IMPRESSIVE PERFORMANCE OF NEW LISTED AGROCHEMICAL COMPANIES IN 2010

Wheat Stripe Rust Spreads Fast in Many Areas in China

China Agrochemicals Output Up 17.7% in Q1 2011

Syngenta Pays a Visit to CCPIA
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Three Products Were Listed in 2011 Well-known Brand

April 8th 2011, according to management measures of well-known brand of petroleum and chemical industry, on the basis of the extensive research and views fully briefed on the units, China Petroleum and Chemical Industry Federation established the 2011 China petroleum and chemical industry reported conditions and quality index of the well-known brand products. There are 29 categories in 2011 well-known brand products Evaluation Catalog of Petroleum and Chemical industry, including pesticide products nereistoxin bionic pesticide, 2,4–D and SYP-1620.

Hainan Shall Cut Down Agrochemical Enterprises

April 22nd, Hainan Agrochemicals wholesale and retail business license Management (tentative) was adopted by Hainan provincial government in executive meeting. The Management will curb the use of prohibited pesticides behavior from the original. According to survey, there are 337 wholesale enterprises and 1786 retail companies with a full range of pesticide license so as to be difficult to manage. After implementation of Management, the province shall reserve only 2–3 pesticide wholesale enterprises and 205 retail enterprises by 2013.

Glyphosate Working Group Call for Strict Administration

More than 20 members of Glyphosate products Collaborative Group adopted a resolution on April 20th in Leshan, Sichuan. They petitioned the Ministry of Commerce, the Ministry of Agriculture, Ministry of Industry and Information Technology, Ministry of Environmental Protection and other governments to propose the establishment of glyphosate industry product exports qualification system, "three wastes" discharge standards and the implementation of Glyphosate Clean Production Technology System. This is the first time that Glyphosate products Collaborative Group took the initiative to promote the producing access through effective management for Glyphosate exports company from the governments so as to build a fair competition and normative exports environment and promote the stable and long-term development of glyphosate industry. The proposal got the attention by the relevant departments.

A Transgenic Powdery Mildew-resistant Wheat Was Developed Successfully

Recently, a transgenic wheat with a gene resistant to powdery mildew was successfully developed by Swiss experts. Although in the past researches, genes resistant to powdery mildew pathogens were discovered, the effect were not satisfying. Hence, scientists assumed that the valid resistance period can be extended by making certain modifications towards these disease-resistant genes in the planting process. Scientists developed four different transgenic wheat plants with disease-resistant characteristics. These plants can over express gene Pm3b, which is an allele of powdery mildew-resistant Pm3 controlled by maize ubiquitin promoter. After the examination, all the processed wheat can produce more Pm3b (3-600 times of the average). Their anti-disease capabilities are proved to get significantly increased during the field and greenhouse tests. The plants with genes that have the largest over expression can even have resistance towards wheat powdery mildew strains, which normally can work against the resistance produced by Pm3b and continue to infect plants. And the overexpression of Pm3b will lead to unexpected pleiotropic influence, such as, on plant spike or shape of leaves, etc. Researches also show that the success of anti-disease genes have a close relations with optimized gene expression level. By advancing the expression level of specific genes, anti-disease genes can be developed.

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ChemChina-MAI Deal Received All Approvals From Chinese Authorities

Since this January ChemChina and Israel signed the agreement, and reported higher authorities, the acquisition was got the approval of National Development and Reform Commission in this April. In earlier May, the case have received the approval of the Ministry of Commerce and Foreign Exchange Authority successively, which marking the acquisition has received the all the country's official approval. The acquirer of the case ChemChina and the seller Koor Group performed in accordance with contracts and related agreements.

The acquisition amount up to $2.4 billion, including USD 1.272 million for the sale of approximately 53% of the Company's shares from the public shareholders of the Company, and invested USD 168 million for the sale of approximately 7% of the Company's shares from Koor. As part of the merger, ChemChina shall arrange for the provision of a non-recourse loan to Koor through a Chinese bank in the sum of USD 960 million, which shall only be secured by a lien on Koor's shares in the Company.

Pesticide Industry 12th Five-Year Plan Has Been Submitted to Nominate to Cultivate Several Companies

It is reported that the pesticide industry "12th Five-Year" plan which was drafted by China Crop Protection Industry Association, has been basically completed and reported to authorities. Planning is issued upon several nominated enterprises with international competitiveness, such as Zhejiang Wynca Chemical Industry Group Co., Ltd, Nanjing RedSun Co., Ltd, Jiangsu Yongnong chemical Co., Ltd, Lier chemical, Shenzhen Noposion Agrochemicals Co., Ltd etc.

12th Five-Year Plan

Draft plan proposed that pesticide manufacturers will be further concentrated. By 2015, pesticide manufacturers shall reduce to 300. There shall be 5 agrochemical enterprises, of which sales exceed 5 billion RMB and 20 enterprises, of which sales exceed 2 billion RMB. The technical production of the top 20 pesticide manufacturers shall account for more than 50% of total.

To build 3 ~ 5 professional pesticide industry parks in the concentrated area of agrochemical production enterprises.

To cultivate 2 ~ 3 internationally competitive conglomerates, of which sales exceed 10 billion RMB.

Status

At present, the status of pesticide industry in China is more than 4,000 agrochemical enterprises disorderly market compete, most of them which live with the small profits, rare enterprises, which market share is over 5% of total.

It is proposed that large enterprises shall be set up through mergers, restructuring, joint-stock reform, etc. Formation of large-scale, multi-Varieties of agrochemical enterprise groups shall be promoted, such as Sinochem Corporation, China Chemical Industry Group Company. Meanwhile, it also issued several international competitiveness of enterprises, such as Zhejiang Wynca Chemical Industry Group Co., Ltd, Nanjing RedSun Co., Ltd, Jiangsu Yongnong chemical Co., Ltd, Lier chemical, Shenzhen Noposion Agrochemicals Co., Ltd etc.

Actually, in order to grow into internationally competitiveness enterprises, Lier Chemical has released, a major asset restructuring announcement that acquired a 51% stake in Jiangsu Kuaida Agrochemical for 170 million RMB on last December 30; Noposion Agrochemicals also disclosed to acquire a 35% stake in Jiangsu Changlong Agricultural Chemicals.

It also proposed clear targets of Emission reduction & energy conservation. By 2015, further improvement and perfection of special pollutant treatment technology and "three wastes" emissions by 15% are obtained. The yield of pesticide production increase 5% and by-products utilization efficiency increased by 30%.

Goal

Authorities from CCPIA believe that Energy conservation & emission reduction intensified will accelerate the integration of market by leading enterprises. Currently, the majority of agrochemical
companies, of which sales exceed 1 billion RMB are listed companies with the foundation of environmental protection. However, SMEs, of which sales are between 100~200 million with the weak foundation of environmental protection will gradually be integrated or out of market. Draft plan also proposed that by 2015, the whole technological level of the pesticide industry has improved greatly, leading production of large enterprises will achieve continuous, automated; and technical indicators of new varieties will reach the international advanced level; the quality of most of the old varieties will reach the international advanced level.

Wheat stripe rust spreads fast in many areas in China

From the beginning of April, Wheat stripe rust spreads fast in Hubei Province and Eastern part of Southwest, and the signs and symptoms are shown successively in the southern area of Huang Huai such as the Guanzhong Region of Shaanxi Province and the Eastern part of Henan Province, etc., due to the higher temperature and more rainfall. Until April 21, the affected areas reached 9.259 million units of area, including 8 provinces (Sichuan, Yunnan, Guizhou, Chongqing, Hubei, Shaanxi, Gansu and Henan), 61 cities (regions) and 306 counties (cities and regions), having an increase by 1.8 times compared to that on March 31.

From April, Sunny weather alternated with rain and heavy winds (twice) continuously in Hubei Province, which helps the extension of the disease. Currently, 4.102 million units of area were affected, increased by 7.7 times compared to that on March 31.

Recently, the decease spreads fast in Eastern part of Southwest, such as, the Sichuan Basin, Northeast of Guizhou, Chongqing, etc. The decease tended to stabilize in Western and Southern parts of Southwest due to the maturation of wheat. Among which, compared to that on March 31, the affected regions in Sichuan reached 2,591 million units of area, which is doubled; for Guizhou, the area was 751,000 units of area, with an increase by 1.3 times; for Yunan, 1.288 million units of area with most of its regions becoming stable.

From the middle of April, the disease had a further development or was shown signs and symptoms successively in regions such as, Southern and Central

Ministry of Agriculture Deployment 2011 National Grassland Rats and Pests Control Work

At present, cities will be gradually into grassland rat and pests control period. To effectively do the work of disaster prevention prairie mouse pest, the Ministry of Agriculture recently issued a circular requiring local departments to strengthen control organization, and effectively "early mobilization, early deployment, early prevention and control." Strengthen monitoring rats and pests and warning in the key area during the critical period, release the information promptly. Combined with grassland ecological protection subsidies to the implementation of encouragement policies, and strive to allocation of one grass management member per 6670 ha of key area and promote the basic forecasting team construction and improve the grassland mice & pests forecasting ability. Meanwhile, circular required to gradually reduce the use of chemical pesticides, and vigorously promote the use of biological agents, natural enemies control, physical control, ecological management and other control measures and promote the sustainable management of grassland mice & pests. From June 1st to August 30th, all rats and pests control institutions implement a 24-hour duty system and Zero report system to closely monitor the trend of grassland mice & pests occurrence, promptly develop prevention and treatment.

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areas of Shaanxi, Southern and Northern parts of Gansu and Nanyang (in Henan Province). The disease was characterized by affected areas becoming smaller and consequent periods becoming late compared to the same period of last year and years around. But as they are the important origins, and also function as bridges to the epidemic explosion in larger areas, they already had become a threat to their Eastern wheat areas. The affected areas in Shaanxi reached 140,000 units of area; Gansu, 77,000 mu and 25,000 mu for Henan Province. Estimated by China Meteorological Administration, among the late period of April, the temperature in major areas for winter wheat remains the same with all year around. 1-2 times heavy rainfalls are expected in most areas in the Eastern part of Southwestern and Southern part of Huaihe River. The total rainfall shall keep the same as usual, which is benefit for disease extension in these areas and brings more threat to the safe production in the major Eastern wheat areas.

“Researches on Fermentation Technologies of Xinaomycin” was gained appraisal

The achievement of “Trail on Fermentation Technologies of “Xinaomycin”, made by Chengdu Institute of Biology (CIB), which was gained appraisal on April 3. This program gained a microbial strain with antimicrobial activity, using the method of soil separation and purification from west Sichuan, which was identified as Streptomyces noursei XiAo-1. Antibacterial compounds generated from it were identified as a new-structural compound (1 - uracil - 4 - muscle ammonia acyl - silk ammonia acyl amino - 1-2 deoxidizing - beta D - pyranoid glucose hyaluronic acid, named as )by national authorized units for agrochemical quality and analysis after patent documents’ search. After applying modification to wild Streptomyces noursei XiAo-1 strains by using microwave and NTG composite mutagenesis technologies, high-yield treptomyces noursei XiAo-3 strains are gained, with “Xinaomycin”’s potency arrived 10000u, and have the value of industrial development. The program also invented high-effective fed-batch fermentation and extraction technologies (50L and 5000L), characterized by 48 hour fermentation period, 10000+u potency and 90% crude products. Meanwhile, acute toxicity tests have been run for technicals and 4% water agents, the result is labeled as “slightly poisonous”. Application and demonstration experiments in fields and plots have been conducted to tobacco, peppers and tomatoes, etc., which shows that has a very strong antiviral activity, and can prevent bacterial diseases such as Xanthomonas Oryzae, Ralstonia solanacarum, soft-rotting disease in a broad-spectrum.

Experts all commit that the achievement, with its original, advanced and systematic advantages, has reached the international leading level in chemical structures of its active ingredients and high-yield production of bacterial strains. The application shall help to solve problems in prevention and cure of virus and bacterial diseases.
The safety assessment of organophosphorus pesticides was completed

How much of organophosphorus pesticide residue in agricultural products is safe? How to use organophosphorus pesticide properly? Molecular Toxicology research group of Institute of Zoology, Chinese Academy of Sciences and State Key Laboratory of Integrated Management of Pest Insects and Rodents accomplished a major issue. They studied on toxicological effects of trichlorfon based on organophosphate pesticides and its environmental compatibility and assessed the use of these pesticides’ safety.

**Significance**

The study provided scientific support for the relevant departments of the state determining the maximum residue limits of trichlorfon organophosphate pesticides in crops and agricultural products and developing proper guidelines for the use of such pesticides. On account of the technical bottleneck of the analysis and determination, Researchers purified the samples through the improved German Standard S19 method and determined them via GS with large diameter to establish the analytical method of simultaneous determination of trichlorfon and its degradation dichlorvos. On this basis, they analyzed ambient temperature, rainfall, soil properties and other factors on trichlorfon and its degradationof dichlorvos and determined organophosphorus pesticide residue in cabbage in different time to assessed its safety.

According to presentations, the organic phosphorus pesticide is the most used pesticide in our country, which trichlorfon was used heavily for long-term due to its extensive use. However, its toxicity and effects on the environment and food safety of agricultural products has been worrying. In the process and after using, trichlorfon easily dissolved into dichlorphos,which generally toxicity is 10 times larger than trichlorfon its own.Due to the limitation of technology,dometic always lack of the method of examining trichlorfon and dichlorphos exactly at the same time.Meanwhile, the rate of transition from trichlorfon to dichlorphos is not clear especially for the situation of dissolve in crops and soil.

Impressive performance of new listed agrochemical companies in 2010

Jiangsu Changqing Agrochemical Co., Ltd., Jiangsu Huifeng Agrochemical Co., Ltd. and Jiangsu Lanfeng Bio-chemical Co., Ltd. have been approved to list successively and showed impressive performance in 2010.

Total revenue of Jiangsu Huifeng Agrochemical Co., Ltd. reached 767 million RMB, which increased 11.29% in the same period. Operating profit, total profit and the net profit of shareholders of listed companies reached 107 million RMB, 120 million RMB and 102 million RMB, dropped 11.18%, 12.23% and 12.37%respectively.

Total revenue of Jiangsu Changqing Agrochemical Co., Ltd was up by 11.7% to 755 million RMB,comparing to the previous year. Operating profit, total profit and the net profit of shareholders of listed companies reached 109 million RMB, 122 million RMB, 106 million RMB respectively, operating profit dropped 6.53% over the previous year due to decline in gross margin of some products and managing costs. Total profits and net profit of shareholders of listed companies was up by 4.46% and 5.56%over the previous year, respectively. During the reporting period, company was in good production and operationand product sales increased steadily.

Total revenue of Jiangsu Lanfeng Bio-chemical Co., Ltd. was up by 45.66% to 914 million RMB. Operating profit, total profit and net profit of shareholders of listed companies reached 92 million RMB, 93 million RMB and 79 million RMB, was down by 1.53%, 20.05% and 20.07%, respectively. It was reported that the rapid total revenue growth was mainly due to effectively improved productivity and rising product prices; profit decline was primarily due to higher raw material prices.

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Chen Fuheng was born in July 1928. She studied at Soochow University Shanghai from 1946, then studied in Tsinghua University from 1949, she graduated from Beijing Agricultural University, Department of Chemistry and joined the faculty in 1953. Chen promoted to be professor in 1985, she was approved by the State Council Academic Degrees Committee as a PhD supervisor in 1990. Chen won the government special allowance that issued by the State Council in 1991. In 1980, Chen engaged advanced studies in Switzerland Ciba-Geigy Limited, and she participated in collaborative research of University Hohenheim, Department of Chemistry in West Germany. After that, Chen went to universities and companies in the United States, Thailand, UK several times to study, visit and academic exchanges. Chen was executive director, vice president and chairman of Beijing Institute of pesticides, and now, she is current Honorary President of Beijing Institute of pesticides.

Professor Chen Fuheng is a famous pesticide chemist of our country, fruitful achievements has been made in her decades of research career. She won a number of national and provincial awards. In 1981, the development of DINITOLMIDE that was a new medicine can anti-Coccidiosis in Chicken won the third prize of Beijing Departmental Science and Technology; The development and application on cotton of Mepiquat chloride(a new plant growth regulator) was awarded the Technology Improvement first Prize by Ministry of Agriculture and Fisheries in 1984, which also won the third prize of National Prize for Progress in Science and Technology in 1985; The research and development of Decamethrim(a high-efficiency and low-residue pesticide) won the prize of Achievements in Tackling Key Scientific and Technological Problems of “Sixth Five-year”; The research and development of Mepiquat chloride won the third prize of Agriculture Ministry Award for Science and Technology Progress in 1991. Professor Chen has obtained 12 Chinese invention patents. In addition, Professor Chen has published over 150 articles in academic journals.

Professor Chen Fuheng taught seven courses including Organic Chemistry, Organic Analysis, Bioorganic Chemistry, Infrared Spectroscopy, etc; and she has trained more than 20 master and doctoral students and two post-doctorate. Professor Chen has paid great attention to moral upbringing of student, In 1991, she was promoted as educating and teaching Model by Ministry of Agriculture of the People's Republic of China for her meticulous scholarship. Professor Chen Fuheng is one of the founders of “Chinese Journal of Pesticide Science”, and she served as the first and second Managing Editor, she is honorary editor now. Professor Chen has co-edited "Organic", " Encyclopedia of Chinese agriculture • Pesticide volume".

Professor Chen Fuheng is not only distinguished for her academic achievements, but also she has high artistic accomplishment. She is a landscape painting researcher of Maple Painting and Calligraphy Institute.
Jerry Zhang was Appointed as Vice President of Huaxing

The 6th meeting of the fifth board of Anhui Huaxing Chemical Industry Co., Ltd. was held on March 24. The meeting decided to appoint Xie Ping as chairman and president. Jerry Zhang was appointed as vice president.

From the public information, Jerry Zhang was born in August 1957, graduate degree. He was employed as associate professor in Department of Chemistry and head of Chemical Research Institute, Henan University. Then he worked in Singapore Sundat Pesticide Company as manager of R & D department and general manager, he served U.S. Witco and the Dutch chemicals company Akzo Nobel Asia Pacific as a manager, Canada Rotam.HK Company’s technology and quality assurance as director, and as expert members of Journal of China Agrochemicals. In March of 2010, Jerry joined Anhui Huaxing Chemical Industry Co., Ltd. He has 15 years of working experience in multinational research and development of chemical pesticides, with R & D and technology management experience, nearly 20 years of industrial surfactant applications and research experience in agrochemical formulations.

Golden CAC Crop Technical Service Center opened in Shanghai

February 28th, CAC Group Co., Ltd and Shanghai Academy of Agricultural Sciences together to build the "three rural" services platform - Golden CAC Crop Technical Service Center in Shanghai, while more than 10 new vehicles of center wearing green ribbons for distribution of agricultural materials went to rural areas, to carry out agricultural services.

Agricultural vehicle with technical staff, while were sent to farmers the “green”agricultural means of production provided technical services with pesticides, fertilizers, seeds, plastic sheeting and other aspects of agricultural machinery and promoted food safety knowledge. This new "three rural" service model are appreciated by officials of the Shanghai Municipal Agricultural Commission and more than 30 Chinese and foreign agrochemical manufacturers. It is reported that the newly formed golden CAC crops technical service center will focus on creating an own technical team with the Shanghai Academy of Agricultural Sciences Group for direct services to the farmers. What they will do is field experiment demonstration, to establish a free hotline 800, to answer difficult questions by the experts of Academy of Agricultural Sciences, to carry out regular or irregular technical training for farmers via cooperating with the Academy of Agricultural Sciences according to the farming season and to introduce "House of Golden CAC" mobile newspaper etc.
March 28th–29th, 2011 National Secretary-General joint meeting of pesticide industry and the media forum was held by China Crop Protection Industry Association in Shenzhen. Secretary General of crop protection industry associations from Jiangsu, Zhejiang, Guangdong, Henan, Chongqing, Shaanxi, Heilongjiang, Liaoning and other provinces and more than 40 journalists from the editorial department of The agriculture and market, AgriGoods Herald, pesticide market news,NH10, Fine Chemical Intermediates, Anhui pesticide information, pesticide, China agrochemicals etc. attended the meeting. Deputy Secretary-General Cao Chengyu hosted the meeting, Mr Fan Yaocheng from Guangdong Pesticide Industry Association addressed. Sun Shubao reported the work summary of 2010 and work plan of 2011 of China Crop Protection Industry Association. At last, chairman Luo Haizhang gave the advice for the development of China pesticide industry and media.

Work summarize in 2010

- To be involved in the amendment of Pesticide Management Regulations.
- To draft pesticide industry policy and to promote implementation.
- To set up 13 products collaborative groups of imidacloprid, abamectin, paraquat, chlorothalonil, mancozeb, carbendazim, acetochlor, glyphosate, acephate, chlorpyrifos, 2,4-D, pymetrozine.
- To promote the relevant departments to reach the acceptable solution about banning the high toxic pesticide.
- To establish the off-season reserve system of pesticides.
- To introduce the investment organization for mergers and acquisitions.
- To be involved in the preparation of environmental policies and regulations. For the commission of China Petroleum and Chemical Industry, the association studied out the condition of declaring and the quality index of goods, then they choose abamectin and chlorpyrifos products as China Petroleum and Chemical Industry well-known brands products to accept the declare file from pesticide industry and undertake the first trial and the censor of experts.
- To introduce new website on-line,
- To organize the meeting of second environment-friendly pesticide formulations and production equipment, processing technology seminar in Suzhou in April 15th–16th. Second National Environmental Technology Exchange pesticide industry in Jinan in July 15th–16th. and the 10th National agrochemicals and agricultural products exchange meeting in October.
March 4th, Tom Gray, Head Global Sourcing, Eladio Robles, Global Head AI Procurement and Jens Hoepken, Head of Supply Chain Procurement Asia Pacific from Syngenta with ZhangDong, general manager and Ms. Wu, vice general manager of Shanghai Freemen Chemicals Co., Ltd visited China Crop Protection Industry Association. Secretary-General Sun Shubao, Deputy Secretary-General Cao Chengyu and Director of Information and Statistics Department Connie Ao etc. of China Crop Protection Industry Association met the visitors. Secretary-general Sun Shubao introduced the development situation of China pesticide industry in recent years, new pesticide industry policy established in 2010 and the problems. Tom Gray introduced the development of Syngenta in recent years, last year's performance and cooperation with Chinese enterprises. Syngenta purchase the pesticides products from 15 Chinese enterprises.
RICE, as one of crops, has the most agricultural pesticides usage in our country. The usage is 10% of total amount of agrochemicals’ usage and 20% of pesticide usage. There are two factors for this: One factor is that rice’s planting area is the biggest in our country, amount to 4.3 billion per year. The other factor is that the pests of rice has varies species and the disease occurs frequently, among them, rice planthopper ashes, cnaphalocrocis medinalis, nilaparvata lugens, snout moth’s larva are the four kinds of pests occur frequently every year. Therefore, both domestic and foreign enterprises are focused on this huge potential market.

I THE STRONG ADVANCE OF IMPORTING SPECIES IN THE RICE PESTICIDE MARKET

Rice planthopper, chilo suppressalis and cnaphalocrocis medinalis are hard prevented three pests in the production of rice, which mainly use acephate met to prevent. Acephate met, a high toxic pesticide, delisting the market, then Bayer’s patent product Regent (fipronil) replace it becoming the main species that used by rice farmer thus its annual sales is more than 1000 tons and sales reach more than a billion RMB. Except fipronil, Bayer’s imidachloprid, due to its excellent prevention for rice planthopper, is praised highly in the market. Dow’s Lorben is recommended by environmentalists for its strongly control of rice pests fumigation function and permeability. Besides, Dupont’s Indoxacarb, Syngenta’s Thiamethoxam, Bayer’s Ethiprole etc., are also among bestsellers everywhere with a large scale. The local distributors are hurry for the sales authorities and the usage of imported pesticides becomes larger. Bayer’s fipronil has been forbidden since October 1st. in 2009 in China, for its high Profenonok risk towards aquatic creatures and bee. After fipronil’s delisting, Coragen in importing species market was demanding an increase and it was still the main quotient of rice pesticide. Following that, there were more brands of multinational company stepping into home market successively. Meanwhile, its high orientation products using mature and effectively sales mode occupied the domestic rice pesticide market. The main species are Dupont’s Coragen(chlorantraniliprole), Syngenta’s chlorantraniliprole • thiamethoxam, BASF’s metaflumizone and Rotam’s (flubendiamide). In 2010, Bayer were registering the rice pesticide BELT in China (mixture of flubendiamide and abamectin) and this kind of rice pesticide is an ideal medicament for preventing cnaphalocrocis medinalis, striped rice borer. BELT is called one sword stabbing the three pests in environmentalism, which reduce the number of using pesticide and low usage costs, because it costs 16 RMB per unit, spreading broadly and lasting long. In recent years, the proportion of using imported pesticide is increasing and it takes the biggest share in the market of rice pesticide. According to statistics, the proportion between general pesticide and imported pesticide is 7:2. The demand of importing high level species has increased almost 20% in the year of 2010. There are three factors leading imported pesticides to enlarge market quotient rapidly in a short time. First, the product launch strategy of multinational pesticide enterprises: according to the market demand, excogitating new compounds, dose and prescription which make efforts to provide the whole solving project to solve the key problems in the production, at the same time, focusing on the security of crops, human and environment. For an instance, Syngenta has launched a project that aims at increasing the production with less usage, which consists of Syngenta’s 25% thiamethoxam, 50% pymetrozine, 40% chlorantraniliprole • thiamethoxam. The project has spread to more than 10 billion units of rice area in 2009 and 2010 in order to effectively control the harm of main pests, reduce the time of using pesticide and ensure or even increase production. Secondly, the imported pesticide has enormous advantages, which not only has good impacts but the environmentalist and low toxic species. It excels the general pesticide making in our own country in the aspects of the impact of emulsification, pulverization and the dosage so that it can has a better protection for farmer’s work. Thirdly, the price of imported pesticide is stable. The Foreign companies will determine the price of the next year at the end of the previous year, after the
II CHINESE RICE PESTICIDE SPECIES ALSO HAS HIGH-QUALITY PRODUCTS.

After acephatemet, fipronil and its mix agents’ delisting, the chemicals need to change. How to master and promote the appropriate types to improve the prevention of rice stem borer and Cnaphalocrocis medinalis is an important aspect in crop protection. Domestic crop protection field launched homemade chlorpyrifos, abamectin, Emamectin Benzoate and mixture consist of abamectin•chlorpyrifos, Profenofisk Profenofos•hexaflumuron, abamectin •hexaflumuron, later becoming the main species to replace acephatemet to prevent rice stem borer and Cnaphalocrocis medinalis. Chlorpyrifos, a kind of organophosphorus pesticide, becomes the biggest usage for preventing three rice pests, soon its usage in rice has increased 100% nearly and domestic annual usage is about 1.8 million tons. Abamectin has rapidly risen in the southern provinces and annual usage also has raised to 2,800 tons. Through examination, abamectin has the capability to become the new mainstream in the market, for its lower costs than acephatemet and chlorpyrifos, widely spread and excellent effect. Triazophos is the main type for preventing snout moth’s larva. Those effective, low-toxic,low-residue and pollution free species such as bisulfat,monosulfat, etc., will have more market space. Recent years, the usage of some applicable medium toxic pesticides has increase fast in the area of serious degree occurrence of three rice pests, like phoxim, dichlorphos, buprofezin, pymetrozine, acephate etc,. In this period, different mechanism by scientific screening single-agent made after dispensing has largely used in the production, for instance, abamectin•chlorpyrifos EC, Emamectin Benzoate•chlorpyrifosWP, buprofezin • monosulfatapEC, buprofezin • phoximEC, which have excellent prevention for three rice pests. As testified from pharmacodynamic test ,it is similar between the mixture of chlorpyrifos+. abamectinad Emamectin Benzoate+hexaflumuron developed by domestic enterprises and the import species, BELT ,besides, the costs of domestic species are lower than the imported. In a word, among the domestic pesticides, there also has high-quality goods and the key is that the domestic enterprises must rapidly improve the technology of us -ing pesticide and the method of prevention. In recent years, the speed of developing new rice pesticides has been accelerated in China and some have committed by farmers and businessmen, such as pymetrozine, nitenpyram,thiamethoxam,furan tebufenozide, butene-fiproniland chlorpyrifosand abamectin, Emamectin Benzoate mixture. With the outbreak of long-term domestic nilaparvata lugens and the pesticide resistance gradually appeared, the effect of prevention has declined year by year. Pymetrozine, a new kind of efficient and lowtoxic pesticide, based on its excellent prevention, becomes the first choice for preventing rice fulgorid in Hunan, Hubei,Guangdong and some other planting areas. Chinese plant protection experts claim that pymetrozine, as the replacement of acephatemet, can completely fulfill the needs of preventing pests, improve the quality of crops and promote agricultural income. The Ministry of Agriculture has many species and technologies to prevent rice pesticide,such as buprofezin, pymetrozine control rice fulgorid; imidacloprid control white back plant hopper; rofenofos,bsisulfat,hexaflumuron control cnaphalocrocis medinalis.The domestic new production has already become the mainstream in the market of rice pesticide and has an increasing demand.

III DOMESTIC ENTERPRISES SHOULD STUDY THE STRENGTHS OF MULTINATIONAL ENTERPRISES.

At present, domestics and foreign production can not compete due to the different background. First, we fall behind when compared with multinational enterprises in the aspect of R&D. It should be mentioned that domestic and imported species are competing on a large stage of the market of rice pesticide. Domestic companies do not have a huge gap with foreign companies in the technology of producing pesticide and the quality, however, the main reason is our low-price strategies, so that we do not have advantages in the market competition. Therefore, we should strengthen quality while stress to improve the management. Chinese companies should strengthen the analysis and learning from multinational companies in the aspect of exploration R&D, production and sales. To sum up, all of imported products are qualified pesticides which are deserved to spread by enterprises and dealers. Meanwhile, we should make effort to market domestic advantaged products, for instance, chlorpyrifos, abamectin, pymetrozine. Because the market belongs to the products which have better sales and longer effects.
China agrochemicals output up 17.7% in Q1 2011

Agrochemicals output in the first quarter of 2011 increased by 17.7 percent, representing the consecutive quarters of double digit growth. According to the data released by the National Bureau of Statistics, the production of pesticide products in the first quarter of 2011 is shown as follows:

In Q1 of 2011, accumulated production of technical pesticide products was 250,000 tonnes, increased by 17.7% over the same period over 2010, among which insecticide 209,000 tonnes, fungicide 40,000 tonnes, herbicide 262,000 tonnes, up 14.2%, 53.8% and 14.4% over Q1 2010, respectively. According to the data released by the General Administration of Customs, pesticide import/export and trade favorable balance in the first quarter of 2011 is shown in table 2:

Table 1 Pesticide Production in Q1 2011 (a.i.100%, 1,000t)

<table>
<thead>
<tr>
<th>Type</th>
<th>Output</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Growth (±%)</td>
</tr>
<tr>
<td>Total</td>
<td>632</td>
<td>17.7</td>
</tr>
<tr>
<td>Insecticide</td>
<td>209</td>
<td>14.2</td>
</tr>
<tr>
<td>Fungicide</td>
<td>40</td>
<td>53.8</td>
</tr>
<tr>
<td>Herbicide</td>
<td>262</td>
<td>14.4</td>
</tr>
</tbody>
</table>

It is shown from the table above that the exported pesticide increased greatly. The imported pesticide amount was 16,000 tonnes, decreased by 4.1%; the imported pesticide value reached $0.15 billion, increased by 17.3%, the imported average price was $9,375/t. Among them, imported insecticide, herbicide and fungicide increased by -7.8%, 17.7% and -26.2%, respectively. The exported pesticide amount reached 206,000 tonnes, increased by 23.8%, the exported pesticide value reached $0.64 billion, increased by 29.9%, and the exported average price was $3,107/t. The exported amount accounts for 34.2% of the total output. Among them, exported herbicide was 136,000 tonnes, increased by 29.8%, accounting for 66.0% of the total export, 51.9% of herbicide production. The exported herbicide value was $0.37 billion, the average exported price was $2,721/t, increased by 9.7%. The exported fungicide was 19,000 tonnes, increased by 7.7%, accounting for 9.2% of the total, 47.5% of fungicide production; the exported fungicide value reached $0.1 billion, up 36.5%, the average exported price was $5,263/t, increased by 22.2%. The favorable trade balance was $0.49 billion, increased by 34.4%.

Table 2 Pesticide Import/export and favorable trade balance in the year of 2010 (1,000 tonnes, $100m)

<table>
<thead>
<tr>
<th>Type</th>
<th>Import</th>
<th>Export</th>
<th>Favorable trade balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Value</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>Q1</td>
<td>Growth (±%)</td>
<td>Q1</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>-4.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Insecticide</td>
<td>2</td>
<td>-7.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Fungicide</td>
<td>5</td>
<td>17.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Herbicide</td>
<td>7</td>
<td>28.2</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Wheat major diseases and pests occurrence condition

By April 28, the national wheat area of cumulative incidence of pests and diseases reached 25.5 million hectares, increased by 34.4% over the previous year; total control area of 18.2 million hectares, increased by 11.8% over the previous year. Of which the cumulative incidence of disease area of wheat stripe rust reached 0.7 million ha, newly increased 80,373 ha this week; total control area reached 0.94 million ha, increased by 39.1% over the previous year. This week, wheat Stripe rust control area reached 81,374 ha, 61.3% of disease was controlled.
MARKET ANALYSIS

Imported pesticide and fertilizer has decreased in Q1 2011

According to the preliminary statistics released by the General Administration of Customs on April 10th, in Q1 of 2011, China imported a total of 16,397 tons of pesticide products, decreased by 4.1%, the value reached $149,982,000, up 17.3%. Which imported 6,851 tons in March, the value reached $73,212,000. According to statistics, in Q1, China imported a total of 1.5 million tons of fertilizer products, decreased by 25.1%; value reached $594,483,000, decreased by 17.9%. Which imported 450 thousand tons in March, the value reached $178,783,000.

China Agrochemical Industry’s Significant Expansion During 11th Five Year

Production

In the period of "11th Five-Year", the yield on the pesticide industry has made remarkable growth. National agrochemical production reached 1.296 million tons in 2006 and 2.342 million tons in 2010 (correction by National Bureau of Statistics), up 80.7%, with an average annual growth of 15.9% which is higher than the national GDP growth. Among them, average annual growth of 7.1% of insecticides, 8.2% of fungicides and 22.2% of herbicides, respectively.

Import & Export

Over the past five-year, the rapid growth of herbicides has drove to the rapid growth of output in the pesticide industry. According to the import and export data, volume of imported pesticides was 43,000 tons in 2006 and 51,000 tons in 2010, with a small average growth of 4.4% during the 5 years. The imported pesticide value was $0.213 billion in 2006 and $0.42 billion in 2010, an increase of almost double and an average annual growth of 18.5%. Volume of exported pesticides were 397,800 tons in 2006 and 613,000 tons in 2010, increased by 54%, with an average annual growth of 11.4%; the exported pesticide value reached $1.04 billion in 2006 and $1.77 billion in 2010, increased by 70.2%, with an average annual growth of 14.2%. We believed pesticide export driving the whole pesticide industry growth before, but from the date above, the rate of growth of exports of pesticides is lower than that of pesticide production, which fully shows that the demand of the domestic pesticide market is still very large and become the driving of pesticide industry rapid growth.

Profit

Sales growth is roughly similar compared with total industrial output value growth. National agrochemical industrial output value reached 75.28 billion RMB in 2006 and 164.4 billion RMB in 2010, rose by 118.3%, with an average annual increase of 21.6%; National agrochemical sales was 72.95 billion RMB in 2006 and 158.96 billion RMB in 2010, rose by 117.9%, with an average annual growth rate of 21.5%. Growth rate of agrochemical industrial output value is higher than that of agrochemical production. Industry-wide profit reached 41.6 billion RMB in 2006 and 86.9 RMB billion in 2010, with an average growth of 20.2% which is close to the industrial output growth rate. From the data in recent years, industry-wide sales and profit growth is positive, especially due to the rising price of glyphosate in 2008, industry-wide profit reached highest 13.01 billion RMB. All above review of the "11th Five-Year" pesticide industry, the analysis are based on the data of National Bureau of Statistics. Actual value may be biased, but by comparison to show that the importance of the domestic market, which is an important factor to promote the industry growth during "11th Five-Year".
Domestic Carbendazim Market Supply Tight, Prices Up

Recently, domestic carbendazim market supply tight, prices up. Prices of white carbendazim ai reached 35,000 RMB / t, increased by 9.4% over that in the first quarter; price of gray carbendazim ai reached 34,000 RMB / t, increased by 9.7% over that in the first quarter. There are three main reasons for tight carbendazim supply: First due to higher raw material costs especially due to surging o-phenylenediamine price; Second, national production capacity decreased by 30% since many manufacturers without qualified wastewater treatment have been shut down; third is exports increased by around 20%.

Carbendazim is one of the popular fungicides in China. Currently, there are 10 national ai enterprises with license, total capacity reaching 25,000 tons / year, and the actual annual output reaching 8,000 tons. Carbendazim formulations in the domestic demand is 10,000 tons, demand in the Mixture is 2,000 tons / year. Exported carbendazim value in 2010 ranked 5th after glyphosate, paraquat, chlorothalonil, and other varieties.

Grim imported sulfur situation in Q2

Sulfur suppliers from the Middle East offer to China at the price $240~250 (per ton, the same below) (CFR), rose $ 70 over the beginning of the year. The latest news confirms that more international buyers accepted $ 230 ~ 250 sulfurCIF in the second quarter. Price of sulfur rose $ 50 in the second quarter compared with price of the first quarter of 2011. Therefore, the majority of buyers have accepted the $230 ~ 250 sulfur CIF in various markets around the world. 70% imported sulfur used in the phosphate & compound fertilizer production in China.

In 2002, sulfur price from Jinzhou Port was only $ 31. In August 2008, sulfur price soared to $ 810. China's sulfur imports in 2010 decreased, total annual imported sulfur was 1,049 tons, down 13.8%, accounting for 37% of global trade volume, and the annual average CIF price was about $ 126. Imports for Saudi Arabia, Canada, Kazakhstan, Japan, Qatar, imports for these five countries accounted for sulfur 71% of total imports. This year, the higher international phosphate fertilizer price supports sulfur prices upward and phosphorus consumer prospect drives sulfur consumer price bullish. Since the financial crisis, sulfur has become the most active international market commodity, and has been speculative; with the new projects and continuous emergency in key sulfur areas in the first half of the year, sulfur supply situation appears slightly tight in the first half of the year. All these factors contributed to rising sulfur prices.
High Market Potential of Chinese Botanical Pesticide

Botanical pesticide with the properties of high efficiency, low toxic and broad spectrum is one of the competitive pesticides. In recent years, China began to research and develop biological pesticides aggressively. China has the resources and technological advantages of screening biological pesticides from plant resources, such as development and popularization of high efficient, low toxic and safe bio-pesticides from traditional medicinal plants. So as to improve the international competitiveness of China biological pesticide.

Biological pesticide (not including agricultural antibiotics) accounted for only 2.5% of global pesticide market share. According to a consistent view of domestic and foreign experts, bio-pesticides with huge development potential will replace more than 20% of chemical pesticides in the next few years. Botanical pesticides in biological pesticides accounted for 1% of global pesticide market and with annual growth rate of 10%~15%. From the biological pesticide market distribution, the usage amount in Europe and other developed countries account for 64% of global usage amount, while Asia accounted for only 13%.

Status of biological pesticides in China

So far, the registered bio-pesticides have reached more than 150 species, accounting for 14% of the active ingredient varieties in China; various complex formulations have reached more than 700 varieties, accounting for 9% of registered pesticide products and increase by annual rate of 4%; annual preparations output has reached 130,000 tons, accounting for 11% of the total pesticides output; annual output value has reached about 2.7 billion, accounting for about 9% of the total output value of pesticides; application area has reached about 26.7 million ~33.4 million ha, accounting for 10% of total pesticide application area. Botanical pesticides are making the use of medicinal plants with insecticidal, fungicidal, herbicidal and growth regulation, and characteristics of the function part, or extract the active ingredient, processed from the drug. As botanical pesticide derived from natural, with safe, environmental-friendly, weak resistance, easily degraded in the natural environment, etc. Therefore, research and development of botanical pesticides is one of important aspects in R&D of pesticides.
AgroChemEx started as a national conference in 2000, and developed into a commercial platform integrating exhibition and conference in 2005 in Nanjing. It was originally largely focused on the Chinese domestic market. However, with the growing interest of international companies in both domestic opportunities and sourcing of technical and formulated products from Chinese producers, we decided to move it to the more strategic location Shanghai in 2009.

Featuring:

12,000 exhibition visitors from 78 countries
500 exhibitors all being pesticide & related companies
200 technical manufactures (total about 400 more manufactures in China)

Exhibits Profile:
FOCUS ON GENERIC PESTICIDE!

- Pesticide: Technical formulation
- Additive: Raw material, intermediate, adjuvant
- Equipment: Processing, lab/testing, labelling and packing, spraying
- Service: Laboratory, consultancy, training, research & development, technology, investment

Why attend?

- You can have opportunity to talk with the decision-makers of enterprises;
- You can be guaranteed a good price for autumn is the planning season for Chinese manufacture;
- You can find the idea supplier easily through our Procurement Matchmaking Program and Buyers Guide.

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