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Data & Business
Intelligence

Fungicide Market in China of Q1 2017

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Contents

Executive summary	1
Methodology.....	2
1 Policy Dynamics	3
1.1 Key words for pesticide management in China in 2017	3
1.2 Pesticide residue may become key item of inspection in 2017	7
1.3 2017 No.1 Central Document: deepen advancement of agricultural supply side structural reform	7
1.4 Regulations on Control of Agricultural Chemicals (Revised Draft) conducive to long-term development of pesticide industry.....	10
2 Ex-works prices in Q1 2017.....	13
3 Production overview and newly added capacities	16
4 Registration.....	17
5 Export.....	18
6 Highlight.....	22
6.1 Prediction of disease occurrence for 2017 in China	22
6.2 Great business opportunity awaits phenamacril	27
6.3 Two overseas enterprises march into Chinese fungicide market	28
6.4 Yangnong Chemical takes the lead in formulating fluazinam TC industrial standards	30
6.5 CCPIA: Chinese pesticide industry to develop well in 2017	31
6.6 MEP launches air quality inspection in Q1 2017	33
6.7 Central environmental inspections to be conducted in 15 provinces starting April 2017	34

LIST OF TABLES

Table 1.3-1 Themes of No.1 Central Document, 2004–2017
Table 2-1 Ex-works prices of main fungicides in China, Jan.–March, 2017
Table 3-1 Potential capacities of fungicides in China
Table 4-1 China's new registrations of fungicide TC/TK, Jan.–March 2017
Table 5-1 Export volume and price of chlorothalonil from China in Jan.–March 2017
Table 5-2 Export volume and price of carbendazim from China in Jan.–March 2017
Table 5-3 Export volume and price of mancozeb from China in Jan.–March 2017
Table 6.4-1 Valid registrations of fluazinam TC in China, as of Jan. 2017

1. Introduction

This report is about China's fungicide market in Q1 2017. It attaches importance to the following parts:

- Policies related to the pesticide and fungicide industry that had been carried out in Q1 2017, which had significant impacts on the pesticide and fungicide industry;
- Ex-works prices of about 30 kinds of fungicides in China and price analysis will be made for some of the most important fungicides during Q1 2017;
- An overview of fungicide production in Q1 2017 and the key players, idle players and potential players will be showed in the report;
- Newly registrations of fungicides in Q1 2017, from which you can peek into the domestic pesticide development tendency;
- Exports about some key fungicides in Q1 2017;
- Highlight that had important influences on the pesticide and fungicide industry in Q1 2017.

This report is formulated in June 2017. The data is based on various sources as mentioned in the methodology below.

2. Approach for this report

Desk research

Sources of desk research are various including published magazines, journals, government statistics, industrial statistics, customs statistics, associated seminars as well as information from the Internet. A lot of work has been done to compile and analyze the information obtained. When necessary, checks were made with Chinese market players regarding market information such as production, demand, consumption, competition, etc.

Telephone Interview

- The interviewees cover:
- Pesticide producers
- Agricultural experts
- Traders
- Local governments
- Researchers
- Peasants
- Associations

CCM carried out extensive telephone interviews with many producers of some fungicides. From those active producers, potential producers, even producers who stopped production, CCM sourced and verified the detailed production information and market situation as well as players' comments on some fungicides.

To directly analyze the export situation of some fungicides, many importers and exporters were contacted whenever the verification was needed.

Data processing and presentation

The data from various channels have been combined to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were held in order to analyze the data and draw conclusions from it.

Monthly exchange rates of USD against CNY from Oct. 2016 to March 2017 are as follows:

- In Oct. 2016, USD100 = RMB670.08
- In Nov. 2016, USD100 = RMB677.34
- In Dec. 2016, USD100 = RMB689.58
- In Jan. 2017, USD100 = RMB697.98
- In Feb. 2017, USD100 = RMB685.56
- In March 2017, USD100=RMB687.98

3. Executive summary

In Q1 2017, China's fungicide market continued the uptrend. Particularly, the fungicide technical market kept thriving. Products like hexaconazole and tebuconazole stood out with continuously rising prices. What's more, most of fungicides were in tight supply, especially spot products. In 2017, the Ministry of Environmental Protection of the People's Republic of China (MEP) will continue to control air, water and soil pollution, to carry out biological environment reform and to realize a full coverage of central environmental protection inspection. In addition, with the coming of the selling season, there will be a tight supply for fungicides, which may push up the price of the products in China next quarter.

4. What's in this report?

Note: Key data/information in this sample page is hidden, while in the report it is not.

1 Policy Dynamics

1.1 Key words for pesticide management in China in 2017

At the very beginning of 2017, Chen Youquan, deputy director of Department of Crop Protection, Ministry of Agriculture of the People's Republic of China (Department of Crop Protection, MOC), gave a brief introduction to the key work of pesticide management in 2017.

Based on the amended *Regulations on the Control of Agricultural Chemicals* and targeted at modern and environmentally friendly agriculture, the ministry will take actions to improve supporting regulations, straighten out the pesticide management system. Particular focuses will be placed on market supervision and inspection, designated sales of high toxic pesticides, subsidies for using low-toxic biopesticides, and safety risk monitoring. Besides, the ministry will also increase efforts to promote the reform of agricultural administrative approvals, improve the registration threshold, reinforce the market access, strengthen supervision and management of pesticides, in order to crack down on illegal manufacture and sale of counterfeit pesticides, and ensure the safety of agricultural production, the quality and safety of agricultural products, and the safety of ecological environment.

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2 Ex-works prices in Q1 2017

Price analysis

In Q1 2017, the prices of most fungicides continued to increase compared to those in the end of 2016.

- Hexaconazole

The price of China's hexaconazole TC took a favourable turn in Dec. 2016 and this upward trend continued to Jan. 2017, although the growth slowed down. But the upward trend has not continued in Feb.–March 2017. According to CCM's price monitoring, the ex-works price of hexaconazole 95% TC was USDXXX/t in March 2017, which was lower than that in Jan. 2017, as a result of its increasing supply.

- Tebuconazole

As of March 2017, the price of tebuconazole TC remained an upward trend in the Chinese market. According to CCM's price monitoring, the ex-works price of tebuconazole 97% TC was USDXXX/t, up by USDXXX /t over that in Jan. 2017. Such continual price increases were mainly affected by the low inventories, low operating rates among producers and rising prices of the intermediates for tebuconazole production.

Table 2-1 Ex-works prices of main fungicides in China, Jan.–March, 2017

No.	Product	20161008		20161108		20161208		20170108		20170208		20170308	
		RMB/t	USD/t	RMB/t	USD/t	RMB/t	USD/t	RMB/t	USD/t	RMB/t	USD/t	RMB/t	USD/t
1	96% Azoxystrobin Technical	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	98% Carbendazim technical (White color)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
...	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
26	95% Tricyclazole technical	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
27	96% Trifloxystrobin technical	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Note: The content of hexamethylbenzene in 98% chlorothalonil technical is 40 ppm.

Ex-works price includes VAT.

Source: CCM

3 Production overview and newly added capacities

In Q1 2017, some pesticide production lines didn't work during the Spring Festival. What's more, the MEP made further efforts on environmental protection; thus, pesticide manufacturers were facing increasing pressure. On the whole, as of March 2017, most production lines of fungicides ran as usual, but some of them had idled because of environmental inspections, which led to a tight supply of most fungicides.

It should be noted that there were some potential capacities of fungicides in Q1 2017.

Table 3-1 Potential capacities of fungicides in China

No.	Product	Enterprise	Capacity, t/a	Start time	Note
1	Phenamacril	XXX	XXX	XXX	XXX
2	Prochloraz	XXX	XXX	XXX	XXX
3	Aazoxystrobin	XXX	XXX	XXX	XXX
4	Prothioconazole	XXX	XXX	XXX	XXX

Source: CCM

4 Registration

In recent years, many pesticide producers have started to pay special attention to the fungicide market, with increasing number of fungicides registered. According to the Institute for the Control of Agrochemicals, Ministry of Agriculture (ICAMA), 9 fungicide TC/ TK (involving 7 fungicide active ingredients) was newly registered in China in Jan.–March 2017 by 8 companies. Thereinto, two active ingredients—tricyclazole and pyraclostrobin, were registered for 2 times.

Table 4-1 China's new registrations of fungicide TC/ TK, Jan.–March 2017

No.	Active ingredient	Specification	Registrant	Number of registration (as of March 2017)
1	Tricyclazole	95% TC	XXX	XXX
2		95% TC	XXX	
3	Methiadinil	96% TC	XXX	XXX
4	Fluoride ether bacteria amide	98% TC	XXX	XXX
5	Epoxiconazole	98% TC	XXX	XXX
6	Bacillus methylotro-phicus LW-6	800 billion spores/g	XXX	XXX
7	Pyraclostrobin	97.50%	XXX	XXX
8		98%	XXX	
9	Boscalid	98%	XXX	XXX

Note: New registrations in Jan.–March 2017 did not include the update of old registrations.

Source: ICAMA

5 Export

In Q1 2017, chlorothalonil, carbendazim and mancozeb are the top three fungicides by export volume in China. In the same period, China totally exported XXX tonnes of chlorothalonil (calculated by 100% AI), XXX tonnes of carbendazim (calculated by 100% AI) and XXX tonnes of mancozeb (calculated by 100% AI).

Table 5-1 Export volume and price of chlorothalonil from China in Jan.–March 2017

Specification	Jan.			Feb.			March			Total 100% AI volume, kg
	Volume, kg	Unit price, USD/kg	100% AI volume, kg	Volume, kg	Unit price, USD/kg	100% AI volume, kg	Volume, kg	Unit price, USD/kg	100% AI volume, kg	
Chlorothalonil 40% SC	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Chlorothalonil 50% WP	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Chlorothalonil 97% Tech.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Chlorothalonil 98% Tech.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: China Customs & CCM

Table 5-2 Export volume and price of carbendazim from China in Jan.–March 2017

Specification	Jan.			Feb.			March			Total 100% AI volume, kg
	Volume, kg	Unit price, USD/kg	100% AI volume, kg	Volume, kg	Unit price, USD/kg	100% AI volume, kg	Volume, kg	Unit price, USD/kg	100% AI volume, kg	
Carbendazim 25% WP	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Carbendazim 400g/L SC	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Carbendazim 50% WP	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Carbendazim 500g/L SC	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Carbendazim 80% WDG	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Carbendazim 80% WP	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Carbendazim 98% Tech.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: China Customs & CCM

