

Market and Competitive Analysis of Dicamba Industry in China

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1. Introduction

In recent years, development of dicamba-tolerant crops and weeds' increasing tolerance to competing products like glyphosate have directed more and more attention to dicamba: BASF has been increasing its investment in developing dicamba business. In April 2016, Monsanto announced that more than USD975 million would be input on a dicamba project.

Amidst a fast-growing dicamba market in the globe, Chinese enterprises are also preparing for catching up with the trend. Fuhua Tongda Agro-chemical Technology Co., Ltd., a top manufacturer of glyphosate technical in China, is also constructing a 20,000 t/a project of dicamba technical. Nantong Jiangshan Agrochemical and Chemicals Co., Ltd. also expressed its intention to build a new dicamba technical production line with capacity of 20,000 t/a, which is in the stage of fund raising at present. As of June 2018, the potential capacity of dicamba technical has come to 47,000 t/a in the country.

Currently, China is the world's largest producing country of dicamba technical. And it had been developing rapidly in China in the past few years. It's estimated that the capacity and output of dicamba technical in China will continue to enjoy growth in the next five years (2018–2022).

In an aim of helping investors dig out the business opportunities and avoid the risks in this promising market, this report presents information and data for the overall market of dicamba in China. Besides, the top three dicamba producers in China, which have been taking the lead in the industry development, have been selected for in-depth benchmarking analysis in the aspects of production, sales, cost, finance and so on.

Detailed information on the following aspects will be showed in this report:

- Overview of the global dicamba market
- Overall development of China's dicamba industry
- Capacity and output of dicamba technical in China (2013-H1 2018)
- Manufacturers of dicamba technical and their capacities and outputs in China (2017–H1 2018)
- Potential capacity of dicamba technical as of June 2018
- Analysis of dicamba exports from China (2014–H1 2018)
- Consumption of dicamba in China by volume and application fields (2012–2017)
- Price trend of dicamba in China (2008–H1 2018)
- Forecast on supply and demand of dicamba in China (2018–2022)
- Benchmarking research on the three major Chinese dicamba manufacturers
- Investment opportunities and suggestions

2. Approach for the report

The report is drafted by diverse methods as follows:

✓ Desk research

The sources of desk research are various, including published magazines, journals, government statistics, industrial statistics, customs statistics, association seminars as well as information from the Internet. Information obtained has been compiled and analysed. When necessary, checks have been made with Chinese suppliers regarding market information such as key producers, key end users, production and demand.

✓ Telephone interview

CCM has carried out extensive telephone interviews in order to survey the actual market situation of dicamba in China.

Interviewees cover:

- Key producers
- Key traders
- Associations
- Experts

✓ Internet research

CCM contacted with players in the industry through B2B websites and software.

Data processing and presentation

The data collected and compiled are sourced from:

- CCM's database
- Published articles from periodicals, magazines and journals
- Statistics from governments and international institutes
- Telephone interviews with domestic suppliers, end-users, traders and industrial experts
- Third-party data providers
- Customs statistics
- Comments from industrial experts
- Information from the internet
- Enterprises' financial reports

The data obtained from various sources have been combined and cross-checked 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 them.

3. Executive summary

Though dicamba was developed by Syngenta AG early in the 1960s, it ushered in a fast development only from 2009. It is predicted that dicamba will have good market prospects because of two main factors: weeds' serious resistance to glyphosate and the successful development of dicamba-tolerant crops by international agricultural giants like Monsanto. As active players in the global pesticide industry, Chinese pesticide enterprises are proactively preparing for seizing the market share.

The present market situation of dicamba in China is summarized as follows:

- In recent years, the production scale of dicamba technical has witnessed a dramatic growth in China. Up to H1 2018, the national total capacity had increased to XXX t/a from XXX t/a in 2013. And the total output also saw a large increase from XXX tonnes in 2013 to XXX tonnes in 2017, with a CAGR of about XXX %.

- Up to 31 Aug., 2018, more dicamba technical and formulations have been registered in China. There were XXX valid registrations of dicamba technical and XXX for formulations in China. Among these formulation registrations, XXX were for single formulations and XXX for mixed formulations.

- The price of dicamba products had been rising in China in 2012–2014 chiefly because of rising demand for the products. Owing to the fast capacity expansion, increasing output and sluggish pesticide market, the price of dicamba technical dropped in 2015–2017. During Jan.–Aug. 2018, the ex-works price of dicamba products in China remained downward with fluctuations.

- China is a large dicamba supplier in the world and exports a large amount of the products every year. During 2016–2017, the export volume of dicamba products witnessed dramatic growth. In 2017, the export volume (converted to 98% technical) increased to about XXX tonnes from XXX tonnes in 2016. The increasing demand from abroad drove the export volume of dicamba products in China to a record high.

- Based on the export and output of dicamba products in China in 2017, XXX% of dicamba products (converted to 98% technical) were exported. And only quite a small amount was left for domestic application, primarily for weed control in wheat and corn fields. As for application, most of the dicamba technical are turned into dicamba formulations of 48% AS at home and abroad at present.

- The phenomenon of pesticide resistance has become increasingly serious in recent years and GM crop planting area is increasing. Accordingly, more dicamba technical will be needed as dicamba plays an important role in cultivating dicamba-tolerant GM crops. Under this circumstance, it's believed that the global demand for dicamba will enjoy a rapid growth, with a CAGR of about XXX% in 2018–2022.

4. What is in the report?

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

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2 Overall situation of dicamba market in China

2.1 Industry development in China

2.1.3 Product registration

Table 2.1.3-2 Registrations of dicamba formulations in China, as of 31 August, 2018

Type of formulation		Common content	Number of registration	Share
Single formulations	AS	48%	xxx	xxx
	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	Total	/	xxx	100%
Mixed formulations	AS	30%, xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	Total	/	xxx	100%

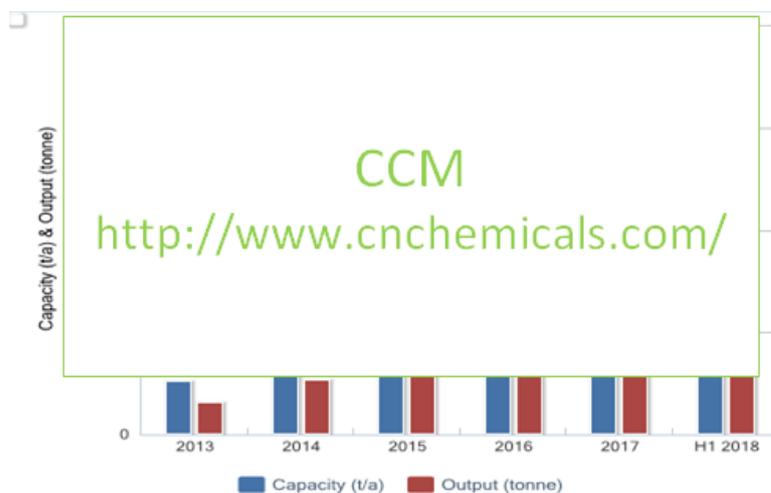
Source: The Institute for the Control of Agrochemicals, Ministry of Agriculture (ICAMA)

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2.2 Supply of dicamba in China

2.2.2 Capacity and output (2013–H1 2018)

Figure 2.2.2-1 Capacity and output of dicamba technical in China, 2013–H1 2018



Source: CCM

Table 2.2.3-1 Capacity and output of major producers of dicamba technical in China, 2017–H1 2018

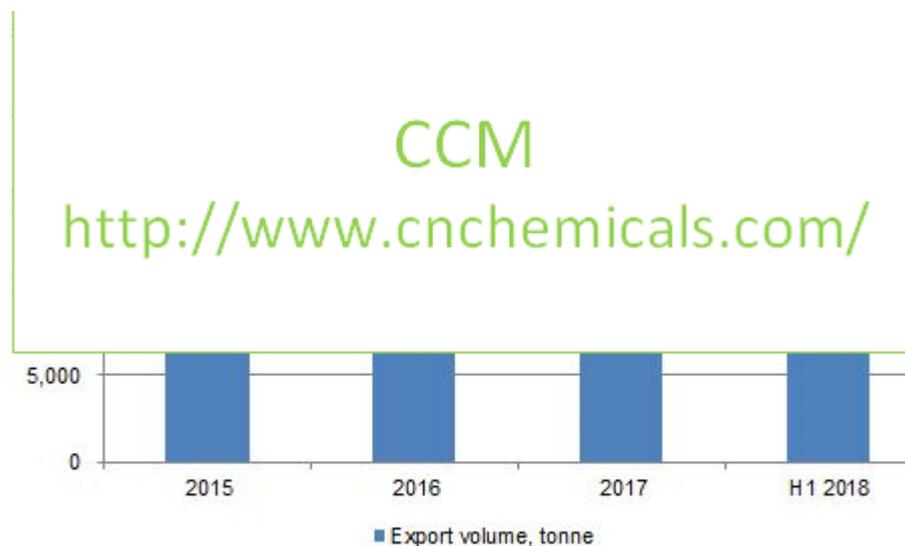
No.	Producer	Location	Status, H1 2018	Capacity, t/a		Output 2017, tonne
				H1 2018	2017	
1	Jiangsu Yangnong Chemical Co., Ltd.	Jiangsu Province	Active	xxx	xxx	xxx
...	...	...	Active	xxx	xxx	xxx
...	...	...	Active	xxx	xxx	xxx
...	...	...	...	xxx	xxx	xxx

Source: CCM

...

2.3 Export (2014–H1 2018)

Figure 2.3-1 China's export volume of dicamba technical and dicamba formulations, 2015–H1 2018



Source: China Customs & CCM

2.4 Demand

2.4.1 Consumption volume (2012–2017)

Table 2.4.1-1 Production, export, import and apparent consumption of dicamba in China, 2012–2017

Year	Capacity, t/a	Output, tonne	Export, tonne					Apparent consumption (converted to 98% Tech.), tonne
			98% Tech.	48% AS	70% WDG	70% WSG	Total (converted to 98% Tech.)	
2012	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2013	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2014	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2015	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2016	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2017	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Source: CCM

3 Benchmarking research on major producers in China

3.1 Jiangsu Yangnong Chemical Co., Ltd.

3.1.7 Analysis of dicamba production cost

Table 3.1.7-1 Cost of dicamba technical in Jiangsu Yangnong Chemical Co., Ltd., June 2018

No.	Item		Cost, USD/t	Share
1	Raw material	2,5-Dichloroaniline (99%)	xxx	xxx
		xxx	xxx	xxx
		xxx	xxx	xxx
	
...
...	Packing	/	xxx	xxx
Others/			xxx	xxx
Total/			xxx	100.00%

Source: CCM

3.1.8 Financial analysis

Table 3.1.8-1 Important financial ratio of Jiangsu Yangnong Chemical Co., Ltd.

Item	2017	2016	2015	2014
Return on equity (ROE)	xxx	xxx	xxx	xxx
Return on total assets (ROA)	xxx	xxx	xxx	xxx
Pre-tax profit margins	xxx	xxx	xxx	xxx
Turnover of total assets	xxx	xxx	xxx	xxx
Turnover of accounts receivable	xxx	xxx	xxx	xxx
Liabilities/assets	xxx	xxx	xxx	xxx
Current ratio	xxx	xxx	xxx	xxx
Quick ratio	xxx	xxx	xxx	xxx

Source: Jiangsu Yangnong & CCM

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