

2,4-D Survey in China

The Fifth Edition

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1. Introduction

This report aims to demonstrate the development of 2,4-D industry in China and analyze the factors behind it. There are almost complete records and comments about technology, production, price, exports and consumption of this product in the report.

Region: China

Time scope: 2013–2017

2. Approach for this report

The report is drafted by diverse methods as follows:

1. 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. A lot of work has gone into the compilation and analysis of the obtained information. When necessary, checks have been made with Chinese suppliers regarding market information such as key producers, key end users, production and demand.

2. Telephone interview

CCM has carried out extensive telephone interviews in order to survey the actual market situation of 2,4-D industry in China.

Interviewees cover:

- Key producers
- Key traders
- Associations
- Experts

3. Network research

CCM adopted network to contact with players in the industry through B2B websites and software. CCM also obtained registration information via network.

Data processing and presentation

The data collected and compiled are sourced from:

- CCM's database
- Published articles from periodicals, magazines and journals, and third-party databases
- Statistics from governments and international institutes
- Telephone interviews with domestic producers, service suppliers, governments, etc.
- Third-party data providers
- Customs statistics
- Comments from industrial experts
- Professional databases from other sources
- Information from the internet

The data 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 took place in order to analyse the data and draw conclusions from them.

3. Executive summary

In China, the history of production and application of 2,4-D has exceeded 30 years, and the 2,4-D's consumption has a stable market demand. Farmers prefer to use 2,4-D as a herbicide on wheat, corns and rice and as a plant growth regulator on eggplants, tomatoes, pumpkins and watermelons etc.

Increasing resistance of weeds to glyphosate in recent years and the withdrawal of paraquat aqueous solution (AS) from Chinese market starting on 1 July, 2016 brought 2,4-D products a new opportunity in China.

Using glyphosate alone would cause weeds' resistance to glyphosate, but if glyphosate is used with other herbicides, such as 2,4-D, dicamba, glyphosate's performance would be boosted effectively. The combinational use of herbicides becomes more and more acceptable to farmers in China.

According to the *No. 1745 Announcement* released by the Ministry of Agriculture of the People's Republic of China on 24 April, 2012, prohibition of the use and sales of paraquat AS in China had come into effect from 1 July, 2016. 2,4-D products and other herbicides would witness a broader space for development after the withdrawal of paraquat AS in China.

When its competitors were in a downturn, 2,4-D products received support from the authorities in terms of export. On 31 Dec., 2014, the Ministry of Finance of the People's Republic of China and the State Administration of Taxation decided to raise the tax rebate of 2,4-D technical from 9% to 13%, which would definitely benefit the export of 2,4-D technical. Thanks to this export policy, domestic producers can set a relatively low export price to enhance product's competitiveness.

In recent years, 2,4-D industry in China also confronted with barriers, including sluggish demand from overseas market, pressure from the illegal producers, difficulty in pollutant treatment, etc.

In 2017, the capacity and output of 2,4-D (converted to technical 96%) was XXX t/a, XXX tonnes respectively.

From 2013 to 2016, the export prices of 2,4-D technical and formulations declined overall because the low quotation of many unlicensed small 2,4-D producers disturbed the market. During 2013–2017, the export prices of 2,4-D technical and formulations in 2016 were the lowest. In 2017, due to tight supply, the export prices of domestic 2,4-D technical and formulations all achieved year-on-year growth. Some 2,4-D producers, under strict environmental protection policies, suspended production, resulting in the short supply of the products.



Pollutant treatment is a major problem to 2,4-D technical manufacturers. A great deal of wastewater is generated during the production of 2,4-D technical. With stricter requirements about environmental protection, the pollution problems would restrict the development of 2,4-D industry to some extent. For illegal 2,4-D producers, they don't invest in the pollutant treatment devices, which gives their products an edge on price; thus, the 2,4-D industry was severely disturbed.

Oversupply has occurred in China's 2,4-D industry. It is predicted that policies issued by the government, especially environmental protection policies, will impose the largest effect on its future development.

4. What's in this report?

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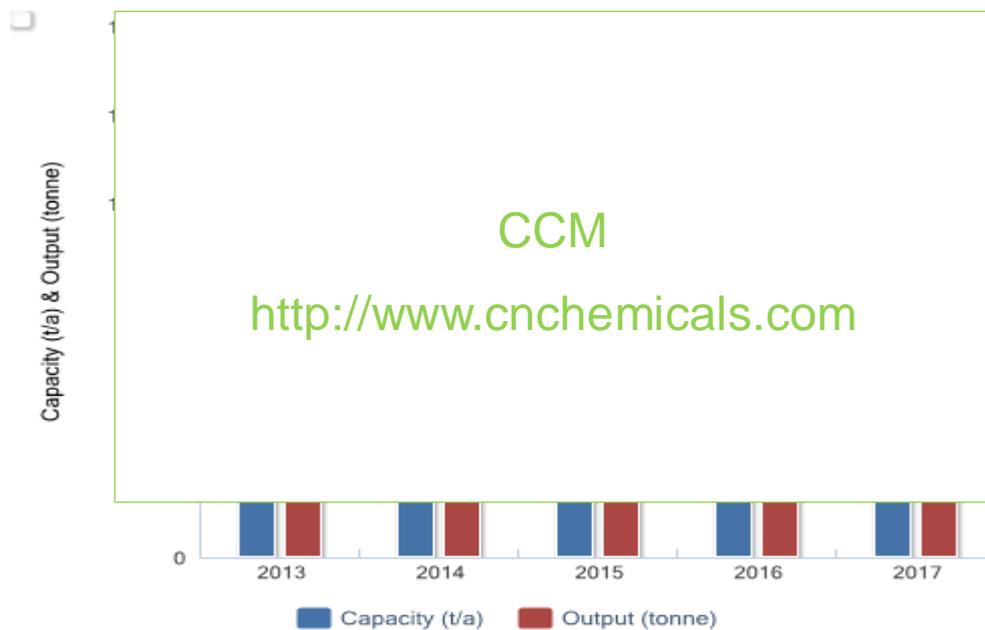
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2.4 Capacity and output, 2013–2017

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In 2017, 2,4-D technical capacity increased from XXX t/a in 2016 to XXX t/a. Its output went up from XXX tonnes in 2016 to XXX tonnes in 2017.

Figure 2.4-1 Capacity and output of 2,4-D technical in China, 2013–2017



Source: CCM

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2.5 Key producers

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In 2017, there were more than 10 active 2,4-D producers in China. Among them, Changzhou Wintafone Chemical Co., Ltd. was the largest, with a capacity of XXX t/a and an output of XXX tonnes. The company's 2,4-D capacity reached XXX t/a after completing its capacity expansion in early 2017.

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Table 2.5-1 Production of major 2,4-D technical producers in China, 2015–2017

No.	Producer	Location	Status, as of 2017	Capacity, t/a			Output, tonne		
				2017	2016	2015	2017	2016	2015
1	XXX	Jiangsu Province	Active	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	Jiangxi Province	Active	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	Shandong Province	Active	XXX	XXX	XXX	XXX	XXX	XXX
...	XXX	Jiangsu Province	Active	XXX	XXX	XXX	XXX	XXX	XXX

Source: CCM

...

3.2 Exports

...

Compared with the average export prices in 2013–2017, the export prices of 2,4-D amine salt 720g/L SL, 2,4-D amine salt 860g/L SL, 96% 2,4-D technical and 98% 2,4-D technical in 2017 decreased about XXX, XXX, XXX and XXX respectively.

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Table 3.2-9 Export volume of 2,4-D technical and formulations by exporter in China, 2017

No.	Exporter	Volumn, tonne						
		2,4-D Amine salt 600g/L SL	2,4-D Amine salt 720g/L SL	2,4-D Amine salt 860g/L SL	2,4-D Amine salt 96% SG	96% Tech.	98% Tech.	Total
1	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
...	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: China Customs & CCM

...

Table 4.1-1 Production, export, import and apparent consumption of 2,4-D in China, 2013–2017

Year	Capacity of 2,4-D technical, t/a	Output of 2,4-D technical, tonne (converted to 96% technical)	Import volume, tonne	Export volume, tonne							Apparent consumption volume, tonne
				98% 2,4-D technical	96% 2,4-D technical	2,4-D amine salt 720 g/L SL	2,4-D amine salt 860 g/L SL	2,4-D amine salt 600g/L SL	2,4-D amine salt 96% SG	Total (converted to 96% technical)	
2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: China Customs, CCM

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