

Insecticide Market and Company Dynamics in China in Q2 2017

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1. Introduction

This report is about China's insecticide market and company dynamics in Q2 2017. It contains several important parts as follows:

- Mostly ex-works prices of 10 major insecticides with price analysis in China in Q2 2017, which can help you better learn about the insecticide market situation in the second quarter;
- New registrations of insecticides in Q2 2017, from which you can peek into the domestic pesticide development trend;
- Company commercial dynamics of some listed enterprises who were mainly engaged in insecticides production during Q2 2017, which will help you get to know the commercial trend of major companies in insecticide industry;
- The production and exports of the selected listed enterprises during Q2 2017, which can provide you production and sales information of major insecticides;
- Financial analysis of the selected listed enterprises during Q2 2017, from which you can know about the financial situation of these major players in the insecticide market.

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
- Farmers
- Associations

CCM carried out extensive telephone interviews with many producers of selected insecticides. 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 selected insecticides.

To directly analyse the export situation of selected insecticides, many importers and exporters were contacted whenever the verification was needed and three major insecticide

manufacturers in China have been selected to be analysed in this report.

Data processing and presentation

- Tonne: equals to metric ton in this report
- /t: per tonne
- t/a: tonne/annual, tonne per year
- USD: US dollar, currency unit in the US
- RMB: currency unit in China, also named yuan

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 Jan. 2017 to July 2017 are as follows:

- In Jan. 2017, USD100 = RMB694.98
- In Feb. 2017, USD100 = RMB685.56
- In March 2017, USD100 = RMB687.98
- In April 2017, USD100 = RMB689.58
- In May 2017, USD100 = RMB697.98
- In June 2017, USD100 = RMB685.56
- In July 2017, USD100 = RMB677.72

3. Executive summary

In the second quarter of 2017, the ex-works prices of most insecticides showed a slight XXX trend as a whole in China. Among the XXX insecticide products registered during this period, XXX was the most frequently registered at three times.

Three major listed companies (Hailir Pesticides and Chemicals Group Co., Ltd., Jiangsu Yangnong Chemical Group Co., Ltd. and Shandong Sino-Agri United Biotechnology Co., Ltd.) were chosen as examples of the insecticide market players in China, covering aspects of commercial activities, production, exports and financial situations. The three companies all had achieved profitability in the first half of 2017 according to their semi-annual reports.

Because the fourth round of XXX has been carried out from July 2017 by the China's government, the ex-works prices of most insecticide products are supposed to XXX continuously next quarter in China.

4. What's in this report?

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

1 Overview of insecticide market in China, Q2 2017

1.1 Ex-works prices of insecticide products in China, Q2 2017

Some main insecticides technical were picked out and analysed with ex-works price changes in China in Q2 2017.

The price of 70% emamectin benzoate technical showed a XXX trend as a whole in the second quarter of 2017, which had increased from USDXXX/t in 8 April to USDXXX/t in 8 July, with a growth rate about XXX%. There was a depression in capacity and supply of 70% emamectin benzoate technical before Q2 2017. In May 2017, with the increasing demand from XXX and other foreign areas, the price of 70% emamectin benzoate rose. Then in June 2017, affected by environmental inspection, supply of 70% emamectin benzoate technical continued reducing, which led to the increasing price of the product.

The price of 97% imidacloprid technical showed a relatively stable trend as a whole in the second quarter of 2017, being USDXXX/t in 8 April and USDXXX/t in 8 July. In the first half of 2017, the average price of 97% imidacloprid technical reached USDXXX/t, up by XXX% compared with that last year, which was USDXXX/t. And in 25 April, 2017, the price of 97% imidacloprid technical reached the highest level in the past five years at USDXXX/t. The reason for the sharp price increase is the tight supply of 97% imidacloprid technical in the first half of 2017, causing by the strict environmental inspection in Shandong Province.

Figure 1.1-1 Ex-works prices of 70% emamectin benzoate technical and 95% fipronil technical in China, Q2 2017



Source: CCM

Figure 1.1-2 Ex-works prices of 97% bifenthrin technical, 95% lambda-cyhalothrin technical, 97% imidacloprid technical and 95% acetamiprid technical in China, Q2 2017



Source: CCM

1.2 Registrations of insecticide products in China, Q2 2017

The new registrations of insecticides in the second quarter of 2017 included formal registrations and temporary registrations. Among the XXX insecticide products registered during this period, XXX technical was the most frequently registered at XXX times.

Table 1.2-1 New registrations of insecticide products in China, Q2 2017

No.	Registrant	Registration No.	Active ingredient	Type of formulation	Content	Expiry date
1	XXX	XXX	Lambda-cyhalothrin	TC	95%	XXX
2	XXX	XXX	Huanyangchonglin	TC	95%	XXX
3	XXX	XXX	Dinotefuran	TC	98%	XXX
4	XXX	XXX	Diazinon	TC	97%	XXX
5	XXX	XXX	Acephate	TC	97%	XXX
6	XXX	XXX	Acetamiprid	TC	96%	XXX
7	XXX	XXX	Metaflumizone	TC	98%	XXX
8	XXX	XXX	Cartap	TC	97%	XXX
9	XXX	XXX	Thiacloprid	TC	98%	XXX
10	XXX	XXX	Metaflumizone	TC	96%	XXX
11	XXX	XXX	Chlorbenzuron	TC	96%	XXX
12	XXX	XXX	Methoxyfenozide	TC	98%	XXX
13	XXX	XXX	Profenofos	TC	89%	XXX

No.	Registrant	Registration No.	Active ingredient	Type of formulation	Content	Expiry date
14	XXX	XXX	Fenobucarb	TC	25%	XXX
15	XXX	XXX	Abamectin	TC	92%	XXX
16	XXX	XXX	Thiocyclam-hydrogenoxalate	TC	90%	XXX
17	XXX	XXX	Dinotefuran	TC	96%	XXX
18	XXX	XXX	Clothianidin	TC	98%	XXX
19	XXX	XXX	Acetamiprid	TC	99%	XXX
20	XXX	XXX	Abamectin	TC	90%	XXX
21	XXX	XXX	Lambda-cyhalothrin	TC	81%	XXX
22	XXX	XXX	α -Cypermethrin	TC	95%	XXX
23	XXX	XXX	Pirimicarb	TC	96%	XXX
24	XXX	XXX	Methoxyfenozide	TC	98%	XXX
25	XXX	XXX	Methoxyfenozide	TC	98%	XXX
26	XXX	XXX	Nitenpyram	TC	98%	XXX
27	XXX	XXX	Tebufenozide	TC	95%	XXX

2 Hailir Pesticides and Chemicals Group Co., Ltd.

2.1 Commercial activities

On 12 January 2017, Hailir Pesticides and Chemicals Group Co., Ltd. (Hailir) listed on the Shanghai Stock Exchange. The company's initial public offering was no more than XXX million shares with the issue price of USDXXX (RMBXXX) each share, and the price to earnings ratio was XXX times. The stock is referred as "Hailir" with the stock code "XXX".

2.2 Production

Hailir is mainly engaged in the production and sales of pesticide technicals, formulations and intermediates. The main products of the company include imidacloprid, acetamiprid, emamectin benzoate, dichlone etc.

Table 2.2-1 Capacity and output of major insecticides in Hailir, H1 2016 & H1 2017

Product	2017 H1		2016 H1	
	Capacity (t/a)	Output (tonne)	Capacity (t/a)	Output (tonne)
XXX	XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX	XXX

Sources: CCM

2.3 Exports

Imidacloprid takes up a large share in the insecticide export business of Hailir at present, while acetamiprid only accounts for very little.

Table 2.3-1 Exports of XXX in Hailir, H1 2016 & H1 2017

Time	Export volume (tonne)	Export value (USD)	Export price (USD/t)
H1 2017	XXX	XXX	XXX
H1 2016	XXX	XXX	XXX

Source: CCM

In the first half of 2017, the export volume of XXX by Hailir was XXX tonnes, while it was XXX tonnes in the first half of 2016. The decline of export volume of XXX was mainly due to the increasing export price of the product, which rose from USD1XXX/t in the first half of 2016 to USDXXX/t in the first half of 2017.

2.4 Financial situation

On 28 August 2017, Hailir released its semi-annual report of H1 2017, announcing the company had achieved revenue of USDXXX million (RMBXXX million) in the first half of 2017.

Table 2.4-1 Financial index analysis of Hailir, H1 2017

Item	Reference index	Index value
Earning power	Return on equity	XXX
	Return on assets	XXX
	Operation profit of entirety	XXX
	Cost and expense ratios	XXX
Operation capability	Total assets turnover	XXX
	Receivables turnover	XXX
	Current assets turnover	XXX
Debt-paying ability	Asset-liability ratio	XXX
	Quick ratio	XXX
	Current ratio	XXX
Development capability	Revenue growth ratio	XXX
	Operating profit growth rate	XXX
	Total assets growth rate	XXX

Source: Hailir Pesticides and Chemicals Group Co., Ltd. & CCM

Table 2.4-2 Balance sheet of Hailir, H1 2017

Item	Terminal of the period (RMB)	Beginning of the period (RMB)
Cash and cash equivalents	XXX	XXX
Settlement fund	XXX	XXX
...	XXX	XXX

Source: Hailir Pesticides and Chemicals Group Co., Ltd. & CCM

Table 2.4-3 Income statement of Hailir, H1 2017

Item	Terminal of the period (RMB)	Beginning of the period (RMB)
Total revenue	XXX	XXX
Revenue	XXX	XXX
...	XXX	XXX
...	XXX	XXX

Source: Hailir Pesticides and Chemicals Group Co., Ltd. & CCM

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If you want more information, please feel free to contact us

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