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January 15, 2024

January AgChem Notes

New Entries to the Pivot Table:

- Sharda imported 18 MT of Delight® said to be 16% Prothioconazole and 13.7% Trifloxystrobin.

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	11,946 MT	4,358 MT	7,006 MT	5,200 MT	3,800 MT	8,900 MT	7,477 MT
November	10,892 MT	8,521 MT	9,809 MT	4,700 MT	8,000 MT	6,000 MT	5,900 MT
October	2,416 MT	4,713 MT	9,417 MT	3,200 MT	8,000 MT	8,100 MT	3,800 MT
September	2,831 MT	4,018 MT	10,661 MT	4,000 MT	4,700 MT	8,600 MT	4,298 MT
Total	28,085 MT	51,893 MT	125,103 MT	76,547 MT	71,971 MT	57,511 MT	85,270 MT

Maybe the industry is beginning to turn the corner! December imports of Glyphosate brings us almost up to the point where we might have a "normal" year. Glufosinate imports are also rising, and while there were literally no S-Moc imports in October, November and December imports more than made up for the shortfall.

As promised last month, below please find our chart of key AI imports for the last 6 years. The last two columns represent the first half of 2023 as well as the second half of the year. The thought is that dividing the year up in this manner provides more insight into what occurred and what appears to be happening into the future, remembering that the first Q of 2023 was largely a continuation of 2022, with a big drop off in the second Q, with slow recovery in Q4.

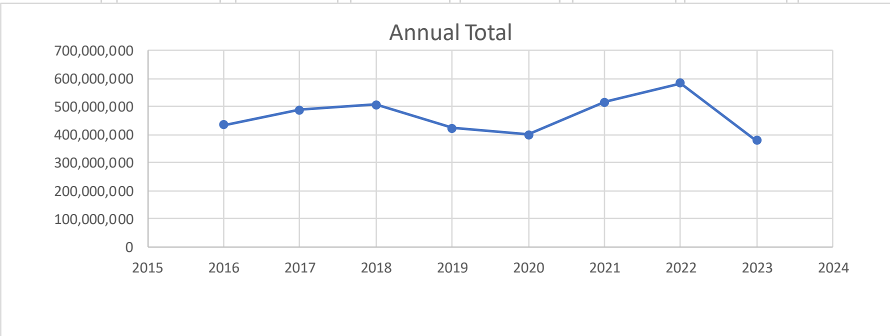
China Surtax	product	U.S. Production 2022	annual 2018 MT	annual 2019 MT	annual 2020 MT	annual 2021 MT	annual 2022 MT	annual 2023 MT	1st H 2023	2nd H 2023
	Key Herbicide imports in MT AI basis									
7.50%	2,4 D	yes	19,437	20,351	18,352	18,904	43,721	24,579	17,927	6,652
7.50%	Atrazine	no	11,488	11,767	11,454	13,490	14,896	5,678	898	4,780
25%	Clethodim	no	3,440	3,112	3,414	4,221	6,726	3,463	1,920	1,543
None	Clomazone	no	3,261	3,330	2,451	2,500	5,879	763	756	7
7.50%	Dicamba	yes	26,898	11,433	11,483	17,727	23,482	11,661	6,493	5,168
None	Ethephon	no	9,392	9,811	9,564	7,894	9,359	443	none	443
None	Glufosinate, Imp		9,960	9,558	5,969	12,632	28,743	17,290	11,016	6,274
	Est. US GA		2,472	5,101	2,448	0	0	0	0	0
None	Total est GA	no	12,432	14,659	8,417	12,632	28,743	17,290	11,016	6,274
None	Glyphosate	yes	95,325	63,472	61,965	95,911	111,790	59,669	27,423	32,246
25%	Mesotrione	no	3,895	3,735	4,717	6,378	6,418	3,496	2,105	1,391
7.50%	Metribuzin	no	4,000	5,134	4,054	5,163	3,651	2,730	1,296	1,434
None	Paraquat	no	21,356	12,718	15,910	14,373	29,254	10,315	3,935	6,380
25%	Pendimethalin	no	2,000	1,475	1,835	3,721	5,701	3,637	2,489	1,148
25%	S-Moc	no	26,599	33,786	19,647	42,972	57,429	54,094	31,792	22,302
None	Sulfentrazone	no	2,875	2,061	1,823	3,101	3,612	1,109	1,085	24
25%	Trifluralin	no	3,865	1,746	306	864	3,816	2,601	1,352	1,249
	Key Insecticide imports in MT AI basis									
None	Abamectin	no	218	286	379	466	328	357	203	154
25%	Acephate	no	5,950	1,678	3,803	4,935	4,875	3,927	2,723	1,204
25%	Bifenthrin	no	1,560	2,246	1,994	2,686	4,938	1,380	881	499
None	Imidacloprid	no	3,324	2,448	2,298	2,082	2,570	2,256	1,239	1,017
25%	Lambda Cyhalothri	no	1,721	2,020	1,893	2,562	3,240	1,835	1,261	574
25%	Oxamyl	no	1,255	330	410	645	953	924	542	382
25%	Permethrin	no	1,348	1,336	935	1,680	1,677	1,582	1,062	520
	Key Fungicide imports in MT AI basis									
None	Azoxystrobin *	no	2,097	2,092	2,179	3,434	4,725	2,897	2,215	682
25%	Captan	no	1,787	1,333	1,002	1,374	1,602	1,293	1,185	108
None	Chlorothalonil	no	8,805	11,401	6,326	7,786	7,563	5,423	3,363	2,060
None	Copper Sulfate	no	52,722	61,080	57,625	56,158	40,119	30,051	16,736	13,315
25%	Mancozeb	no	8,766	5,316	8,698	10,225	8,740	3,915	3,182	733
25%	Micronized Sulfur	no	9,539	10,306	9,172	7,818	5,942	9,240	5,568	3,672
None	Propiconazole	no	2,741	2,058	2,742	3,276	4,547	3,281	2,199	1,082
None	Tebuconazole	yes	1,525	1,084	1,178	2,326	2,137	1,129	614	515
	* includes some combination products									

Below please find a chart that shows total imports of "all" agricultural chemicals in kgs. for the last 8 years, by month, with an **estimate for total year 2023**. We will re-run this chart next month when the "December actual figure is known".

This chart clearly confirms that the 1st Q of 2023 followed along with the trends expressed for 2022, and then there was a significant downturn in Q2 and Q3, which continued into October, with the apparent turn-around in November which we believe will continue into December as evidenced by quantities of imports we are seeing for December in our individual detailed product reports.

	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023		
Month	Weight Kg	Weight Kg	Weight Kg	Weight Kg	Weight Kg	Weight Kg	Weight Kg	Weight kgs.	Year	Annual Total
January	40,213,490	39,074,978	47,025,882	50,559,509	35,056,982	37,228,934	47,765,277	55,475,702	2016	435,124,764
February	28,800,899	39,742,566	46,920,118	37,226,379	29,116,986	33,564,569	46,569,850	44,331,592	2017	487,554,147
March	38,037,672	48,594,493	46,296,445	48,757,167	35,891,510	46,823,304	54,373,531	41,898,608	2018	508,067,245
April	35,956,632	43,755,832	51,509,163	36,189,349	38,629,829	63,123,004	63,625,500	33,096,040	2019	422,556,177
May	39,779,840	41,125,690	49,466,568	35,142,349	38,139,985	41,438,200	47,613,241	24,504,392	2020	400,873,145
June	43,293,272	45,363,443	42,117,243	35,115,497	37,947,097	47,900,882	40,898,908	21,245,936	2021	515,490,654
July	35,422,162	34,925,178	33,738,962	33,741,616	30,838,209	36,680,478	47,170,285	22,301,427	2022	583,520,554
August	31,459,517	35,514,699	28,324,438	27,520,075	25,392,032	36,482,202	39,948,799	20,221,977	2023	380,000,000
Septembe	30,417,507	32,847,644	41,628,907	25,232,387	27,108,350	42,824,249	41,617,635	24,374,567		
October	38,581,127	33,075,039	37,643,767	28,995,036	28,888,643	42,925,701	57,217,519	24,853,881		
Novembe	31,166,481	45,200,134	37,832,006	32,948,320	29,386,961	43,019,132	48,755,836	37,135,350		
Decembei	41,996,165	48,334,451	45,563,746	31,128,493	44,476,562	43,480,000	47,964,173			
Total	435,124,764	487,554,147	508,067,245	422,556,177	400,873,145	515,490,654	583,520,554	349,439,472		

October 2023 includes about 3,000 MT of additons from Mexico, some new to the table



MTB: As you know the MTB (duty suspension legislation) has not yet been enacted. We've now gone three years without this program and all of the work we did as an industry in 2018 and 2019 in anticipation of receiving these benefits is no longer valid. While the Chairman of the House Ways & Means Committee's subcommittee on Trade has signaled his support for this legislation, it is hard to imagine that anything can be accomplished on this topic during the first few months of 2024. Hopefully, legislation can be enacted before June 30, 2024, to at least lay out a process to re-authorize the USITC to begin collecting new details for a new round of petitions for duty relief. If they began the process late in 2024, it is likely that such relief could not be in place before July 1, 2026, as it takes this long to get through "the process".

GSP: GSP renewal, which has been tied to MTB also remains in limbo at this time. However, there appears to be an enormous amount of interest in making sure that AGOA (African Growth & Opportunity Act) does not lapse when it is set to expire in September of 2025. Maybe there is the potential for a grand bargain to tie these two programs together and get them both enacted early in the new year. Once GSP is re-authorized, it would be expected that earnest discussions would be held between the U.S. and India that could lead to India rejoining this valuable program.

TPA & TAA: These two initiatives, Trade Promotion Authority and Trade Adjustment Assistance have always been tied together. TPA allows the President to negotiate full-fledged Free Trade Agreements (FTAs) while TAA compensates those that have been "harmed" by such Agreements. There is growing dissatisfaction with the fact that the Biden Administration has not been aggressively seeking ways to remove barriers to U.S. exports with appropriate FTAs. There is also concern that those that were harmed by previous FTAs are no longer being compensated for their losses.

In the "grand scheme" of trade legislation, it would be helpful if all five of these programs (MTB, GSP, AGOA, TPA & TAA) were bundled into one package and enacted into law as soon as practical.

If this appeared to be possible, in my opinion, it would be helpful if USMCA rules of origin were adopted, at least for the chemicals' chapters for GSP, AGOA and any new trade agreements. They remove the mystery and confusion around the "substantial transformation plus value content rules" that are part of these programs.

Other news:

Surprisingly, while the **Syngenta IPO** had supposedly been "green lighted" by the Shanghai Stock Exchange, it has now been put off until sometime late next year.

As previously reported, the Biden Administration has 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. Congress may choose to revise these rules in a way that will make it more difficult to make such an investment. We will continue to monitor this situation.

Taiwan: No update, though China apparently continues to harass the island with aggressive military maneuvers and exercises. Taiwanese citizens went to the polls on January 13. The current Vice President of the Democratic Progressive Party, Lai Ching-te won the race, as existing President Tsai was term limited. The world will be watching China's reaction to his election.

USMCA – Mexico – GMO Corn & Glyphosate effective December 31, 2023: A USMCA Dispute Panel has been set thought we have not seen dates for it to meet to try to resolve this issue. As of the date of this letter, we're not sure about the current status, but can confirm that nothing has been published by any of the parties announcing a settlement. They appear to still be arguing over who can participate having recently banned a couple of Canadian NGOs as they did not represent "sound science". The ban on the importation of Glyphosate itself has been extended to March 31, 2024.

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 they were predicting that a report would be ready "in the fall". Clearly this did not happen. Even though the Administration is under pressure to promptly finalize this review, 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.

The current exceptions that impact Paraquat and NBPT (and about 410 other products) were extended until May 31, 2024, on December 26, 2023. The federal register notice that confirmed this extension also called for a renewed comment period to determine if they should be further extended after this date. A public docket will be opened from January 22 through February 21, 2024, along the same lines as the previous docket. All that are impacted, positively or negatively, by any of the extensions on this list are urged to comment.

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 November is attached.

  Below, please find value information for the month of November as well as totals for the first eleven 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 any freight, forwarding, duty expenses, or China surtaxes.

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

	11/2020	11/2021	11/2022	11/2023
3808.91 – insecticides	$18,746	$33,443	$56,161	$41,374
3808.92 – fungicides	$38,332	$57,945	$87,412	$23,737
3808.93 – herbicides	$31,024	$56,827	$88,347	$38,145

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

	2020	2021	2022	2023
3808.91 – insecticides	$272,444	$392,293	$449,693	$394,237
3808.92 – fungicides	$381,239	$615,469	$752,973	$669,433
3808.93 – herbicides	$399,884	$484,362	$816,593	$605,735

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

Very truly yours,

Jim

V.M. (Jim) DeLisi

VMJD: me