



**CCM** Data & Business  
Intelligence

# **Fungicide Market and Company Dynamics in China in Q2 2017**

October 2017

**Researched & Prepared by:**

**Kcomber Inc.**

**Copyright by Kcomber Inc.**

**Any publication, distribution or copying of the content in this report is prohibited.**

## Contents

|  |           |
|--|-----------|
| <b>Executive summary</b> .....   | <b>1</b>  |
| <b>Methodology</b> .....   | <b>2</b>  |
| <b>1 Overview of fungicide market in China, Q2 2017</b> .....            | <b>3</b>  |
| <b>1.1 Ex-works prices of fungicide products in China, Q2 2017</b> ..... | <b>3</b>  |
| <b>1.2 Registrations of fungicide products in China, Q2 2017</b> .....   | <b>5</b>  |
| <b>2 Limin Chemical Co., Ltd.</b> .....                                  | <b>6</b>  |
| <b>2.1 Commercial activities</b> .....                                   | <b>6</b>  |
| <b>2.2 Production</b> .....  | <b>6</b>  |
| <b>2.3 Exports</b> .....   | <b>6</b>  |
| <b>2.4 Financial situation</b> .....                                     | <b>7</b>  |
| <b>3 Jiangsu Lanfeng Biochemical Co., Ltd.</b> .....                     | <b>10</b> |
| <b>3.1 Commercial activities</b> .....                                   | <b>10</b> |
| <b>3.2 Production</b> .....  | <b>10</b> |
| <b>3.3 Exports</b> .....   | <b>10</b> |
| <b>3.4 Financial situation</b> .....                                     | <b>11</b> |
| <b>4 Anhui Guangxin Agrochemical Co., Ltd.</b> .....                     | <b>14</b> |
| <b>4.1 Commercial activities</b> .....                                   | <b>14</b> |
| <b>4.2 Production</b> .....  | <b>14</b> |
| <b>4.3 Exports</b> .....   | <b>14</b> |
| <b>4.4 Financial situation</b> .....                                     | <b>15</b> |

### LIST OF TABLES

|  |
|--|
| Table 1.2-1 New registrations of fungicide products in China, Q2 2017                      |
| Table 2.2-1 Capacity and output of major fungicides in Limin Chemical, 2015 & H1 2016      |
| Table 2.3-1 Exports of 98% cymoxanil technical in Limin Chemical, H1 2016 & H1 2017        |
| Table 2.4-1 Financial index analysis of Limin Chemical, H1 2017                            |
| Table 2.4-2 Balance sheet of Limin Chemical, H1 2017                                       |
| Table 2.4-3 Income statement of Limin Chemical, H1 2017                                    |
| Table 3.2-1 Capacity and output of major fungicides in Lanfeng Biochemical, 2015 & H1 2016 |
| Table 3.3-1 Exports of major fungicide products in Lanfeng Biochemical, H1 2016 & H1 2017  |
| Table 3.4-1 Financial index analysis of Lanfeng Biochemical, H1 2017                       |
| Table 3.4-2 Balance sheet of Lanfeng Biochemical, H1 2017                                  |
| Table 3.4-3 Income statement of Lanfeng Biochemical, H1 2017                               |
| Table 4.2-1 Capacity and output of major fungicides in Anhui Guangxin, 2014–H1 2016        |
| Table 4.3-1 Exports of major fungicide products in Anhui Guangxin, H1 2016 & H1 2017       |
| Table 4.4-1 Financial index analysis of Anhui Guangxin, H1 2017                            |
| Table 4.4-2 Balance sheet of Anhui Guangxin, H1 2017                                       |
| Table 4.4-3 Income statement of Anhui Guangxin, H1 2017                                    |

### LIST OF FIGURES

|  |
|--|
| Figure 1.1-1 Ex-works prices of 97% tebuconazole technical, 98% dimethomorph technical and 95% propiconazole technical in China, Q2 2017 |
|--|

Figure 1.1-2 Ex-works prices of 95% difenoconazole technical, 95% iprodione technical and 96% azoxystrobin technical in China, Q2 2017

Figure 1.1-3 Ex-works prices of 95% tricyclazole technical, 98% carbendazim technical and 95% thiophanate-methyl technical (gray color) in China, Q2 2017

## 1. Introduction

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

- Mostly ex-works prices of 9 major fungicides 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 fungicides 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 fungicides 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 fungicides;
- 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 fungicide 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 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 selected fungicides.

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

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 fungicides showed a slight XXX trend as a whole in China. Among the XXX fungicide products registered during this period, XXX technical was the most frequently registered at four times.

Three major listed companies (Limin Chemicals Co., Ltd., Jiangsu Lanfeng Biochemical Co., Ltd. and Anhui Guangxin Agrochemical Co., Ltd.) were chosen as examples of the fungicide market players in China. Information covering aspects of commercial activities, production, exports and financial situations is displayed in this report.

Because the fourth round of XXX has been carried out since July 2017 by the Chinese government, the ex-works prices of most fungicide products in China are supposed to XXX continuously 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 Overview of fungicide market in China, Q2 2017**

#### **1.1 Ex-works prices of fungicide products in China, Q2 2017**

In the first half of 2017, prices (ex-works prices, unless otherwise mentioned) of fungicide technicals showed a XXX trend as a whole in China. During the second quarter of 2017, prices of most fungicide products rose due to the rising demand. In July, prices of fungicide technicals turned to a downturn with the reduced demand from the downstream. The capacity of fungicide manufacturers may not be effectively released because of the fourth-round environmental inspection carried out in China, and the prices of fungicide products are expected to rise.

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

The price of 98% difenoconazole technical showed an XXX trend as a whole in the second quarter of 2017, rising from USDXXX/t on 8 April to USDXXX/t on 25 June. Specifically, the price increased significantly in April 2017. In the first quarter of 2017, there was a depression in the market of 98% difenoconazole technical. After the 18<sup>th</sup> China International Agrochemical & Crop Protection Exhibition (CAC 2017) held in Shanghai in March 2017, demand for 98% difenoconazole technical from downstream market increased in April. Meanwhile, the price of triazole (a raw material of 98% difenoconazole technical) kept relatively high in the second quarter.

The price of 96% azoxystrobin technical showed a slight upward trend as a whole in the second quarter of 2017, rising from USDXXX/t on 8 April to USDXXX/t on 25 June. Under the pressure of environmental inspection, the production of some azoxystrobin technical manufacturers in northern China was limited; meanwhile, manufacturers in southern China mainly supply the overseas markets. These two reasons led to the shortage of the domestic stock of 96% azoxystrobin technical.

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

As of July 2017, there had been more than XXX registrations of fungicides, among which XXX are for mixed formulations and the rest for single formulations. Among the target crops of these registrations, XXX, XXX and XXX take up a large part.

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              | Tricyclazole      | TC                  | 95%     | XXX         |
| 2   | XXX        | XXX              | Tricyclazole      | TC                  | 95%     | XXX         |
| 3   | XXX        | XXX              | Iprodione         | TC                  | 96%     | XXX         |
| 4   | XXX        | XXX              | Trifloxystrobin   | TC                  | 96%     | XXX         |
| 5   | XXX        | XXX              | Berberine         | TC                  | 75%     | XXX         |
| 6   | XXX        | XXX              | Fenjuntong        | TC                  | 90%     | XXX         |
| 7   | XXX        | XXX              | Tebuconazole      | TC                  | 98%     | XXX         |
| 8   | XXX        | XXX              | Pyraclostrobin    | TC                  | 98%     | XXX         |
| 9   | XXX        | XXX              | Dimethomorph      | TC                  | 98%     | XXX         |
| ... | ...        | ...              | ...               | ...                 | ...     | ...         |
| ... | ...        | ...              | ...               | ...                 | ...     | ...         |

## 2 Limin Chemical Co., Ltd.

### 2.1 Commercial activities

In April 2017, Limin Chemical Co., Ltd. (Limin Chemical) announced that the company intended to purchase XXX% equity of Hebei Shuangji Chemical Co., Ltd. (Hebei Shuangji) with USDXXX million (RMBXXX million). Hebei Shuangji is one of the main manufacturers of metiram products in China, which mainly produces fungicides including mancozeb, lime-sulfur, sulfur SC, amobam, and insecticides including pymetrozine, imidacloprid, abamectin, emamectin benzoate. After this acquisition, Limin Chemical will become one of the largest fungicide enterprises in the world.

### 2.2 Production

Limin Chemical is one of the largest fungicide enterprises in China. The company mainly produces mancozeb, chlorothalonil, cymoxanil, propineb, pyrimethanil, phosethyl-Al, difenoconazole and other agricultural fungicides. The target fungicide market of the company covers 70 countries and regions around the world, including China.

Table 2.2-1 Capacity and output of major fungicides in Limin Chemical, 2015 & H1 2016

| Product | 2016 H1        |                | 2015           |                |
|---------|----------------|----------------|----------------|----------------|
|         | 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

Table 2.3-1 Exports of 98% cymoxanil technical in Limin Chemical, 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

Compared with that in the first half of 2016, Limin Chemical's export volume of 98% cymoxanil technical had a XXX increase in the first half of 2017 mainly due to a relatively stronger demand. Specifically, although the demand from Belgium was only XXX tonnes in the first half of 2017, falling from XXX tonnes in the first half of 2016, the demand from France was about XXX tones in the first half of 2017, while that was only XXX tonnes in the first half of 2016. The export price of the company's 98% cymoxanil technical kept XXX in two periods.

## 2.4 Financial situation

Table 2.4-1 Financial index analysis of Limin Chemical, 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: Limin Chemical Co., Ltd. & CCM

Table 2.4-2 Balance sheet of Limin Chemical, 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: Limin Chemical Co., Ltd.

Table 2.4-3 Income statement of Limin Chemical, 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: Limin Chemical Co., Ltd.

...

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

Tel: +86-20-37616606 Fax: +86-20-37616968

Email: [econtact@cnchemicals.com](mailto:econtact@cnchemicals.com)