which, plus a restricted operation, especially so in H2, caused by "Dual Control" policy on energy consumption & energy intensity, led to the negative profit with growing revenue. As of April 2022, Nanjing Red Sun holds 40 pesticide registration certificates, of which 30 for technical products and 10 for formulation products; among the 40, 17 are herbicide registration certificates.

Previously on 4 March, Zhejiang Xinnong Chemical Co., Ltd. (Zhejiang Xinnong) disclosed its preliminary earnings estimate for the year 2021, reporting a total revenue of USD183.09 million (RMB1,162.77 million), down 2.59% YoY, and an operating profit of USD24.55 million (RMB155.93 million), down 22.42% YoY. The falls are the results of plummeting sales price of some pesticide technical products and intermediates, affected by sluggish demand, fluctuating raw material price and rising logistics cost amid ravaging COVID. As of April 2022, Zhejiang Xinnong holds 39 pesticide registration certificates, of which 4 for technical products and 35 for formulation products; among the 39 registration certificates, 4 are herbicide certificates.





Market analysis

Prices of most herbicides TC tend to stabilise in China in April

Summary: Early April, prices of most herbicides TC tended to stabilise. As compared to last month, sulfonylurea herbicides TC saw small price drop, amide herbicides TC experienced some fluctuations, while organophosphorus herbicides TC suffered continuous price fall.

- Sulfonylurea herbicides

Quizalofop-P-ethyl TC: Its ex-works price kept stable. The supply is slightly tight, and the manufacturers try to maintain a steady market. The price may remain stable in the short term.

Nicosulfuron TC: Its ex-works price dropped by 1.53% MoM to USD50,780/t (RMB322,500/t). Transaction of this product has been stable; manufacturers like Shandong Kunji Biotechnology Co., Ltd., Anhui Huaxing Chemical Industry Co., Ltd. and Anhui Fengle Agrochemical Co., Ltd. are in normal production.

- Amide herbicides

Pretilachlor TC: Its ex-works price decreased by 9.09% MoM to USD7,873/t (RMB50,000/t). The supply is stable.

Acetochlor TC: Its price stayed steady. The supply is slightly tight.

Metolachlor TC: Its price increased by 4.00% MoM to USD8,188/t (RMB52,000/t). The supply is slightly tight.

- Organophosphorus herbicides

Glyphosate TC: Its ex-works price slipped by 12.45% MoM to USD9,967/t (RMB63,300/t). The manufacturers operate stably; they mainly fulfil previous orders. As downstream demand turns weaker, new orders become fewer. Delivery is slowed down by unsatisfactory transport in some regions. Production cost decreases as the price of yellow phosphorus goes down and the price of glycine turns stable. The price of glyphosate TC is expected to stabilise, with small fluctuations maybe, in the near future.

Glufosinate-ammonium TC: Its ex-works price slipped by 15.41% MoM to USD29,303/t (RMB186,100/t). There are ample export orders, so that the manufacturers are mainly fulfilling these orders. Since the manufacturers have strong desire to set the price higher, the price may recover slightly.

- Bipyridinium herbicides

Diquat 40% TK: Its price stayed steady. The supply is stable.



TABLE 4: Ex-works prices of main herbicides TC in early April 2022

Category	Product	Content of active ingredient	Ex-works price on 8 April, RMB/t	USD/t	MoM change based on RMB	Ex-works price on 8 March, RMB/t	USD/t
Triazine herbicides	Atrazine TC	97%	39,000	6,141	0.00%	39,000	6,189
	Ametryn TC	95%	48,000	7,558	0.00%	48,000	7,617
Sulfonylurea herbicides	Nicosulfuron TC	95%	322,500	50,780	-1.53%	327,500	51,973
	Quizalofop-P-ethyl TC	95%	230,000	36,215	0.00%	230,000	36,500
	Bensulfuron-methyl TC	96%	210,000	33,066	-4.55%	220,000	34,913
Amide herbicides	Pretilachlor TC	95%	50,000	7,873	-9.09%	55,000	8,728
	Acetochlor TC	92%	47,500	7,479	0.00%	47,500	7,538
	Metolachlor TC	97%	52,000	8,188	4.00%	50,000	7,935
Organophosphorus herbicides	Glufosinate-ammonium TC	95%	186,100	29,303	-15.41%	220,000	34,913
	Glyphosate TC	95%	63,300	9,967	-12.45%	72,300	11,474
Triazolo[1,5-a]pyrimidine-2-sulfonanilide herbicides	Florasulam TC	98%	520,000	81,878	0.00%	520,000	82,521
Bipyridinium herbicides	Diquat TK	40%	58,000	9,133	0.00%	58,000	9,204
Substituted phenylurea herbicides	Diuron TC	97%	46,000	7,243	-2.13%	47,000	7,459

Source:CCM



Paraquat and Pyridine

FOB Price of paraquat TK remains high in April

Summary: The FOB price of paraquat 42% TK remained high at USD3,229/t in April, edging down 0.78% MoM.

FIGURE 1: FOB price of paraquat 42% TK in China, Nov. 2021–April 2022



Source:CCM

Price of pure pyridine keeps stable in early April

Summary: According to CCM's price monitoring, the ex-works price of pure pyridine in early April was USD4,802/t (RMB30,500/t).





FIGURE 2: Ex-works price of pure pyridine in China, Nov. 2021–April 2022



Source:CCM





Import and export

Atrazine export to Brazil remains stable in 2021

Summary: In 2021, major export destinations of China's atrazine products were Brazil, the US, Argentine and India. China exported 18,929.24 tonnes (actual volume) or 18,268.56 tonnes (converted to 100% AI) to Brazil, which accounts for 27.71% (based on actual volume) of China's total atrazine export to major destinations, up 1.06 percentage points from that in 2020.

According to the import and export data from Tranalysis, in 2021, atrazine products from China were mainly exported to 30 destinations such as Brazil, the US, Argentine and India. Brazil is the largest export destination, with a volume of 18,929.24 tonnes (actual volume) or 18,268.56 tonnes (converted to 100% AI), which did not change much from the 19,115.33 tonnes (actual volume) or 18,367.67 tonnes (converted to 100% AI) achieved in 2020; the actual amount accounts for 27.71% of China's total atrazine export to major destinations, up 1.06 percentage points from that in 2020.

Here's the information of China's atrazine exports to major destinations in 2021.

Atrazine technical

- Specifications for export: 95% Tech, 97% Tech , 98% Tech
- Major destination: China exported 52,830.27 tonnes (actual volume) of atrazine technical products to major destinations, at an average price of USD3.77/kg. In particular, 17,791.20 tonnes went to Brazil, which makes up 33.21% to the total atrazine technical export.
- Compared with 2020, the year 2021 saw atrazine technical export to major destinations increase by 913.86 tonnes. The export to Brazil grew by 549.80 tonnes, but a loss of 0.47 percentage point in its share to the total.

Atrazine formulation

- Specifications for export: 38% SC, 50% SC, 80% WP, 90% WDG
- Major destination: China exported 15,464.96 tonnes (actual volume) of atrazine formulation products to major destinations, at an average price of 3.08/kg. The largest destination atrazine formulation export was Nigeria, with 2,915.69 tonnes, which makes up 18.85% to the total atrazine formulation export. Brazil ranked 6 with 1,138.04 tonnes, 7.36% to the total.
- Compared with 2020, the year 2021 saw atrazine formulation export to major destinations decrease by 4,345.50 tonnes. The export to Brazil dropped by 735.89 tonnes, which is translated into a 2.10 percentage point loss in the country's share to the total.





TABLE 5: Exports of China's atrazine technical to major destinations, 2021

No.	Destination	Volume, kg	Value, USD	Unit price, USD/kg
1	Brazil	17,791,200.00	72,334,783.40	4.07
2	The US	11,117,952.50	50,727,309.03	4.56
3	Argentina	10,551,253.00	35,333,171.66	3.35
4	India	7,175,000.00	20,800,414.71	2.90
5	Pakistan	2,836,200.00	8,950,599.90	3.16
6	Canada	1,922,466.00	5,950,248.94	3.10
7	Mexico	443,000.00	1,427,216.00	3.22
8	Chile	261,872.00	843,435.00	3.22
9	Vietnam	251,725.00	865,614.25	3.44
10	Indonesia	231,000.00	783,650.00	3.39
	Others	248,600.00	927,581.55	3.73
	Total	52,830,268.50	198,944,024.45	3.77

Note: The data, sourced from Tranalysis, were updated to 10 Feb., 2022.

Source: Tranalysis





TABLE 6: Exports of China's atrazine formulation to major destinations, 2021

No.	Destination	Volume, kg	Value, USD	Unit price, USD/kg
1	Nigeria	2,915,689.40	9,567,285.62	3.28
2	Mexico	2,026,080.00	7,688,697.24	3.79
3	Chile	1,942,798.00	4,929,063.00	2.54
4	Ghana	1,625,252.00	4,438,880.38	2.73
5	Australia	1,192,274.00	3,082,661.14	2.59
6	Brazil	1,138,040.00	4,287,036.17	3.77
7	Argentina	795,210.00	2,874,088.65	3.61
8	The US	785,615.00	1,606,409.83	2.04
9	Tanzania	722,350.00	1,508,111.82	2.09
10	Paraguay	436,405.00	1,555,199.58	3.56
	Others	1,885,251.14	6,083,798.69	3.23
	Total	15,464,964.54	47,621,232.13	3.08

Note: The data, sourced from Tranalysis, were updated to 10 Feb., 2022.

Source: Tranalysis





TABLE 7: Export volume of China's atrazine technical to major destinations, 2020 vs 2021

No.	2020			2021		
	Destination	Volume, kg	Share	Destination	Volume, kg	Share
1	Brazil	17,241,400.00	33.68%	Brazil	17,791,200.00	33.21%
2	The US	11,890,261.12	21.04%	The US	11,117,952.50	22.90%
3	Argentina	11,185,230.00	19.97%	Argentina	10,551,253.00	21.54%
4	India	3,696,000.00	13.58%	India	7,175,000.00	7.12%
5	Pakistan	3,137,848.00	5.37%	Pakistan	2,836,200.00	6.04%
6	Chile	2,027,000.00	3.64%	Canada	1,922,466.00	3.90%
7	Indonesia	850,000.00	0.84%	Mexico	443,000.00	1.64%
8	Mexico	481,505.00	0.50%	Chile	261,872.00	0.93%
9	Italy	320,000.00	0.48%	Vietnam	251,725.00	0.62%
10	Vietnam	318,765.00	0.44%	Indonesia	231,000.00	0.61%
	Sub-total	51,148,009.12	99.53%	Sub-total	52,581,668.50	98.52%

Note: The data, sourced from Tranalysis, were updated to 10 Feb., 2022.

Source: Tranalysis



TABLE 8: Export volume of China's atrazine formulation to major destinations, 2020 vs 2021

No.	2020			2021		
	Destination	Volume, kg	Share	Destination	Volume, kg	Share
1	Ghana	2,745,378.00	13.86%	Nigeria	2,915,689.40	18.85%
2	Nigeria	2,232,762.00	11.27%	Mexico	2,026,080.00	13.10%
3	Mexico	1,880,948.00	9.49%	Chile	1,942,798.00	12.56%
4	Brazil	1,873,925.00	9.46%	Ghana	1,625,252.00	10.51%
5	Argentina	1,613,280.00	8.14%	Australia	1,192,274.00	7.71%
6	Australia	1,216,276.00	6.14%	Brazil	1,138,040.00	7.36%
7	Paraguay	909,475.00	4.59%	Argentina	795,210.00	5.14%
8	Chile	564,278.00	2.85%	The US	785,615.00	5.08%
9	The US	514,240.00	2.60%	Tanzania	722,350.00	4.67%
10	Tanzania	6,600.00	0.03%	Paraguay	436,405.00	2.82%
Sub-total		13,557,162.00	68.43%	Sub-total	13,579,713.40	87.81%

Note: The data, sourced from Tranalysis, were updated to 10 Feb., 2022.

Source: Tranalysis



Registration

ICAMA approves registration of 10 new herbicides in April 2022

Summary: In April 2022, ICAMA approved registration of 10 new herbicide products.

In April 2022, the Institute for the Control of Agrochemicals, Ministry of Agriculture and Rural Affairs of the People's Republic of China (ICAMA) approved registration of 10 new herbicide formulation products, mainly in the form of OD, WG and EC. These products are mainly applicable to spring soybean field and winter wheat field. Active ingredients include glufosinate-ammonium, metribuzin, haloxyfop-P-methyl and quinclorac.

TABLE 9: Applied sites of the newly-registered herbicides in China, 25 March, 2022–22 April, 2022

No.	Site	Amount
1	Spring soybean field	3
3	Winter wheat field	2
2	Spring maize field	1
4	Non-cultivated cropland	1
5	Rice field (direct seeding)	1
Total		8

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

Source: ICAMA



**TABLE 10:** Forms of newly-registered herbicides in China, 25 March, 2022–22 April, 2022

No.	Form	Amount
1	OD	2
2	EC	2
3	WG	2
4	SL	1
5	WP	1
6	ME	1
7	SC	1
Total		10

Source: ICAMA





Policy

Zhejiang promotes preparation for orderly spring agricultural production

Summary: Zhejiang government has recently analysed current progresses of preparation work for spring ploughing and of spring tea production, and made arrangements for major tasks on the short-term agenda.

On 28 March, 2022, Zhejiang Provincial Department of Agriculture and Rural Affairs held a meeting to analyse current progresses of preparation work for spring ploughing and of spring tea production, since this is a critical period for spring agricultural production. To advance the production in an orderly manner and lay a solid foundation for good harvest of grain, utmost efforts should go effectively into following tasks:

- Strengthen awareness of the importance of farming season. Various preparation work for spring ploughing should be arranged and implemented in advance so as to not miss the right farming season. In this process, responsibilities should be defined at all level.
- Boost policy support. Central government's one-time subsidy to actual grain cultivating farmers must be given out to the right person. Efforts should be made to widely publicise and thoroughly explain policies supporting and benefiting the farmers, which could shore up their confidence in agriculture.
- Enhance crop condition monitoring. Investigation of preparation for spring ploughing should be carried out in multiple forms to learn the actual situation on the front-line agricultural activities. Information on supply-demand dynamics of means of agricultural production, on spring tea process and on COVID-19 situation & control measures will help work out plans to regulate supplies and emergency storage, so as to ensure uninterrupted production.

Improve guidance and other services. The initiative "Three Connectings, Three Giving-outs, Three Implementations" (connecting villages, enterprises and production bases; giving out favourable policies, technologies and assistance; implementing measures for COVID-19 control, production and development) should continue to serve farmers. Services like guidance on grain cultivation in specified region, pairing up agricultural experts with farmers, training session, online consultancy should be made full use of, which could help accomplish this year's food production target.

The meeting also made arrangements for major tasks in the short term, such as digital reform in rural areas in Zhejiang Province, concerted reform to foster strong villages and prosperous farmers, and implementation of laws & regulations on rural revitalisation and its promotion.

Opinions on Promoting High-quality Development of Petrochemical and Chemical Industries in 14th Five-Year Period issued

Summary: On 7 April, the Opinions on Promoting High-quality Development of Petrochemical and Chemical Industries in 14th Five-Year Period was jointly issued by the MIIT and five other departments.

On 7 April, the Opinions on Promoting High-quality Development of Petrochemical and Chemical Industries in 14th Five-Year Period (the Opinions) was jointly issued by the Ministry of Industry and Information Technology of the People's Republic of China (MIIT) and five other departments.

Main targets by 2025 proposed in the Opinions are:

- Innovation-driven development: Above-scale enterprises' R&D expenditure will account for at least 1.5% of their total revenue. And the industries will have had breakthroughs in more than 20 key generic technologies and created more than 40 novel key products.





- Improved industrial structure: Production of bulk chemical products will be further concentrated and capacity utilisation rate will surpass 80%. Supply security of ethylene equivalent will be boosted significantly and self-supply rate of chemical new material will reach 75%.
- Improved industrial distribution: Production value of enterprises settled in chemical industrial parks will make up over 70% of the national total of these industries.
- Digital transformation: Automation rate of main production devices in enterprises in key industries like petrochemical and coal chemical will surpass 95%. Some 30 smart manufacturing demonstration factories and some 50 smart manufacturing demonstration chemical parks will have been set up.
- Green and safe production: unit consumption and carbon emission of bulk chemical products will decrease obviously. Total emissions of VOCs will be reduced by more than 10% compared with those in the 13th Five-Year Period.

Regarding agrochemical industry, there are opinions as follows:

- Increase proportion of green products in fertiliser industry.
- Strictly control new capacity in ammonium phosphate and yellow phosphorus industries. Speed up the phase-out of ineffective, backward capacity.
- For bulk chemical products concerning people's livelihood, like fertiliser, industrial Internet-supported monitoring covering links along the industrial chain and lean services system should be established.
- Improve multipurpose use of solid wastes like various industrial by-product gypsum, carbide slag, caustic sludge and fly ash. Encourage enterprises to better utilise associated resources with phosphate and potassium ores, industrial waste salt, tailings, and off-gases in yellow phosphorus and calcium carbide production, or to dispose of these in an eco-friendly way.
- Push forward international cooperation in resources exploitation. Strengthen exploration of domestic potassium-containing resources. Further develop high-efficient technology of mining and dressing mid-and low-grade phosphate ores, and technology of high-efficient utilisation of water-insoluble potassium-containing resources. Adopt multiple measures to cut down the amount of phosphogypsum, and reuse or properly dispose of it; steadily push forward with the "disposal determines output" policy of phosphogypsum. Enhance supply of upstream materials of chemical fertiliser, and increase concentration ratio & capacity utilisation rate in key enterprises, so as to ensure stable fertiliser supply.





News in Brief

Liaoning Cynda accredited as advanced technology enterprise

On 30 March, Shandong Cynda Chemical (Group) Co., Ltd. announced that the company's wholly-owned subsidiary, Liaoning Cynda Chemical Co., Ltd. (Liaoning Cynda), had been granted the Certificate of Advanced Technology Enterprises (the Certificate) jointly issued by the Department of Science & Technology of Liaoning Province, Department of Finance of Liaoning Province and Liaoning Provincial Tax Service, State Taxation Administration. The Certificate (No.GR202121000911), issued on 14 Dec. 2021 and valid for three years, marks the first time that Liaoning Cynda got official accreditation as an advanced technology enterprise. With this certificate, Liaoning Cynda can enjoy high-tech-company-related preferential tax policies from 2021 to 2023, and most importantly, it can pay enterprise income tax at a rate of 15%, in accordance with the Enterprise Income Tax Law of the People's Republic of China and relevant regulations.

SULICHEM to establish new wholly-owned subsidiary

On 31 March, Suli Co., Ltd. (SULICHEM) announced that the company planned to establish a new wholly-owned subsidiary, Wuxi Suli Zhuoheng Trading Co., Ltd. (Suli Zhuoheng), with its own funds totalling USD78,700 (RMB500,000).

Business scope of Suli Zhuoheng would be as follows:

- **Licensed activities:** Pesticide wholesaling, pesticide retailing and pesticides registration and testing (specific operations are subject to the result of examination and approval conducted by government);
- **General activities:**
 - Selling fertilisers, packaging materials and products, test- and analysis-purpose instrument, hardware products and mechanical equipment;
 - Offering technology service and technology consulting and advancing technology development, technology exchange and technology promotion;
 - Selling chemicals (licensed chemicals excluded) and specialty chemicals (hazardous chemicals excluded, hygienic insecticides, new catalytic materials and catalyst promoters);
 - Acting as domestic trade agency (independently carrying out business activities in accordance with the law, but activities need special approval excluded).

Jiangsu Yangnong's total revenue of 2021 exceeds USD1.86 billion

On 29 March, Jiangsu Yangnong Chemical Co., Ltd. (Jiangsu Yangnong) disclosed its annual report of 2021, and detailed information is as follows:

- Total revenue: USD1.86 billion (RMB11.84 billion), representing a YoY increase of 20.45%;
- Net profit attributable to shareholders of the listed company: USD192.42 million (RMB1.22 billion), edging up by 1.02% YoY;
- Net profit attributable to shareholders of the listed company excl. extraordinary profit and loss: USD179.07 million (RMB1.14 billion), nudging up by 4.32% YoY.

Jiangsu Yangnong plans to reward all shareholders with USD1.02 (RMB6.50) per 10 shares. In addition, stage one of Youjia Phase IV project finished construction and the production lines of difenoconazole, mesotrione, bifenthrin and fluazinam came into commissioning in early 2022.





SULICHEM's total revenue of 2021 reaches record high

On 6 April, Suli Co., Ltd. (SULICHEM) disclosed its annual report of 2021, adding that the consolidated total revenue achieved during the reporting period has offset the COVID-19-induced profit loss in 2020 and exceeded the RMB2 billion threshold for the first time.

Details of the report are as follows:

- Total revenue: USD360.84 million (RMB2.29 billion), a YoY increase of 47.03%;
- Net profit attributable to shareholders of the listed company: USD36.59 million (RMB232.39 million), representing a YoY increase of 32.99%;
- Net profit attributable to shareholders of the listed company excl. extraordinary profit and loss: USD36.48 million (RMB231.70 million), rising by 34.61% YoY.

Fengshan Group's net profit drops by 54.57% YoY

On 7 April, Jiangsu Fengshan Group Co., Ltd. (Fengshan Group) disclosed its annual report of 2021. Given the implementation of the "Dual Control" policy aiming to control the carbon emission and energy consumption and the rising raw materials prices, Fengshan Group saw an increasing cost of sales, leaving the net profit to drop.

During the reporting period, detailed information of the report is as follows:

- Total revenue: USD239.04 million (RMB1.52 billion), edging up by 1.51% YoY compared with USD235.26 million (RMB1.49 billion) seen in 2020;
- Net profit attributable to shareholders of the listed company: USD18.06 million (RMB114.73 million), a YoY decrease of 51.32% YoY compared with USD37.11 million (RMB235.68 million) seen in 2020;
- Net profit attributable to shareholders of the listed company excl. extraordinary profit and loss: USD15.69 million (RMB99.62 million), slashed by 54.57% YoY compared with USD34.53 million (RMB219.30 million) seen in 2020.

Lier Chemical's net profit surges in Q1 2022

On 6 April, Lier Chemical Co., Ltd. (Lier Chemical) disclosed its preliminary earnings estimate of Q1 2022, and detailed information is as follows:

- Total revenue: USD411.43 million (RMB2.61 billion), a YoY increase of 76.32%;
- Net profit attributable to equity holders of the listed company: USD84.13 million (RMB534.33 million), surging by 142.02% YoY compared with USD34.76 million (RMB220.78 million) seen in Q1 2021;
- Total assets as of the end of March: USD1.76 billion (RMB11.20 billion), nudging up by 9.49% from that seen in the beginning of the reporting period
- Earnings per share: USD0.1597 (RMB1.0143), rising by 140.93% YoY compared with USD0.0663 (RMB0.4210) seen in Q1 2021.

Gansu Tailing's green pesticides and intermediates project starts construction

On 7 April, the "23,000 t/a green pesticides and intermediates production lines project" of Gansu Tailing Technology Co., Ltd. (Gansu Tailing) started construction in the Yumendong Building Materials Chemical Park. The two-phased project, with a total investment of USD186 million (RMB1.18 billion), covering 40.67 ha, is expected to create employment opportunities for over 300 people. Upon full operation, it is estimated to generate over USD236 million (RMB1.50 billion) annual sales revenue and pay yearly taxes of about USD31.





49 million (RMB200 million).

Sichuan Hebang to construct 500,000 t/a PMIDA production lines

On 18 April, Sichuan Hebang Bio-technology Co., Ltd. (Sichuan Hebang) signed an investment agreement with Guang'an municipal government, intending to invest USD1.97 billion (RMB12.50 billion) to establish a world-largest PMIDA production base (with design PMIDA capacity of 500,000 t/a) in Guang'an economic and technological development zone (ETDZ), a national-level ETDZ. Once completed, it is expected to generate an annual production value of roughly USD3.15 billion (RMB20 billion) and pay taxes of about USD315 million (RMB2,000 million) per year.

Sichuan Fengshan wins land for fine chemical and pesticide intermediate base

On 20 April, Jiangsu Fengshan Group Co., Ltd. (Jiangsu Fengshan) announced that its wholly-owned subsidiary, Sichuan Fengshan Biotechnology Co., Ltd. (Sichuan Fengshan), won the bid for the land No. GC2021-44 in the Xinqiao Park of Guang'an Economic and Technological Development Zone. The land will be used to build a production base for fine chemicals and pesticide intermediates, which Jiangsu Fengshan planned in 2020. Totalling 31.66 ha, the industrial land cost Sichuan Fengshan USD5.98 million (RMB37.99 million), with a land use right standing at 50 years.

So far, Sichuan Fengshan has proposed three projects on this land, including:

- 1,600 t/a 2-Nitro-4-methylsulfonylbenzoic acid and 750 t/a 1,3-cyclohexanedione (which provides intermediates for mesotrione production)
- 10,000 t/a 4-Chloro-3,5-dinitrobenzotrifluoride, 2,000 t/a 2-chloronicotinic acid, 2,000 t/a 2,4-dichloro-3,5-dinitrobenzotrifluoride and etc.
- 12,000 t/a trifluralin technical and etc.

Zhejiang Lianhe's net profit soars by 186.65% YoY

On 22 April, Zhejiang Lianhe Chemical Technology Co., Ltd. (Zhejiang Lianhe) disclosed its annual report of 2021, and key figures are as follows:

- Total revenue: USD1.04 billion (RMB6.59 billion), surging by 37.75% YoY;
- Net profit attributable to equity holders of the listed company: USD49.66 million (RMB315.41 million), soaring by 186.65% YoY;
- Net profit attributable to shareholders of the listed company excl. extraordinary profit and loss: USD45.37 million (RMB288.14 million), a YoY increase of 357.20%;
- Earnings per share: USD0.054 (RMB0.34), a YoY increase of 183.33%.





Price Update

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

TABLE 11: Ex-works prices of key herbicide raw materials in China, 8 April, 2022

Raw Materials	20220308		20220408	
	Original Price (RMB/t)	Price (USD/t)	Original Price (RMB/t)	Price (USD/t)
98% Glycine	23,500	3,729.33	21,000	3,306.62
92% Iminodiacetonitrile	9,300	1,475.86	9,300	1,464.36
99% Isopropylamine	9,550	1,515.54	9,550	1,503.72
98% N-(Phosphonmethyl) Iminodiacetic acid	42,000	6,665.19	39,000	6,140.86
99% Phosphorus trichloride	11,110	1,763.1	11,100	1,747.78
99.9% Pyridine	30,500	4,840.19	30,500	4,802.47

Note: Ex-works price includes VAT.

Source: CCM

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



TABLE 12: Ex-works prices of main herbicides in China, 8 April, 2022

Product	20220308		20220408	
	Original Price (RMB/t)	Price (USD/t)	Original Price (RMB/t)	Price (USD/t)
92% Acetochlor technical	47,500	7,538.01	47,500	7,479.25
97% Atrazine technical	39,000	6,189.1	39,000	6,140.86
96% Bensulfuron-methyl technical	220,000	34,912.88	210,000	33,066.18
92% Butachlor technical	45,000	7,141.27	42,500	6,691.96
95% Clomazone technical	116,000	18,408.61	119,000	18,737.5
95% Cyhalofop-butyl technical	215,000	34,119.4	200,000	31,491.6
97% Diuron technical	47,000	7,458.66	46,000	7,243.07
98% Fenclorim technical	170,000	26,978.13	165,000	25,980.57
95% Fenoxaprop-P-ethyl technical	195,000	30,945.5	190,000	29,917.02
96% Fluroxypyr technical	195,000	30,945.5	175,000	27,555.15
95% Fomesafen technical	140,000	22,217.29	142,000	22,359.04
95% Glufosinate ammonium technical	220,000	34,912.88	186,100	29,302.93
95% Glyphosate technical	72,300	11,473.64	63,300	9,967.09
95% Haloxyfop-P-methyl technical	250,000	39,673.72	240,000	37,789.92
97% Metolachlor technical	50,000	7,934.74	52,000	8,187.82
95% Metsulfuron-methyl technical	135,000	21,423.81	135,000	21,256.83
95% Nicosulfuron technical	327,500	51,972.58	322,500	50,780.2
97% Oxyfluorfen technical	250,000	39,673.72	250,000	39,364.5
95% Pendimethalin technical	60,000	9,521.69	63,500	9,998.58
95% Pretilachlor technical	55,000	8,728.22	50,000	7,872.9
97% Pyrazosulfuron-ethyl technical	300,000	47,608.47	300,000	47,237.4
80% Quinclorac technical	137,000	21,741.2	134,500	21,178.1



95% Quizalofop-P-ethyl technical	230,000	36,499.83	230,000	36,215.34
95% Tribenuron-methyl technical	165,000	26,184.66	160,000	25,193.28
95% Trifluralin technical	38,000	6,030.41	38,000	5,983.4

Note: Ex-works price includes VAT.

Source: CCM

Shanghai Port prices of main herbicides in China, 8 April, 2022



TABLE 13: Shanghai Port prices of main herbicides in China, 8 April, 2022

Product	20220308		20220408	
	Original Price (RMB/t)	Price (USD/t)	Original Price (RMB/t)	Price (USD/t)
92% Acetochlor technical	48,000	7,617.35	48,000	7,557.98
97% Atrazine technical	39,500	6,268.45	39,500	6,219.59
96% Bensulfuron-methyl technical	220,500	34,992.22	210,500	33,144.91
92% Butachlor technical	45,500	7,220.62	43,000	6,770.69
95% Clomazone technical	116,500	18,487.96	119,500	18,816.23
95% Cyhalofop-butyl technical	215,500	34,198.75	200,500	31,570.33
97% Diuron technical	47,500	7,538.01	46,500	7,321.8
98% Fenclorim technical	170,500	27,057.48	165,500	26,059.3
95% Fenoxaprop-P-ethyl technical	195,500	31,024.85	190,500	29,995.75
96% Fluroxypyr technical	195,500	31,024.85	175,500	27,633.88
95% Fomesafen technical	140,500	22,296.63	142,500	22,437.76
95% Glufosinate ammonium technical	220,500	34,992.22	186,600	29,381.66
95% Glyphosate technical	72,800	11,552.99	63,800	10,045.82
95% Haloxyfop-P-methyl technical	250,500	39,753.07	240,500	37,868.65
97% Metolachlor technical	50,500	8,014.09	52,500	8,266.54
95% Metsulfuron-methyl technical	135,500	21,503.16	135,500	21,335.56
95% Nicosulfuron technical	328,000	52,051.92	323,000	50,858.93
97% Oxyfluorfen technical	250,500	39,753.07	250,500	39,443.23
95% Pendimethalin technical	60,500	9,601.04	64,000	10,077.31
95% Pretilachlor technical	55,500	8,807.57	50,500	7,951.63
97% Pyrazosulfuron-ethyl technical	300,500	47,687.82	300,500	47,316.13
80% Quinclorac technical	137,500	21,820.55	135,000	21,256.83



95% Quizalofop-P-ethyl technical	230,500	36,579.17	230,500	36,294.07
95% Tribenuron-methyl technical	165,500	26,264	160,500	25,272.01
95% Trifluralin technical	38,500	6,109.75	38,500	6,062.13

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 April, 2022





TABLE 14: FOB Shanghai prices of main herbicides in China, 8 April, 2022, USD/t

Product	20220308	20220408
92% Acetochlor technical	7,498.76	7,440.31
97% Atrazine technical	5,973.92	5,927.36
96% Bensulfuron-methyl technical	34,120.19	32,323.01
92% Butachlor technical	7,112.94	6,674.69
95% Clomazone technical	18,070.17	18,388.7
95% Cyhalofop-butyl technical	32,174.03	29,707.7
97% Diuron technical	7,421.59	7,210.62
98% Fenclorim technical	26,403.83	25,432.41
95% Fenoxaprop-P-ethyl technical	30,262.01	29,260.52
96% Fluroxypyr technical	30,262.01	26,963.66
95% Fomesafen technical	21,774.02	21,910.55
95% Glufosinate ammonium technical	32,918.35	27,654.61
95% Glyphosate technical	12,330.28	10,732.02
95% Haloxyfop-P-methyl technical	38,750	36,916.74
97% Metolachlor technical	7,884.57	8,129.37
95% Metsulfuron-methyl technical	21,002.38	20,838.68
95% Nicosulfuron technical	50,710.36	49,549.49
97% Oxyfluorfen technical	37,384.28	37,092.9
Paraquat 42% TK	3,254.76	3,229.39
95% Pendimethalin technical	9,427.85	9,890.3
95% Pretilachlor technical	8,656.21	7,823.12
97% Pyrazosulfuron-ethyl technical	46,466.36	46,104.19
80% Quinclorac technical	21,311.04	20,762.12





95% Quizalofop-P-ethyl technical	35,663.46	35,385.49
95% Tribenuron-methyl technical	25,632.2	24,666.79
95% Trifluralin technical	5,825.06	5,779.66

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



Journalist : Yishen Zhuo
Editor : Fengyi Yan
Chief Editor : Yihua Huang
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17th Floor, Huihua Commercial & Trade Building, No.80 XianlieZhong Road Guangzhou, 510070, P.R.China

Tel: +86-20-37616606

Fax: +86-20-37616768

E-mail: econtact@cnchemicals.com

Website: www.cnchemicals.com