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October 13, 2023

October Agrochemical Notes

As many of you know, we also publish a monthly report that seeks to chronicle all of agrochemical imports into the USA. Each monthly letter includes a list of new entries into the tables. We thought that you might like to also have this information as it often catches the first import of a new product. This month's report featured the following new entries:

- Bioworks imported 4 MT of Botrystop® from New Zealand, a new Fungicide.
- Neogen® imported 10 MT of Difenacoum from the UK, a new rodenticide.
- Adama imported 16 MT of a blend of 10.78% Flumioxazin with 36.11% Imazapyr from Colombia.
- Adama imported 12 MT of a blend of 22.06% Flumioxazin with 11.67% Imazapic from Colombia
- Corteva imported 7 MT of Tarzec®, a blend of 25% Pyrosulam and 6.95% Halauxifen-Methyl from Italy.

Special Note: As you know the MTB has not yet been enacted. This means that some of the granularity that had been the norm in the census statistics is still missing which makes pulling the necessary data for this report more difficult. At this point in time, while the new Chairman of the House Ways & Means Committee's subcommittee on Trade has signaled his support for this legislation, there is no apparent vehicle for getting this done.

Imports of Glyphosate, as acid, for the period September through August for the last 6 years as well as YTD appear to be as shown below:

	23-24	22-23	21-22	20-21	19-20	18-19	17-18
August		1,706 MT	6,507 MT	7,847 MT	4,611 MT	5,997 MT	3,364 MT
July		1,179 MT	8,414 MT	9,178 MT	7,985 MT	2,735 MT	6,562 MT
June		1,736 MT	11,592 MT	8,972 MT	6,749 MT	3,495 MT	6,333 MT
May		344 MT	12,420 MT	10,110 MT	9,029 MT	4,542 MT	12,307 MT
April		2,295 MT	16,267 MT	8,067 MT	5,584 MT	3,241 MT	9,836 MT
March		8,142 MT	12,334 MT	7,302 MT	2,927 MT	6,656 MT	10,711 MT
February		4,177 MT	11,768 MT	2,311 MT	1,636 MT	3,235 MT	8,601 MT
January		10,704 MT	8,908 MT	5,660 MT	8,950 MT	6,100 MT	6,081 MT
December		4,358 MT	7,006 MT	5,200 MT	3,800 MT	8,900 MT	7,477 MT
November		8,521 MT	9,809 MT	4,700 MT	8,000 MT	6,000 MT	5,900 MT
October		4,713 MT	9,417 MT	3,200 MT	8,000 MT	8,100 MT	3,800 MT
September	2,599 MT	4,018 MT	10,661 MT	4,000 MT	4,700 MT	8,600 MT	4,298 MT
Total	2,599MT	51,893 MT	125,103 MT	76,547 MT	71,971 MT	57,511 MT	85,270 MT

It appears that total imports for the year 9/2022 through 8/2023 were less than 52,000 MT, 41% of what they were last year, and well below the levels of 2018-2019. We updated August imports by about 500 MT, but it does not impact the conclusion. Some are speculating that there might be enough Glyphosate in current stocks in the USA to last well into 2024.

Imports continue to be depressed, with the notable exception of S-Metochlor. An additional 4,700 MT arrived in September, bringing the YTD total up to over 44,000 MT, more than the entire quantity imported during 2021. If this trend continues, imports will be close to 60,000 MT, a similar quantity to last year, when just about every other herbicide is showing a significant decline from 2022.

News:

There is not much "trade news" to report this month. However, the main topic of discussion is companies looking to turn the corner towards "more normal" profitability and volumes.

GSP: The House of Representatives recently held a hearing to discuss this program. It is likely that it will be renewed, with changes to include higher standards on Health, Safety and the Environment. They may also do the renewal for a long period of time, perhaps as long as ten years. Potential changes in the rules of origin were also discussed. There is little chance that any legislation can be passed this year, especially considering the current infighting over the position of Speaker of the House. Once this issue is resolved, they then need to immediately pivot and finalize all of the budget discussions. We believe that once GSP is put back into place, that shortly thereafter India will be readmitted into this program.

Other news:

Surprisingly, while the **Syngenta IPO** has supposedly been "green lighted" by the Shanghai Stock Exchange, there still is nothing we can find on the public record suggesting a date for it to occur. Syngenta's recent financial reports were also not very enticing, following along with the trend from the rest of the industry, so perhaps this may not be an ideal time to accomplish this task!

As previously reported, the Biden Administration has now published a proposal for placing restrictions on U.S. private investments in certain countries. These rules, as drafted, would not appear to inhibit a U.S. citizen or company from investing in this IPO.

Taiwan: No update

IPEF: No update

US/UK: Discussions with the UK are on-going, but likely will follow along the template of the IPEF. There is no potential for any market access provisions in a future agreement.

USMCA – Mexico – GMO Corn & Glyphosate: A panel has been set thought we have not seen dates for it to meet to try to resolve this issue. December 31, 2023, is quickly approaching! Mexico has reiterated that they are well within their rights to take this action.

China section 301 tariffs (25% surtaxes): USTR continues to diligently work on their review of this program. There is no definitive date for the review's conclusion, though now they are predicting that a report will be ready "in the fall". We continue to believe that it is highly unlikely that there will be a change in position by the Administration prior to the 2024 election.

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 August is attached.

  Below, please find value information for the month of August as well as totals for the first seven months of 2020, 2021, 2022 and 2023.

  It is important to observe, that the value figures are "customs value" which would include materials entered into Free Trade Zones, but not China surtaxes.

August 2023 details, as well as the previous 3 years are as follows (000):

	8/2020	8/2021	8/2022	8/2023
3808.91 – insecticides	$17,432	$33,914	$33,005	$21,564
3808.92 – fungicides	$25,497	$35,049	$59,478	$41,921
3808.93 – herbicides	$26,042	$50,877	$45,999	$42,377

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

	2020	2021	2022	2023
3808.91 – insecticides	$218,999	$301,208	$338,818	$302,075
3808.92 – fungicides	$299,939	$494,678	$597,526	$583,693
3808.93 – herbicides	$323,711	$342,887	$600,985	$480,553

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

Very truly yours,

Jim

V.M. (Jim) DeLisi

VMJD: me