Review on 2014 Mergers & Acquisitions in China Pesticide Industry

Price Tendency of some Major Pesticides

Chinese Government Intends to Open a Path for Commercial Cultivation of GM Crops

Performance Review on China Listed Companies during the First Three Quarters

RedSun Launches “Dujiaxing” 20% Paraquat GW

Syngenta’s Fungicide Business in China Tops One Billion Yuan

CCPIA did a Great Thing through the APEC Platform

CCPIA Provides HSE Project Consulting Services to Companies
Founded in April, 1982, China Crop Protection Industry Association (CCPIA) was one of the earliest trade associations in China’s chemical field. It is a non-profit national institution covering different regions, organizations/departments and industries, and possesses independent legal person status.

In the course of the more than two decades period since its establishment, CCPIA has undergone rapid development, witnessing its members increased from the originally 45 to 564 at present, covering producers/enterprises, R & D and design institutions, universities and colleges, provincial/municipal pesticide associations related with technicals and formulations, intermediates, auxiliaries, packing materials, packing equipments and applying machines, etc. CCPIA members’ production value accounts for 90% of the national total pesticide production.

Agrochemex 2015
October, 2015
SHANGHAI WORLD EXPO EXHIBITION & CONVENTION CENTER

Meet the Right Companies in the Right Place at the Right Time

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

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 ideal supplier easily through our Procurement Matchmaking Program and Buyers Guide.

Organizer: China Crop Protection Industry Association
Website: http://www.ccpia.com.cn/en
Tel: 86-10-84885035
Email: yousheng@ccpia.org.cn

2015 International Forum on the Procurement & Services of Crop Protection Products and International Conference on Crop Protection Science & Technology Call for Papers

2015 International Forum on the Procurement & Services of Crop Protection Products and Conference on Crop Protection Science & Technology, in parallel with AgroChemEx (ACE) 2014, organized by China Crop Protection Industry Association, will be held in Shanghai in October, 2015. The events will cover marketing, new legislation and new data requirements, as well as innovation and technology improving. Since it began six years ago, the events has attracted thousands people, especially for technical and regulatory staffs and marketing specialists. Original papers, surveys and presentations on all aspects of crop protection are invited. Possible topics for submission to the various sessions include, but are not limited to:

Markets: status of local agrochemical industry or agriculture, strategies of international marketing, cooperation with Chinese companies

Policies: registration overseas, view of local pesticides regulation

R&D: synthesis of technicals, intermediates and pro-pesticides

Environmental science: new pollution treatment technology, green process, energy reduction and comprehensive use of resources

Process and application: formulation process, adjuvant and formula, application and efficiency

Marketing strategy: market exploration, import/export

Bio-pesticides: innovative use of GM Crops bring on pesticide markets

Others: Agrochemical Residue & Metabolism Chemistry

All papers should make clear titles, abstract, author(s), the affiliation (institution, agency or company) and location (city and state or country). Deadline is July 30th, 2014. Excellent papers will be elected and be presented in the forum, the authors will be awarded.

All the papers should be sent to yousheng@ccpia.org.cn before July 30th, 2014.

10 Phosphorus-contained Pesticides Banned from Use

Since October 31, the sales and use of ten high-toxic pesticides including fenamiphos, fonofos, phospholan-methyl, calcium phosphide, magnesium phosphide, zinc phosphide, cadusafos, coumaphos, sulfurtox and terbufos should be banned in China, according to the No.1586 Announcement jointly issued by MOA, MIIT, MEP, SAIC and AQSIQ. The regulation has been officially put into force. It is the first step of China to gradually eliminate 22 high-toxic pesticide varieties. With the ban put into force, the proportion of high-toxic pesticide varieties in China will be further reduced and it is expected to drop to 2% from the current 3.1%. It’s of great significance that the move can facilitate product structure upgrading in China.

After the sales and use of the ten high-toxic pesticides above are stopped on October 31, the production licenses and registration certificates of relevant companies will be revoked. That is to say, the production licenses and registration certificates will expire on October 31 and become invalid since November 1, and those who sell or use those pesticides without a license or certificate will be punished. If a company that manufacture or sell the pesticides after the date, it will face serious consequences.

It’s learnt that with respect to the remaining 12 high-toxic pesticide varieties, the country will gradually stop the sales and use according to the launch of substitutes. That means the country is taking actions to eliminate high-toxic pesticides and making room in the market for low-toxic pesticides.

Beijing Devoted to Eliminate Pollution Industries, Including Pesticide TC & EC

Beijing Municipal Commission of Economy and Information Technology and Beijing Municipal Environmental Protection Bureau jointly formulated the Directory of Industrial Pollution Industries and Technologies to Be Adjusted or Shut Down and Equipment to Be Eliminated in Beijing (2014) (hereinafter referred to as the Directory).


It is the first directory of pollution industries to be eliminated issued by Beijing, after the Air Pollution Prevention and Control Regulations was approved by voting at Beijing Municipal People’s Congress in 2014.

The Directory covers basically all pollution industries that Beijing plans to adjust and eliminate in recent three years, and it includes 105 pollution industry technologies and 50 backward production equipment. It is estimated that by the end of 2016, over 1,200 industrial pollution enterprises in Beijing will be shut down, and they will not be opened in other provinces or cities. Pesticide synthesis and EC formulation production will be eliminated before 2016.
Chinese Government Promotes Recycling of Pesticide Package Wastes

According to statistics:
- There are 5~10 pesticide packages left on every mu of farmlands in average.
- There are 3.2 billion waste pesticide packages in China every year, weighing about 100,000 to 150,000 tonnes.
- After using the pesticides, the users throw the pesticide bottles or bags on fields or in rivers, and only about 2~3% of the users consider handling the bottles or packages by burning (non-professionally) or burying them.

Above is the current situation of pesticide package pollution in China. It’s undeniable that pesticides have played an irreplaceable role in guaranteeing national agricultural production. However, the impact of pesticide package wastes on the environment has become an agricultural environmental issue that cannot be ignored.

Recently, the annual meeting of China Crop Protection Industry Association (CCPIA) Professional Committee for Pesticide Packaging was held in Nanjing. Shan Zhengjun, an official of MEP, introduced the work on pesticide package waste pollution control and environmental management. He pointed out that pesticide package waste pollution has raised concerns among government departments like the Ministry of Environmental Protection, the Ministry of Agriculture, the Ministry of Industry and Information Technology and Ministry of State Security, and state leaders such as Zhang Gaoli has instructed on pesticide package waste pollution control and environmental management. The Measures for Environmental Management of Pesticide Package Wastes is currently being formulated.

Actually, there are many international experiences on the treatment of pesticide package wastes. The EU, United States and Brazil have formed mature treatment mechanisms. However, the formulation of policies should be based on national conditions. China has a large farmer population, and most of them have low level of awareness on environmental protection and farmers in China are still vulnerable groups. It is unrealistic to assign farmers as the main forces for recycling pesticide package wastes.

Based on the national conditions and the exploration of management modes, Shan Zhengjun pointed out that the “Measures” will include requirements on aspects of packaging, recycling and treatment; requirements on the materials and specifications of pesticide packages will be strictly set to make it easy for recycling pesticide package wastes; and the treatment aspect will follow the principles of “reducing quantity, harmless and recycling” so as to treat the wastes in a scientific way.

At the meeting, representatives from packaging enterprises and Shan Zhengjun had in-depth discussions and communication on policy making. Shan Zhengjun said that the policy is currently in the process of development, and to ensure the implementation of the policy, the government will respect the advice of the enterprises and make reasonable adjustments.

The New Law of PRC on Safety Production Took Effect in December 2014

The new Law of PRC on Safety Production (hereinafter referred to as the “Safety Production Law”) was adopted and announced on August 31, 2014 and was put into force in December, 2014.

“People-oriented” is the core idea of the new Safety Production Law. Chinese Chairman Xi Jinping pointed out that “development should not be at the cost of people’s lives. It is a line that should never be crossed”.

The new Safety Production Law mainly concerns the following four aspects:
1. the “positioning” and working mechanism of safety production and safety supervision;
2. define business units as the subject of responsibility to realize production safety;
3. strengthen government supervision and enforcement, establish a series of systems on handling and supervision of major hidden risks of work safety accidents, and improve systems on emergency rescue and investigation and handling;
4. strengthen the accountability enforcement system to work safety accidents, punish severely the main person or unit liable for such accidents, increase the penalty by 2 to 5 times, and in the even of constitution of a crime, those responsible will be subject to criminal liability, and the liability for law enforcement officials is enhanced.

About agrochemical show: www.agrochemex.net
Review on 2014 Mergers & Acquisitions in China Pesticide Industry

In Sep 2014, the news of FMC acquired Cheminova shocked global pesticide industry. After the merger, it's estimated that FMC may have the chance to shake the Six Giants' position in global pesticide industry. In fact, with the mergers and acquisitions performing globally, China pesticide manufacturers are also speeding up their pace of reorganization. As of press time, there are 18 pesticide manufacturers which have merged their pesticide production assets. The details are as follows:

1. Ganzhou Weinong Pesticide Co., Ltd. (TC manufacturer) merged Jiangxi Suifeng Pesticide Chemical Co., Ltd. (formulator), with registered capital 30.08 million RMB.
2. Anyang Quanfeng Biotech Group (TC manufacturer) merged Anyang Chemical Laboratory Plant (TC manufacturer), with registered capital 50 million RMB.
3. Hebei Shenghe Chemical Co., Ltd. (formulator) merged Chemical Plant of Hebei Normal University (TC manufacturer), with registered capital 5 million RMB.
4. Shenyang Chemical Institute (Nantong) Chemical Science & Technology Development Co., Ltd. (formulator) merged Jiangsu Huanong Seed Coating Agent Co., Ltd. (formulator), with registered capital 5.10 million RMB.
5. Shenyang Aiwei Technological Development Co., Ltd. (formulator) merged Shenyang Xingnong Chemical Co., Ltd. (formulator), with registered capital 5 million RMB.
6. Shanxi Guangda Chemical Co., Ltd. (formulator) merged Fujian Haolun Bio-engineering Technology Co., Ltd. (formulator), with registered capital 5.10 million RMB.
7. Zhangzhou longwen Agrochemical Co., Ltd. merged Fujian Kefeng Pesticide Co., Ltd. (formulator), with registered capital 5 million RMB.
8. Qingdao Star Crop Science Co., Ltd. (formulator) merged Shanghai Chuangxian Bio-chemical Co., Ltd. (formulator), with registered capital 30 million RMB.
9. Fujian Sino -dashing Bio-engineering Co., Ltd. (formulator) merged Sichuan Nuofuer Crop Science Co., Ltd. (formulator), with registered capital 11 million RMB.
10. Xingfa Group has acquired 51% of Taisheng's shares, previously held by Jinfanda, and achieved absolute controlling stake in Taisheng Chemical, which further improves its phosphorus chemical industry chain.
11. Huifeng Joint-Stock acquired 53.2% of Jialong Chemical's shares. As an important raw material for Huifeng Agrochemical's multiple products, Jialong's annual output of 20,000 tonnes of carbonyl chloride will optimize Huifeng's production level and expand its domestic sale market.
12. After taking gratuitous transferee of Jinmiao Group's 100,000 shares, Sinochem Group actually became the new controller of Yangnong Chemical as it holds 40.59% of the shares of Yangnong Group, the controlling shareholder of Yangnong Chemical.
13. ADAMA made a full acquisition of CNAC's businesses in China, including Jiangsu Anpon, Jiangsu Maida, Jiangsu Huaui Chemical, and Sanonda Group.
14. Huapont Nutrichem invested the self-raised 220 million dollars in Albaugh in US, thus acquiring the company's 2500 voting shares and 22,500 non-voting shares. After the completion of the transactions, Huapont Nutrichem held 20% of the target company's voting shares and 20% non-voting shares.
15. Noposion invested 19 million RMB of its own fund in Zhejiang Mitsuo Seed and thus acquired 20% of Mitsuo's shares.
16. Xingfa Group acquired related assets of Hubei Yueur Environmental Protection Technology’s projects on treating saline wastewater from glyphosate production with 87.9147 million RMB.
17. Changqing Agrochemical acquired Nantong Fengtian Chemical's intangible assets with 7.19 million RMB.
18. Sinochem invested a total of 970 million RMB to acquire the entire equity of Sinochem Agrochemical, Shenyang Sciencreat Chemicals, Sinochem Agrochemical HK, Sinochem Agrochemical Brazil, and Sinochem Agrochemical Argentina.
CAPI in November Dropped Remarkably, Price of Pesticides Kept Falling

According to the statistics of China Crop Protection Industry Association (CCPIA), the China Agrochemical Price Index (CAPI) in November was 90.70, which fell to the new lowest record in 2014, a decrease of 2.37% compared with last month and a sharp drop of 13.71% compared with last November. Since the second quarter of this year, the CAPI has kept falling except during this August when the CAPI showed a slight rising tendency. Under the comprehensive impact of a slack international market demand, adjustment of the domestic policies and industrial layout, increasingly fierce competition, etc., the pesticide market has been quite flat this year and the overall product price has kept falling. Since there aren’t strong supporting factors, there isn’t too much improvement even during traditional busy seasons. According to CCPIA’s statistics, the domestic output of pesticide technical concentrate (100% basis) in November declined, a decrease of 4.55% compared with last month and 5.66% compared with last November. Considering the overall operation situation of this year, it is expected that the pesticide production, sale and price in this December will remain the current situation and drop slowly and slightly.

In November, the CAPI of herbicides was 87.56. It kept falling and dropped below 90 for the first time. It decreased by 4.34% compared with last month and 20.23% compared with last November; compared with the highest herbicide CAPI (109.79), it dropped by 20.25%, and compared with last year’s highest index (118.97), it dropped by 26.40%. The output of herbicide TC (100% basis) also dropped, a decrease of 8.75% compared with last month. The output of herbicide TC (100% basis) accounted for 61.69% of the total output of pesticide TC (100% basis), a decrease of 2.84%. Within this month, the number of glyphosate manufacturers under operation dropped to 21 from last month’s 24. The total output, sale both decreased to some extent; the transaction price of TC products kept falling, a decrease of 4.44% compared with last month and a decrease of 32.29% compared with last November, which pulled the CAPI of herbicides down by 1.52%; the transaction price of lambda-cyhalothrin TC rose by 4.60% compared with last month; the transaction prices of dipterex TC and malathion TC dropped respectively by 16.18% and 6.11% compared with last month, which pulled the CAPI of insecticides down by 0.35%. The transaction prices of abamectin, imidacloprid, profenofos, triazophos and other insecticides operated within normal fluctuation range.

In November, the CAPI of fungicides was 99.20. It stopped falling and began to rise, with a slight increase of 0.66% compared with last month, and a drop of 2.94% compared with last November. The output of fungicide TC (100% basis) kept growing, with an increase of 2.34% compared with last month. It accounted for 11.56% of the total output of pesticide TC (100% basis). The transaction price of carbendazim TC increased, rising above 30,000 yuan/tonne, an increase of 4.84% compared with last month, which pulled the CAPI of fungicides up by 0.97%; the transaction price of epoxiconazole TC also rose significantly, an increase of 5.41% and reaching 360,400 yuan/tonne; overall, the fungicide market remained the stable situation and it is expected that stability will be the main trend with few change in the price in December.

![CAPI Tendency during Feb 2013 to Nov 2014](image)

### Price Index Varieties

<table>
<thead>
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<th>Month-on-month change(%)</th>
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The market price of glyphosate in China seemed not to meet people’s expectation in 2014. The price of glyphosate once increased to RMB 45,000 per tonne in 2013. However afterwards, the price kept going down to the current level, RMB 27,000 per tonne. The market went to into a stagnant state again.

**The Ever-changing Glyphosate Market in China**

**Fuhua: Aiming to produce 300,000 tonnes of glyphosate annually**

Jiang Lin, Vice President of Fuhua Tong-da Agrochemical Technology Co., Ltd. (hereinafter referred to as Fuhua)

Jiang Lin, Vice President of Fuhua, introduced that by the end of this October, Fuhua has produced over 100,000 tonnes of glyphosate, and the annual output of 120,000 tonnes of glyphosate will be realized at the end of the year. Fuhua has made significant achievements in technological renovations and currently Fuhua is implementing the plan for capacity expansion on current factory, which will elevate the current annual output of 120,000 tonnes of glyphosate up to 180,000 tonnes. Mr. Jiang believes that the capacity-expansion-on-current-factory plan requires less investment. He said, “Fuhua aims to realize an annual output of 300,000 tonnes of glyphosate.” The extra annual output of 120,000 tonnes of glyphosate is a new project on another site. The project site is located in Chongqing Chemical Industrial Park. At present, the acquisition of 1,500 acres of land has been finished and it is expected that Fuhua will complete building an overall annual production capacity of 300,000 tonnes of glyphosate in 2016.

At the Fuhua Forum of the 2014 AgroChemEx Conference, Giants of glyphosate production, industrial analysts and international buyers convened in Shanghai and shared their ideas on the development of the Chinese glyphosate industry.

According to Mr. Jiang, targeting at glyphosate, Fuhua will be installed with 19 sets of large-scaled equipment. In order to produce 300,000 tonnes of glyphosate annually, Fuhua has to produce 600,000 tonnes of caustic soda each year. Mr. Jiang said the production of glyphosate did not require too much investment, but it required billions of RMB to install the 19 sets of equipment. Fuhua also benefits from other advantages, such as there are cheap coal, halogen, and phosphorite mines in Leshan, logistics channels along the Yangtze River, high-speed rails from Leshan to Chengdu, etc.

Fuhua will spare no efforts in making full use of the materials and turn them into profits. Mr. Jiang said, “Even if we didn’t earn a dime from producing glyphosate, we would still make hundreds of millions of RMB from these 19 sets of equipment.” Currently, Fuhua has already finished 85% of the whole industrial chain of glyphosate production and it is expected that construction of all the equipment will be completed next year.

**Wynca: Making innovations to prolong the life cycle of glyphosate**

Zhou Weixing, General Manager of the Agrochemical Division of Zhejiang Wynca Chemical Industrial Group Co., Ltd. (hereinafter referred to as Wynca)

Zhou Weixing, General Manager of the Agrochemical Division of Wynca believes that there is still development room for the glyphosate market. As predicted by research institutes, the market demand for glyphosate will reach one million tonnes by 2017.

Meanwhile, Mr. Zhou also pointed out the many issues existing in the glyphosate industry.

First, resistance to glyphosate becomes increasingly remarkable. There are a total of 28 varieties of weeds over the world which have acquired resistance to glyphosate; the resistance problems for horseweed herb and carpet grass in China have also become quite serious.

Secondly, glyphosate couldn’t meet the requirements arising from the relationship between the market demand for glyphosate and its economic value. Currently, there are a number of problems existing in the production process of glyphosate, including the effective utilization of phosphorus reaching only around 60%. Large quantities of waste will be produced alongside the production process of glyphosate. How the phosphorus could be fully used and how the waste should be dealt with? Solution of these problems is of vital importance for a sustainable development of glyphosate industry.

Thirdly, disordered production and overcapacity problems exist in the glyphosate industry.

Fourthly, massive use of glyphosate will possibly bring harm to human beings. As alleged by Brazil, countries in Africa and other countries, the use of glyphosate will bring harm to human beings’ kidney, which brought the voice for a ban on glyphosate. Though these questions alarm the glyphosate industry, scientific studies are needed to prove the authenticity of these queries.

How to revitalize the old product glyphosate and make it develop in a sustainable way? Mr. Zhou believes that the key is to renovate, including innovations on product profiles, formulations, and recycling economy, etc.

**Shanghai Freemen Chemicals: Things don’t occur as people wish**

Shanghai Freemen Chemicals Co., Ltd. is a trade company which emphasizes on developing the overseas market. Zhang Dong, General Manager of Shanghai Freeman Chemicals, looks at the glyphosate market from the perspective of a dealer. Mr. Zhang talked about the glyphosate market in the following three aspects: “First, currently, the life cycle of glyphosate will last a considerably long period. The competition at present is only adjustment among the capacities. The dealers and end users of glyphosate indeed don’t want to see a chaotic situation.”

“Secondly, the farmers hope properties of the product could clear up confusions for them, including the resistance to glyphosate. We hope that the pesticide manufacturers could practically solve the problems met by the farmers during cultivation; otherwise, even if the product sells at a low price, it will pollute the environment when applied in the fields.”

“Thirdly, it is expected that there will be lasting competition for the price of glyphosate, but the supply of glyphosate will maintain stable.”

**Analyst: It is inevitable to integrate and upgrade the glyphosate industry**

Qiu Xiaofeng, Chief Analyst of China Galaxy
The latest issue of CCPIA Monthly Bulletin of Statistics of China Agrochemicals was just released. Here follows some major pesticides’ price tendency and manufacturers’ operation situation as reference.

1. Glyphosate

According to CCPIA Monthly Bulletin of Statistics of China Agrochemicals, in Nov, VWAP of glyphosate TC declined by 4.4% compared with that of Oct. Since the beginning of Q2, price of glyphosate kept dipping and the market did not look good during the past few months. AgroChemEx 2014 was held in the end of Oct. The event brought in some overseas and domestic orders to the glyphosate manufacturers. However it couldn’t turn the market trends back to the flourish era. Based on some manufacturers’ quoting price, glyphosate TC price is increasing in Dec.

In Nov, with two less manufacturers operating, output of glyphosate TC fell by 11.8% MoM, and sales volume declined by 5.0% MoM. According to a big pesticide manufacturer, Yangnong Chemical, its dicamba plant has begun pilot production. It’s estimated that the dicamba plant will start operating from Q1 2015 (with production capacity 6500 tonnes per year). Since the global market demand of dicamba is increasing fast, dicamba market may have a good prospect in the near future, which will also bring up glyphosate market, especially in the aspect of GMO business.

Qiu Xiaofeng, Chief Analyst of China Galaxy Securities

Mr. Qiu analyzed that as China strengthens its efforts in supervising environmental regulation, environmental protection arbitrage between regions will gradually vanish in the future. Therefore, the manufacturers will do their best to settle the environmental issues in order to survive. Mr. Qiu believes that the overcapacity problem for the glyphosate industry is quite serious; through industry reshuffle including cooperation and price competition, there will be six or seven glyphosate manufacturers at most in the future.

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2. Paraquat

According to CCPIA Monthly Bulletin of Statistics of China Agrochemicals, in Nov, VWAP of paraquat TK declined by 6.7% compared with that of Oct. Seen from the whole trend during the past two years, paraquat price has been keeping stable since Q2 2014. The ban of paraquat AS (Announcement No. 1745) didn’t impact the market that much. However seen from short term trend, overseas demand of paraquat kept same level with former years, while domestic demand didn’t play that well. Hence it may be a little tough for paraquat manufacturers in the near future.

The ban did impact output of paraquat TK to some extent. Since Jul 2014, output of paraquat TK fell significantly, even worse in Aug. However during the past four months, output and sales volume of paraquat TK was increasing month-on-month. In Nov, output increased by 30%, while sales volume dipped by 8% compared with that of Oct. In Dec, RedSun, one of the largest paraquat manufacturers in China, launched its new product, “Dujiaxing” (20% paraquat GW) to the market. It’s the only alternative commercial formulation of paraquat AS till now.

3. Chlorpyrifos

According to CCPIA Monthly Bulletin of Statistics of China Agrochemicals, in Nov, VWAP of chlorpyrifos TC increased by 4.8% MoM. Because of the AgroChemEx 2014, large amount of orders came into China chlorpyrifos market, and price of chlorpyrifos TC has been triggered since then.

In Nov, there are seven manufacturers operating to produce chlorpyrifos TC in China, same as that of Oct. Output of chlorpyrifos TC declined by 12.8% compared with that of Oct, while sales volume increased by 3.3%. Seen from each manufacturer’s VWAP of chlorpyrifos TC, four of them increased in Nov, and others kept same with that of Oct. However since the overseas demand for chlorpyrifos didn’t play well in Dec, and production was impacted under the strict environmental protection policy, it seems the increasing trend won’t last long in the near future.

About agrochemical show: www.agrochemex.net
4. Imidacloprid

According to CCPIA Monthly Bulletin of Statistics of China Agrochemicals, in Nov, VWAP of imidacloprid kept same as that of Oct. During the past 11 months in 2014, price of imidacloprid TC increased in Q2, afterwards, the declining trend continued till now. Actually, the overall tendency of imidacloprid TC since the beginning of 2013 is declining. Two main factors led to the declining. Firstly, farmers in China grow in small scale. Most of them are still in vulnerable group which cannot afford pesticides with high price. Secondly, quality of imidacloprid products in China pesticide market is basically the same. Hence some manufacturers turn to bring down their price to compete with each other.

In Nov, there were 14 manufacturers operating to produce imidacloprid TC, one more than that of Oct. And output increased by 11%, sales volume up by 24% month-on-month. Meanwhile, export volume of imidacloprid TC increased by 6%, and export value up by 1% than that of Oct. According to quoting price in Dec, imidacloprid market is keeping stable. Quoting prices of different manufacturers are drawing close to one another.

5. Carbendazim

According to CCPIA Monthly Bulletin of Statistics of China Agrochemicals, in Nov, VWAP of carbendazim TC increased by 5% month-on-month, back to the same level with that of Sep. During the past few months, carbendazim market was in downside price fluctuations. AgroChemEx 2014 stimulated transaction volume of carbendazim to some extent, however not in overseas, mostly in domestic market.
6. Azoxystrobin

According to CCPIA Monthly Bulletin of Statistics of China Agrochemicals, in Nov, VWAP of azoxystrobin TC declined slightly by 2% than that of Oct. Actually since Q2, price of azoxystrobin TC has kept going down. With domestic production capacity reaching over 7000 tonnes per year, azoxystrobin market in China is facing the dilemma of overwhelmed capacity & slight demand at home and abroad. VWAP in Nov is over 20% lower than that of Mar 2014 (the highest point this year).

In Nov, there were seven manufacturers operating, both output and sales volume increased significantly. Output of azoxystrobin TC increased by 19% month-on-month, and sales volume up by 73%. Since the export volume basically kept the same level with that of Oct, domestic sales growth contributed mostly to the overall increasing. Till now, there are 63 registrations of azoxystrobin TC in China, increased by 50% year-on-year. The enthusiasm of increasingly manufacturers cannot be controlled, which may cause a long-term of declining in China azoxystrobin market in the future.

Chinese Government Intends to Open a Path for Commercial Cultivation of GM Crops

Though China has relaxed the restrictions on the research of genetically modified (GM) staple crops and removed obstacles politically, it is still a long way to go to realize large-area commercial cultivation.

The Chinese government is opening up a path for commercial cultivation of GM staple crops. No matter from the voice from the high level of the Chinese Academy of Sciences, or the smile of GM Crop Giants, we can see the signs of commercialization of GM staple crops.

There was a clue long time ago. The establishment of China International Seed Co., Ltd. by the large GM seed company Monsanto and China National Seed Group is the wind vane. China International Seed Co., Ltd., with a registered capital of RMB 480 million, is a genuine giant in the seed industry. Through China International Seed Co., Ltd., Monsanto corns are actually being grown in a number of large grain-producing regions in China, while in the past they were only grown in Guangxi.

Currently Chinese corn and rice seed manufacturers include Longping High-Tech, Shandong Denghai Seeds Co., Ltd., Wanxiang Doneed Co., Ltd., Dabeinong Group, Hainan Dafeng, Huaiyin High-tech Seed Co., Ltd., Xinsai Group, Gansu Yasheng Industrial Group, etc. Once the commercialization of GM crops is allowed, the first to benefit will be undoubtedly relevant seed companies.

Analysts said, “GM seeds can bring higher profits for companies. Companies with a relatively large scale are eyeing up for the opportunity, hoping to have a finger in the pie.”

In fact, MOA of China earlier proposed increasing the concentration of Top 50 seed companies to over 60% of the whole industry’s market value by 2020. The policy is expected to further concentrate the industry in the hand of leading companies. Moreover, the policy has specified requirements on the test of GM seeds. Analysts in the industry think that the commercialization of GM seeds will be put on agenda.

Additionally, according to the Selected Documents Since the 18th National Congress of the Communist Party of China has included Chinese President Xi Jinping’s speech at the Central Conference on Rural Work on December 23, 2013. Chairman Xi mentioned in the speech that genetic modification is a new technology and new industry and it has a great development prospect.

The series of policies and the attitudes of the high level show that the direction of commercialization of GM seeds in China is basically settled, and the commercialization of GM seeds will be unlikely to face any political barrier.
As a technology, genetic modification has no boundary. Agriculture, to populous nations, is an extremely important political issue. The reasons why China rejected genetic modification in the past are mainly because first they didn’t master the technology and second the farming in China was mostly small-scale farming. However, as more and more rural residents are now flowing into cities, the population engaged in farming is decreasing and large-scale planting technology is needed. Genetic modification technology can help China produce more crops with less labor. To promote genetic modification technology has become extremely important. Moreover, as a large agricultural country, China needs to seek greater voice in the world.

Currently in China, GM varieties of cotton and pawpaw have received the permit for commercial cultivation. The cultivation of GM rice and corn is not commercialized.

### China Herbicide Industry Speeds Up Towards the Era of Glufosinate Ammonium

Starting from January 1st, 2012, glyphosate 10% AS product has been banned from use; in the meantime, paraquat AS will be banned from use starting from July 1st, 2016. Currently, a number of pesticide manufacturers have been looking for alternatives for the above products. It is reported that a number of Chinese pesticide enterprises began to set their eyes on another best-selling herbicide product in recent years - glufosinate ammonium.

**Product registration goes on vigorously and test result of bio-activity assay proves remarkable**

According to relevant information, the earliest registration for glufosinate ammonium TC occurred in 2004 and the registration for glufosinate ammonium formulations appeared in 2005. As of November 2014, there are 26 registrations for glufosinate ammonium TC or TK. Six of the registered enterprises have received registration approvals for over 60 varieties of glufosinate ammonium. YongNong BioSciences, Ltd. is the first domestic enterprise which has realized scale production of glufosinate ammonium. Wu Kemeng, Chairman of YongNong BioSciences, introduced that the Institute of Plant Protection, Sichuan Academy of Agricultural Sciences, believes that glufosinate ammonium, which features a lasting weeding effect and saves both time and labor, is safe to human beings and animals, etc. After this, Zhejiang University of Technology collaborated with YongNong BioSciences in the aim of industrializing glufosinate ammonium. Later on, two production lines respectively of an annual output of 800 tonnes of 95% glufosinate ammonium TC and an annual output of 4,000 tonnes of 20% glufosinate ammonium AS were built in Zhejiang Hangzhou Gulf Fine Chemical Zone in July, 2006. “Baisudun” is the first innovative non-selective herbicide launched to the market by YongNong BioSciences in 2007.

Furthermore, according to data from the China Agricultural Technology Extension Center of MOA, since 2011 the Center has carried out bio-activity assay on 20% glufosinate ammonium AS against weeds in vegetable fields, banana plantations, coffee plantations, etc. respectively in Guangdong, Hainan, Yunnan, Fujian and other provinces. The test results in different provinces demonstrate that weed control effect of “Baisudun” is equivalent to that of other herbicides of the same family, superior or equivalent to non-selective herbicide variety which is commonly used at present.

**Promotion and application of glufosinate ammonium has a bright future and opportunities for industrial development manifest**

Zhou Xiaogang, Director of the Institute of Plant Protection, Sichuan Academy of Agricultural Sciences, believes that glufosinate ammonium, which features a lasting weeding effect and saves both time and labor, is safe to human beings and animals, etc. After this, Zhejiang University of Technology collaborated with YongNong BioSciences in the aim of industrializing glufosinate ammonium. Later on, two production lines respectively of an annual output of 800 tonnes of 95% glufosinate ammonium TC and an annual output of 4,000 tonnes of 20% glufosinate ammonium AS were built in Zhejiang Hangzhou Gulf Fine Chemical Zone in July, 2006. “Baisudun” is the first innovative non-selective herbicide launched to the market by YongNong BioSciences in 2007.

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**Glufosinate Ammonium TC/TK Registrations in China**

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Registration No.</th>
<th>Content</th>
<th>Formulation</th>
<th>Starting Date</th>
<th>Ending Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer CropScience</td>
<td>PD20096850</td>
<td>95%</td>
<td>TC</td>
<td>2014.09.21</td>
<td>2019.09.21</td>
</tr>
<tr>
<td>Lier Chemical</td>
<td>PD20110578</td>
<td>95%</td>
<td>TC</td>
<td>2011.05.27</td>
<td>2016.05.27</td>
</tr>
<tr>
<td>Hebei Veyong Bio-chemical Pesticide Co., Ltd.</td>
<td>PD20111391</td>
<td>95%</td>
<td>TC</td>
<td>2011.12.21</td>
<td>2016.12.21</td>
</tr>
<tr>
<td>Anhui Huaxing Chemical Co., Ltd.</td>
<td>PD20111438</td>
<td>95%</td>
<td>TC</td>
<td>2011.12.29</td>
<td>2016.12.29</td>
</tr>
<tr>
<td>YongNong BioSciences Co., Ltd.</td>
<td>PD20120646</td>
<td>50%</td>
<td>TK</td>
<td>2012.04.18</td>
<td>2017.04.18</td>
</tr>
<tr>
<td>Jiangsu Huangma Agrochemicals Co., Ltd.</td>
<td>PD20130142</td>
<td>95%</td>
<td>TC</td>
<td>2013.01.17</td>
<td>2018.01.17</td>
</tr>
<tr>
<td>Jiangsu Sevencontinent Green Chemical Co., Ltd.</td>
<td>PD20130176</td>
<td>95%</td>
<td>TC</td>
<td>2013.01.24</td>
<td>2018.01.24</td>
</tr>
<tr>
<td>Weifang Rainbow Chemical Co., Ltd.</td>
<td>PD20130246</td>
<td>95%</td>
<td>TC</td>
<td>2013.02.05</td>
<td>2018.02.05</td>
</tr>
<tr>
<td>Jiangsu Huifeng Agrochemical Co., Ltd.</td>
<td>PD20130280</td>
<td>95%</td>
<td>TC</td>
<td>2013.02.21</td>
<td>2018.02.21</td>
</tr>
<tr>
<td>Lier Chemical</td>
<td>PD20131010</td>
<td>50%</td>
<td>TK</td>
<td>2013.05.13</td>
<td>2018.05.13</td>
</tr>
<tr>
<td>Hebei Veyong Bio-chemical Pesticide Co., Ltd.</td>
<td>PD20131090</td>
<td>95%</td>
<td>TC</td>
<td>2013.05.20</td>
<td>2018.05.20</td>
</tr>
<tr>
<td>Jiangsu Youth Chemical Co., Ltd.</td>
<td>PD20131446</td>
<td>95%</td>
<td>TC</td>
<td>2013.07.05</td>
<td>2018.07.05</td>
</tr>
<tr>
<td>Zhejiang Yongnong Chem. Ind. Co., Ltd.</td>
<td>PD20131472</td>
<td>95%</td>
<td>TC</td>
<td>2013.07.05</td>
<td>2018.07.05</td>
</tr>
<tr>
<td>Nanjing RedSun Group</td>
<td>PD20131604</td>
<td>95%</td>
<td>TC</td>
<td>2013.07.29</td>
<td>2018.07.29</td>
</tr>
<tr>
<td>Jiangsu Agrochem Laboratory</td>
<td>PD20131702</td>
<td>95%</td>
<td>TC</td>
<td>2013.08.07</td>
<td>2018.08.07</td>
</tr>
<tr>
<td>Jiangsu Flag Chemical Industry Co., Ltd.</td>
<td>PD20131899</td>
<td>95%</td>
<td>TC</td>
<td>2013.09.25</td>
<td>2018.09.25</td>
</tr>
<tr>
<td>Shi Jiazhong Ruikai Chemical Co., Ltd.</td>
<td>PD20131965</td>
<td>95%</td>
<td>TC</td>
<td>2013.10.10</td>
<td>2018.10.10</td>
</tr>
<tr>
<td>LYNHI Fine Chemical Co., Ltd.</td>
<td>PD20132671</td>
<td>95%</td>
<td>TC</td>
<td>2013.12.25</td>
<td>2018.12.25</td>
</tr>
<tr>
<td>Good Harvest-WEIEN Agrochemical Co., Ltd.</td>
<td>PD20132688</td>
<td>95%</td>
<td>TC</td>
<td>2013.12.25</td>
<td>2018.12.25</td>
</tr>
<tr>
<td>Jiangsu Huifeng Agrochemical Co., Ltd.</td>
<td>PD20140222</td>
<td>50%</td>
<td>TK</td>
<td>2014.01.29</td>
<td>2019.01.29</td>
</tr>
<tr>
<td>Jiangsu Huangma Agrochemicals Co., Ltd.</td>
<td>PD20140886</td>
<td>50%</td>
<td>TC</td>
<td>2014.04.08</td>
<td>2019.04.08</td>
</tr>
<tr>
<td>Jiangsu Luye Agrochemicals Co., Ltd.</td>
<td>PD20141355</td>
<td>95%</td>
<td>TC</td>
<td>2014.06.04</td>
<td>2019.06.04</td>
</tr>
<tr>
<td>Rui Company</td>
<td>PD20141534</td>
<td>95%</td>
<td>TC</td>
<td>2014.06.17</td>
<td>2019.06.17</td>
</tr>
<tr>
<td>Jiangsu Chunjiang Agrochemical Co., Ltd.</td>
<td>PD20141558</td>
<td>95%</td>
<td>TC</td>
<td>2014.06.20</td>
<td>2019.06.20</td>
</tr>
<tr>
<td>Jiangsu Pesticide Research Institute Company Ltd.</td>
<td>PD20142434</td>
<td>95%</td>
<td>TC</td>
<td>2014.11.15</td>
<td>2019.11.15</td>
</tr>
</tbody>
</table>
brings no harm to plant roots and is soil friendly, so it can be widely applied between rows of seedlings, fruit trees, and vegetables and in zero tillage fields for vegetables, wheat and oilseed rape. Currently it is an ideal alternative to paraquat, and is especially suitable for the deciduous fruit trees and shallow-rooted crops such as kiwi, grape, peach, cherry and others.

As an excellent non-selective herbicide product, the application area of glufosinate ammonium will be further expanded in China. The following three main factors have contributed to this: the development of zero-tillage cultivation techniques; the rise in labor cost and the ban on use of paraquat AS. Given these factors, more and more Chinese companies began to invest in the production of glufosinate ammonium.

Sales show growing tendency and market determines promotion direction

As pointed out by an insider, “Although glufosinate ammonium is of both high efficiency and low toxicity, and a number of domestic enterprises began to produce and sell glufosinate ammonium, generally speaking, due to the complexity of the production process, and a high production cost, glufosinate ammonium has not yet been widely promoted in China.” Since the industrialization of production of glufosinate ammonium has only been shaped in recent years in China, the market is still small. The glufosinate ammonium market hasn’t met growth spurt as with glyphosate, but the global sales of glufosinate ammonium still maintain a stable growth tendency.

Glufosinate ammonium has a good prospect in China, but during the promotion and application processes, there are several issues that merit attention. First, tests and demonstrations need to be well done; secondly, improve the application technology; thirdly, strengthen publicity and training. Publicity and training on scientific and safe application technologies of glufosinate ammonium should be intensified, and this is especially true with technical training and guidance targeted at retailers and farmers. Therefore, they can master the application technologies to use the pesticide in a proper way and be informed with the applicable crops.

Sales Performance of China Listed Companies during the First Three Quarters (100 Million Yuan)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Operating income (RMB 100million)</th>
<th>Year-on-year Basis(%)</th>
<th>Net Profit (RMB 100million)</th>
<th>Year-on-year Basis(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhejiang Wynca Chemical Industrial Group</td>
<td>58.98</td>
<td>+13.81</td>
<td>0.94</td>
<td>-73.89</td>
</tr>
<tr>
<td>Huapont Nutrichem</td>
<td>37.74</td>
<td>+17.89</td>
<td>3.69</td>
<td>+42.10</td>
</tr>
<tr>
<td>Jiangsu Yangnong Chemical Group</td>
<td>20.89</td>
<td>-5.08</td>
<td>3.17</td>
<td>+19.14</td>
</tr>
<tr>
<td>Nanjing RedSun</td>
<td>49.77</td>
<td>+1.60</td>
<td>3.98</td>
<td>+50.82</td>
</tr>
<tr>
<td>Sanonda</td>
<td>25.67</td>
<td>+13.77</td>
<td>4.29</td>
<td>+123.48</td>
</tr>
<tr>
<td>Lanhe Tech</td>
<td>29.02</td>
<td>+20.01</td>
<td>3.68</td>
<td>+24.42</td>
</tr>
<tr>
<td>Nantong Jiangshan Agrochemical &amp; Chemical</td>
<td>23.20</td>
<td>-4.73</td>
<td>1.89</td>
<td>-19.44</td>
</tr>
<tr>
<td>Hufeng Joint-Stock</td>
<td>17.48</td>
<td>+14.08</td>
<td>1.56</td>
<td>+43.10</td>
</tr>
<tr>
<td>Noposion</td>
<td>19.10</td>
<td>+25.57</td>
<td>1.78</td>
<td>+4.69</td>
</tr>
<tr>
<td>Jiangsu Changqing Agrochemical</td>
<td>13.23</td>
<td>+12.71</td>
<td>1.77</td>
<td>+20.28</td>
</tr>
<tr>
<td>Lier Chemical</td>
<td>10.19</td>
<td>-6.07</td>
<td>0.88</td>
<td>-10.18</td>
</tr>
<tr>
<td>Jiangsu Lanfeng Bio-chemical</td>
<td>9.56</td>
<td>-9.08</td>
<td>0.14</td>
<td>-150.99</td>
</tr>
<tr>
<td>Hunan Halli Group</td>
<td>8.02</td>
<td>-6.77</td>
<td>0.039</td>
<td>+49.31</td>
</tr>
<tr>
<td>Huaxing Chemical Industry</td>
<td>42.55</td>
<td>+60.21</td>
<td>0.77</td>
<td>+154.96</td>
</tr>
<tr>
<td>Zhejiang Shenghua Biok Biology</td>
<td>10.36</td>
<td>-12.70</td>
<td>0.97</td>
<td>+195.36</td>
</tr>
<tr>
<td>Hebei Veyong Bio-Chemical</td>
<td>35.34</td>
<td>+3.14</td>
<td>5.40</td>
<td>-6.07</td>
</tr>
</tbody>
</table>

Note: The operating income is the company’s entire business income. It includes business revenues from other sectors other than pesticides for some companies.

Market competition intensifies and the benefits of flagship products meet setback

The net profits which belonged to the shareholders of Jiangsu Lanfeng Bio-chemical Co., Ltd. as a listed company in 2013 totaled 21.1017 million yuan. The market demand for Lanfeng Bio-chemical’s main profitable product hexazinone falters in 2014, so is the gross profit for Lanfeng Bio-chemical. Furthermore, due to the lack of raw material for some key products, the company’s productivity wasn’t fully released, so the expected profits has not been reached. It is estimated that the net profits which belong to the shareholders of Jiangsu Lanfeng Bio-chemical Co., Ltd. as a listed company in 2014 range between minus 10 million and 0 yuan.

The net profits which belonged to the shareholders of Lier Chemical as a listed company in 2013...
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tolated 104 million yuan. Under the influence of the overall international pesticide market of increasing competition, gross margin for the company’s old products such as picloram declined in 2014. In the meantime, due to the relocation project for technological innovations, the business performance of Jiangsu Kuida Agrochemical Co., Ltd., a subsidiary of Lier Chemical, slowed down, which also contributed to the decline of the operating income of Lier Chemical. It is expected that the net profits which belong to the shareholders of Lier Chemical as a listed company in 2014 range between 83.2709 million and 114 million yuan, with a variation of -20.00% to 10.00%.

The net profit for the owners of the parent company of Wyncia Chemical Industrial Group in the whole year of 2013 reached 435 million yuan. Glyphosate is Wyncia Chemical Industrial Group’s flagship product, the price of which in 2014 has been declining during the reporting period. Meanwhile, the slack organosilicone industry has also brought down the products’ profitability level. The realized net profit which belonged to the owners of the parent company totaled 94.4026 million yuan during the first three quarters. It is expected that the realized net profit which belongs to the owners of the parent company will fall by over 50% compared with the same period of last year.

Expand the market with developments and innovations The net profits which belonged to the shareholders of Hufeng Joint-Stock as a listed company in 2013 totaled 163 million yuan. During the first three quarters, Hufeng Joint-Stock has enhanced its efforts in expanding the market and controlling the cost. The financial cost has dropped sharply on a year-on-year basis, and the sales of parts of the key products have increased and the selling prices of the products have risen remarkably.

The net profits which belonged to the shareholders of Noposion as a listed company in 2013 totaled 180 million yuan. During the first three quarters, the company has further deepened its comprehensive agricultural services based on plant protection technologies, and the marketing efficiency maintains a stable growth. However, influenced by the litigation brought by Jiangsu Changlong Agrochemical, it is expected that the net profits which belong to the shareholders of Noposion as a listed company in 2014 range between 180 million and 216 million yuan, with a variation of 0.00% to 20.00%.

Expand the scale and improve the business performance The net profits which belonged to the shareholders of Huapont Nutrichem as a listed company in 2013 totaled 302 million yuan. Huapont Nutrichem’s consolidated statements for 2014 include those of the newly merged companies Shandong Fuer Co., Ltd. and Shandong Kaisheng New Materials Co., Ltd. It is expected that the net profits which belong to the shareholders of Huapont Nutrichem as a listed company in 2014 range between 393 million and 484 million yuan, with a variation of 30.00% to 60.00% on a year-on-year basis.

The net profits which belonged to the shareholders of Jiangsu Changqing Agrochemical as a listed company in 2013 totaled 193 million yuan. With the completion and operation of the TC production base in Nantong in 2014, the business performance of the company is accordingly improved. It is expected that the net profits which belong to the shareholders of Jiangsu Changqing Agrochemical as a listed company in 2014 range between 212 million and 270 million yuan, with a variation of 10.00% to 40.00%.

Boost profits through multiple channels The net profits which belonged to the shareholders of Huaxing Chemical Industry as a listed company in 2013 totaled 44.0348 million yuan. The agricultural material business of Anhui Lineartul, a wholly-owned subsidiary of Huaxing Chemical Industry has grown substantially during 2014, which therefore has contributed a lot to the profits of Huaxing Chemical Industry. It is expected that the net profits which belong to the shareholders of Huaxing Chemical Industry as a listed company in 2014 range between 78 million and 98 million yuan, with a variation of 77.13% to 122.55% on a year-on-year basis.

The operating income of Veyong Bio-Chemical during the first three quarters in 2014 increased by 724.88% compared with the same period of last year. The main contributing factor for the company’s income growth lies in the assets disposal and amortization of deferred income during the reporting period.

The net profits which belonged to the shareholders of Zhejiang Shenghua Bick Biology as a listed company in 2013 totaled 27.7258 million yuan. Caitong Fund Management Co, Ltd., a joint-stock company of Shenghua Bick, has actively adjusted the product design direction and expanded the special-account business while developing traditional public fund. Of a defined development course characteristic of future goods and stable-growth business, it is expected that the net profit of Caitong Fund Management will increase. Meanwhile, the interests of entrusted loans during current period and private placement bonds will greatly promote the company’s earnings. Furthermore, under the influence of the market, the sales revenue and gross margin of some of Shenghua Bick Biology’s veterinary medicine products will rise compared to the same period of last year. It is expected that the net profits which belong to the shareholders of Zhejiang Shenghua Bick Biology as a listed company in 2014 will increase by over 180% on a year-on-year basis.

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Syngenta Nantong FF&P Project Officially Kicked off

Recently, the Ceremony of Syngenta Nantong FF&P Project was officially kicked off in Nantong, Jiangsu. Mr. Sun Shubao, chairman of China Crop Protection Industry Association, Dr. Duan Yousheng, Director of CCPIA Information & Consultant Dept. Mr. Qiang Qiang, Director of Nantong Economic and Technological Development Area, Mr. Mark Peacock, Head of Global Operations of Syngenta, and Mr. Pierre Cohadon, Head of Syngenta China, attended and addressed the ceremony.

Mr. Sun Shubao, chairman of CCPIA, mentioned in his speech, “Syngenta Nantong Crop Protection Co., Ltd. was established in 1999 with an investment of $85 million. It is one of China’s largest agrochemical projects funded by foreign capital, but also one of Syngenta’s eight TC production bases. The official completion and commissioning of Syngenta Nantong FF&P project highlights its firm determination to meet demands from Chinese agriculture, farmers and market. We hope Syngenta could persist in driving the Chinese pesticide industry to move forward and make greater contributions to the development of the Chinese agriculture.”

Mark Peacock, Head of Global Operations of Syngenta, said in his speech, as a multinational, Syngenta launched “Green Growth Plan” a year ago. This plan is designed to contribute to global food security and sustainable development of the earth. Mr. Peacock also said that Syngenta would continue to strengthen its cooperative relationship with the all sectors of the community, and make great efforts to safeguard food security in China, improve agricultural productivity, and promote rural economic development.

Pierre Cohadon, Head of Syngenta China, said in his speech that in order to better meet the needs of agricultural development in China and even across the world, Syngenta made an additional investment of $52.4 million on the Nantong FF&P Project in June 2013 and upon completion, Syngenta Nantong Crop Protection Co., Ltd. will produce 80% of Syngenta’s products sold in China.

Ma Fei, manager of Syngenta Nantong Crop Protection Co., Ltd. made a report about the project. Ma introduced that the Syngenta Nantong FF&P project, also known as the Yangtze River No. 2 project, will be completed and put into operation next March. The project covers an area of 71 acres, including five formulation production lines, 20 packaging lines and a total of 34 kinds of recipes as well as around 100 kinds of formulation products, including SC, WDG, CS products and seed coating products. The completion of the Yangtze River No. 2 project will significantly improve the company’s productivity of crop protection products in China and make greater contribution to the agricultural industry.

Later, Sun Shubao, Qiang Qiang, Mark Peacock, and Zhao Yonghui all together irrigated the evergreen tree which represents the formal launch of the Syngenta Nantong FF&P Project.

Sinochem International recently announced that in order to actually control related assets of Sinochem Group’s pesticide businesses and promote integration and professional development of the company’s pesticide business, Sinochem International plans to invest a total of 970,162,200 yuan to acquire the entire equity of Sinochem Agrochemical, Shenyang Sciencreat Chemicals, Sinochem Agrochemical HK, Sinochem Agrochemical Brazil, and Sinochem Agrochemical Argentina.

Of the equity value of the underlying companies in the proposed acquisition, the actual acquisition cost reaches around 669 million yuan, 301 million yuan of non-pesticide business will be stripped before December 31, 2014. After the completion of this transaction, the pesticide business-related assets of Sinochem’s subsidiaries, excluding Shenyang Research Institute of Chemical Industry which is R&D-related, will all be integrated into the control of Sinochem International.

Sinochem International said Sinochem’s subsidiary pesticide businesses are currently distributed under different subjects. The transaction will promote improvement of the company’s pesticide business chain and enrichment of the product portfolio, help expand the market coverage, increase the industrial scale, bring the overall advantages into play and enhance market competitiveness. In the meantime, it will also help to reduce connected transactions within the group and horizontal competition.

Currently, Sinochem Group has made it clear that Sinochem International will be the main body for its pesticide businesses after the integration. After the completion of this connected transaction, Sinochem Group will start relevant reorganization procedures for Shenyang Research Institute of Chemical Industry. It aims to round off injection of funds into Shenyang Research Institute of Chemical Industry within the future 12 months.

Sinochem International has been committed to the layout arrangement of the agrochemical field over the past two years. By purchasing shares, the company now holds 29% of the total shares of Nantong Jiangshan Agrochemical & Chemicals and 40.5% of Yangnong Chemical Group’s. The annual equity capacity of glyphosate for Sinochem International reaches 26,000 tonnes.
Recently, Nanjing RedSun Co., Ltd. held the recommendation meeting for its new product in Wuhan. Red Sun's key clients from around the country attended the meeting. At the meeting, Red Sun grandly brought forward the world's first paraquat GW (water-soluble gel)—Dujiaxing, 20% paraquat GW which has received formal domestic registration as an alternative to the paraquat AS. According to Announcement No.1745 jointly issued by the MOA, MIIT and the AQSIQ, all manufacturers in China have been prohibited to produce paraquat AS since 1st July, 2014; and paraquat AS will not be allowed to be sold or used in China since 1st July, 2016. It is known that Dujiaxing is the only domestic product of a new formulation type which has obtained production license, formal pesticide registration and production standard certificate. Nanjing RedSun has carried out the promotion and experiment of this alternative product. After years' development, lab trials and pilot trials of non-AS paraquat formulations, currently the quality, recipe and process technology, use safety and other aspects of paraquat GW has reached a relatively mature level, which could meet requirements from industrial production on a large scale. Red Sun has made patent applications for non-AS paraquat formulations, auxiliaries, and packaging, etc. Dujiaxing will soon be officially and exclusively launched into the market. **Shandong Cynda Chemical Plans to Raise 298 Million Yuan through IPO** According to China Securities Regulatory Commission (CSRC), Shandong Cynda Chemical plans to go public at Shanghai Stock Exchange. The public offering of shares will not exceed 20 million shares, accounting for no less than 25% of the company’s total shares after IPO. The total equity will not exceed 80 million shares. Shandong Cynda Chemical is mainly engaged in R&D, production and sale of environmental friendly herbicides of safety, efficiency, and low toxicity. Its herbicides mainly include clethodim TC and formulations, clomazone TC and formulations, imazethapyr TC and formulations, and imazapyr TC and formulations, of which the outputs of clethodim TC, and dimethomorph TC rank first in China, and those of clomazone TC and imazethapyr TC rank second in China. In addition, the company also sells fungicides such as dimethomorph TC and formulations, pharmaceutical and pesticide intermediates such as iodonium chloride, amino-alcohol, PDE, and ADBA. The company has now owned 75 registered products. The company’s gross business income in 2013 reached 691 million yuan and its net profit totaled 70 million yuan, while the gross business income of the company in the first half of 2014 reached 479 million yuan, and the net profit nearly kept up with that of the whole year of 2013, reaching 63.16 million yuan. Of all the products, herbicides accounted for the largest share, respectively 77.08% of the main income in 2013 and 79.74% in the first half of 2014.
Syngenta’s Fungicide Business in China Tops One Billion Yuan

Syngenta is the world’s largest agrochemical enterprise, so is its business in China, and this is especially true with its fungicide business. In 2014, Syngenta’s fungicide business increased significantly by more than 20%, reached over one billion yuan.

In terms of product sales, Armure, Amistar, Score and Ridomil Gold, are the four pillar brands of Syngenta. During 2013 the sales of Armure almost topped 200 million yuan, Amistar exceeding 100 million yuan, and sales of Score and Ridomil Gold almost reached 100 million yuan respectively. Therefore, in 2014 it is no coincidence that the sales of Syngenta’s fungicide products in China have already broken the one billion threshold. Looking at the sales of Syngenta’s fungicide products in China over the past three years, the annual average growth rate of 18% has not only been contributed by an increasing domestic market demand for fungicides, but has also been greatly pushed by Syngenta’s sales and marketing strategies in China.

First, Syngenta provides integrated solutions to deal with crop diseases. Syngenta employs scientific portfolios of products, such as Armure respectively with insecticides thiamethoxam, Peak (pymetrozine), Virtako etc. to effectively control the occurrence of major plant diseases and insect pests in rice fields and thus to guarantee crop output; secondly, Syngenta has made great efforts in promoting the patent product market and maintaining the distribution channels to ensure a stable price; thirdly, Syngenta attaches great importance to the marketing efforts. Through technical training, logistics control, high returns to distributors, etc. to stabilize the market share.

AgroChemEx 2014 Boosting Development of China Pesticide Industry

From October 29 to 31, “AgroChemEx 2014” was held at Shanghai World Expo Exhibition & Convention Center.

The venue for AgroChemEx 2014 was moved from Everbright Convention & Exhibition Center to Shanghai World Expo Exhibition & Convention Center. AgroChemEx 2014, with an exhibition area of 25,000 square meters, attracted 478 domestic and international exhibitors, which are manufacturing and trading companies of pesticide technical, formulations, adjuvants, intermediates, environment protection and energy equipment, processing and packaging equipment and analytical instruments and logistics and foreign trade companies. Among them there were 30 overseas exhibitors from Germany, Spain, Brazil, Australia, Malaysia and India and so on. Nearly 23,000 people visited the exhibition and over 1,000 overseas buyers from over 80 countries and regions came to the exhibition and discuss business. Information technologies like mobile apps and WeChat were adopted in the exhibition.

Sun Shubao, Chairman of China Crop Protection Industry Association (CCPIA), said that in the next AgroChemEx (ACE) there would be additional 8,500 square meters for the event as well as new exhibition areas for mechanical and packaging equipment and environmental protection equipment, to welcome more domestic and overseas buyers and better promote the overall development of Chinese agrochemical industry and upstream and downstream enterprises.

The ACE Conference 2014 was held during the exhibition. Dozens of industry leaders and experts from both home and abroad were invited to offer advice and suggestions. The conference attracted nearly 500 agrochemical industry representatives from home and abroad.

The ACE Conference 2014 consisted of nine meetings, including 2014 National Agrochemical Exchange Meeting, 2014 International Conference on Crop Protection, 2014 China International Forum on Procurement and Service of Pesticides, 1st Environmental Protection Development Forum on
On the evening of November 10, 2014, the Awarding of Professional Engagement Ceremony (APEC) of China Crop Protection Industry Association (CCPIA) was held. The CCPIA Technology Center for Pesticide Engineering Expert Team was officially established then. After an intense day of training on F&P on November 11, the Expert Team started the three-week Expert Improvement Program on F&P for formulators.

Throughout the program, the Expert Team visited six formulators, including Noposion, a leading formulator in China, Nanjing Essence, one of the 2014 Top 30 Formulators, Weifang Rainbow which is devoted to transforming from technical manufacturer to formulator, as well as Jiangsu Huifeng, Sino-agri Union and Greenland Chemical.

The Expert Team, led by Shirley Xia, deputy secretary general of CCPIA, and headed by F&P experts Mr. Peter Southgate and Leng Yang, carried out the first round of the improvement program in six companies. During the activity, the Expert Team consistently emphasized the philosophy of “Data collection & analysis support production”, and interacted with relevant workshop production, management and QC personnel of the companies, carefully analyzed the production processes and technologies, drew every detail of each production link on flow charts and listed and analyzed all data that might be produced. Peter pointed out that in production the data of key steps should be completely recorded and kept because they have great reference value to the improvement of production efficiency and the reduction of production cost.

The Expert Team also paid a field visit to the F&P workshops of the six companies and had in-depth communication with workers at the production line. Based on the questions raised by relevant personnel of the workshops and objective factors restricting production, the Expert Team provided pointed solutions.

In the program, through a lot of interactions and communications, the Expert Team taught the companies how to find, analyze and solve problems. In the meantime, they carried out systematic training on cross contamination control and 5S management issues that many formulators are concerned about.

The activity is just a beginning. In the next few months, the Expert Team will continue to follow up on the production of those companies to make sure corrections and rectifications are in place and realize improvement in production efficiency, performance and quality.
CCPIA Provides HSE Project Consulting Services

On November 24, 2014, the expert team organized by China Crop Protection Industry Association (CCPIA) and led by CCPIA’s deputy general secretary Shirley Xia went to Jiangsu Changlong Agrochemical Co., Ltd. (Changlong Agrochemical) for the first communication on the HSE consulting project for Changlong Agrochemical’s Taixing Factory, which marked the official launch of CCPIA’s field consulting project in the whole industry, in which CCPIA visits companies and provides consulting services on specific subjects. Changlong Agrochemical is the first company to apply for the consulting service. In the future, CCPIA will continue to carry out the activity and offer consultations to HSE projects in more companies to ensure the service is carried out in a continuous, deep-going and effective way.

CCPIA Released Top 30 Exporting Companies of China Agrochemical Industry

With the rapid development of China crop protection industry in the past 30 years, China has become a major manufacturer and exporter all over the world. By 2013, China agrochemical production has reached to 3190000 tons, of which export volume accounted for 50%. Sincerely speaking, around 70% of global pesticide technical is produced in China and exports to more than 170 countries every year, mainly North America, Southeast Asia, South America, Japan and Middle East.

Ever since 1994, export of pesticide has exceeded import. During the past two decades, export quantity and value has been both in an upward trend, which indicates that China pesticide industry has grown up in the worldwide market.

China Crop Production Industry Association and China Export & Credit Insurance Corporation jointly have assessed China agrochemical manufacturers and trading companies based on the principles of fairness, impartiality and openness. According to incomplete statistics, through analyzing data from China Customs and companies as well as their competitiveness, Top 30 Exporting Companies of China Agrochemical in Year 2013 were finally ranked. The main purpose of this activity is to set up international market examples and promote China agrochemical exports to develop healthily, rapidly and sustainably. Meanwhile through development tracks of excellent companies, pesticides-involving companies can understand current situation and trend to enhance exchanges and cooperation among companies and finally make a scientific decision for their export business.

The List of Top 30 Exporting Companies of China Agrochemical in Year 2013

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Company</th>
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<tbody>
<tr>
<td>1</td>
<td>Nutrichem Company Limited</td>
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<td>2</td>
<td>Zhejiang Wyna Chemical Industry Group Co.,Ltd.</td>
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<td>3</td>
<td>Fujian Tongda Agro-chemical Technology Co., Ltd.</td>
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<td>4</td>
<td>Shandong Weifang Rainbow Chemical Co., Ltd.</td>
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<td>5</td>
<td>Jiangsu Yangnong Chemical Group Co., Ltd.</td>
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<td>6</td>
<td>Nantong Jiangshan Agrochemical &amp; chemicals Co., Ltd.</td>
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<td>7</td>
<td>Hubei Sanonda Foreign Trade Co., Ltd.</td>
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<td>8</td>
<td>Nanjing Red Sun International Trade Co., Ltd.</td>
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<td>9</td>
<td>Jiangsu Good Harvest Weien Agrochemical Co., Ltd.</td>
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<td>10</td>
<td>Sinochem Agro Co., Ltd.</td>
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<td>11</td>
<td>Zhejiang Jinfanda Biochemical Co., Ltd.</td>
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<td>12</td>
<td>Jiansu Huifeng Agrochemical Co., Ltd.</td>
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<td>13</td>
<td>Sinochem Ningbo (Group) Co., Ltd.</td>
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<td>14</td>
<td>Jiangsu Sevencontinent Green Chemical Co., Ltd.</td>
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<td>15</td>
<td>Lier Chemical Co., Ltd.</td>
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<td>16</td>
<td>Shandong Binneng Technology Co., Ltd.</td>
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<td>17</td>
<td>Trustchem Co., Ltd.</td>
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<td>18</td>
<td>Jiangsu Lanfeng Biochemical Co., Ltd.</td>
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<td>19</td>
<td>Zhejiang Changxing Zhongshan Chemical Industry Co., Ltd.</td>
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<td>20</td>
<td>Changzhou Eastchem International Co., Ltd.</td>
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<td>21</td>
<td>Jiangsu Rotam Chemistry Co., Ltd.</td>
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<td>22</td>
<td>Jiangsu Agrochem Laboratory</td>
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<td>23</td>
<td>Jingma Chemicals Co., Ltd.</td>
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<td>24</td>
<td>Ningbo Generic Chemical Co., Ltd.</td>
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<td>25</td>
<td>Iprochem Co., Ltd.</td>
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<td>26</td>
<td>Shanghai AgroChina Chemical Co., Ltd.</td>
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<td>27</td>
<td>Linin Chemical Co., Ltd.</td>
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<td>28</td>
<td>Shandong Lube Chemical Co., Ltd.</td>
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<td>29</td>
<td>Jiangsu Flag Chemical Industry Co., Ltd.</td>
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<td>30</td>
<td>Jingjiang Sinnamyang Imp&amp;Exp Corp., Ltd.</td>
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Alliance for China Pesticide Industry Product Stewardship Established with Support of Transnational Companies

On December 8, the inaugural meeting of the "Alliance for China Pesticide Industry Product Stewardship" led by China Crop Protection Industry Association (CCPIA) was held in Nanjing. CCPIA's general secretary Li Zhonghua and deputy general secretary Shirley Xia and Li Zhengxian, as well as representatives from 18 member units including Shanghai DuPont Agricultural Chemicals Ltd., BASF Plant Protection (Jiangsu) Co., Ltd., Lianhe Tech, Nantong Jiangshan Agrochemical & Chemical and Jiangsu Yangnong Chemical, as well as representatives from transnational companies such as Syngenta, Dow AgroSciences and FMC Corporation and excellent Chinese enterprises attended the meeting.

The "Alliance for China Pesticide Industry Product Stewardship" initiated by CCPIA was strongly supported by agrochemical companies. Transnational companies and excellent Chinese agrochemical companies actively participated in the preparatory work of the establishment of the Alliance, offering advice and suggestions on the establishment and next step of the Alliance.

In the future, the Alliance will organize and conduct researches on basic work for product stewardship, organize the research on product stewardship evaluation index system and evaluation methods, and establish responsible care evaluation and authentication mechanism; Actively strive for the policy support on product stewardship from relevant government departments and improve companies’ motivation to carry out responsible care. In the meantime, the Alliance plans to facilitate the formation of responsible care information exchange and communication platforms in the pesticide industry, organize and carry out product stewardship publicity, discussions, specific-subject training and field guidance and consultation, enhance responsible care awareness among companies and employees to promote the sustainable development of the industry and companies.

List of initiators of the Alliance for China Pesticide Industry Product Stewardship

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<tr>
<th>No.</th>
<th>Company</th>
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<tr>
<td>1</td>
<td>Shanghai DuPont Agricultural Chemicals Ltd.</td>
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<td>2</td>
<td>BASF Crop Protection (Jiangsu) Co., Ltd.</td>
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<td>3</td>
<td>Lianhe Tech</td>
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<td>4</td>
<td>Nantong Jiangshan Agrochemical &amp; Chemical Ltd.</td>
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<td>5</td>
<td>Hailir Pesticides &amp; Chemicals Group</td>
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<td>6</td>
<td>Essence Group</td>
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<td>7</td>
<td>Jiangsu Changlong Chemicals Co., Ltd.</td>
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<td>Limin Chemical Stock Co., Ltd.</td>
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<td>Qingdao Hansen Biologic Science Co., Ltd.</td>
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<td>15</td>
<td>Rainbow Chemical</td>
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<td>16</td>
<td>Shanghai Shengnong Pesticide Co., Ltd.</td>
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<td>17</td>
<td>Shangyu Nutrichem Fine Chemicals Co., Ltd.</td>
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<td>Noposion</td>
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CCPIA Devoted to Promote Safe and Scientific Use of Pesticides

In April 2014, China Crop Protection Industry Association (CCPIA) and 37 pesticide enterprises jointly initiated and established CCPIA Committee for Using Pesticide Safely and Scientifically. In less than one year since its establishment, the Committee has done a lot of work in promoting the safe and scientific use of pesticides.

The Committee and its members, Bayer CropScience and Kesai Agrochem jointly held 79 Trainings of Using Pesticide Safely and Scientifically, engaging about 12,300 farmers and dealers of agricultural means of production. The Committee published 5,000 copies of Guide to Training on Safe and Scientific Use of Pesticides and invested in about RMB340,000.

In May 2014, led by the Committee, over 30 member companies went to Liquan County, Shaanxi Province and observed the large training meeting on using pesticide safely for farmers jointly held by the National Agro-Tech Extension and Service Center (NATESC) and Syngenta. About 300 farmers participated in the training.

In September 2014, the Committee and the NATESC and CropLife (China) jointly held the "Training on using pesticide safely and scientifically and recycling pesticide package waste". Over 150 people participated in the training.

In November 2014, the Committee held the "Training forum on using pesticide safely and scientifically" in Wuhan. Over 200 people participated in the training.
CCPIA received CPCIF Best Organizational Unit Award of Responsible Care

CCPIA has carried out the work with cooperative groups of staple varieties. For example, the Working Group for Product Management and Responsible Care of the Paraquat Industry of China is the first large, influential responsible care enterprise group in the history of the Chinese agrochemical industry. The working group has done a lot of fruitful work such as training doctors, opening emergency hot-lines and distributing activated carbon, which has improved the cure rate of paraquat poisoning, helped improve the image of the agrochemical industry in the eyes of the society, communities and the public, and made contributions to the sustainable development of the industry. CCPIA has carried out one-to-one HSE training for companies with such demand and helped enterprises establish HSE management systems. It has cooperated with universities (jointly cultivating HSE engineering master with Nanjing University of Technology) to cultivate high-level inter-disciplinary HSE talents for the agrochemical industry; has actively organized the agrochemical industry to carry out the responsible care code, issued the HSE Management Regulations of the Pesticide Industry, formulated the Audit Provisions of the HSE Management System for China’s Pesticide Industry, and officially carried out the authentication of HSE compliance enterprises in the industry to further promote the responsible care idea in the industry. Currently two rounds totaling 17 enterprises have received the HSE compliance enterprise certificate. Some domestic enterprises have seen increased HSE level. Five agrochemical enterprises including Lianhe Tech, CAC Group, Rainbow Chemical, Nantong Jiangshan and Haier Group were also awarded “Best Practice Unit of Responsible Care in the National Petroleum and Chemical Industry”. The challenges on safety and environmental protection faced by the chemical industry are global. Therefore, it is necessary to strengthen international cooperation and communication. CCPIA will continue to promote the responsible care work and make contributions to the new image building of the chemical industry.

International Standards Promote "Made in China" Pesticide Products to the World

On November 7, 2014, FAO/WHO Workshop on Development of Pesticide Specifications organized by China Crop Protection Industry Association (CCPIA) kicked off in Hangzhou, Zhejiang. More than 50 manufacturers and foreign trade enterprises including multinational companies and listed companies attended the workshop. Sun Shubao, president of CCPIA, and Shirley Xia, deputy secretary-general attended the workshop and delivered speeches.

Recently China Responsible Care Commending Conference & CPCIF-ICCA HSE Seminar was held. China Crop Protection Industry Association (CCPIA) was awarded CPCIF Best Organizational Unit Award of Responsible Care. Only ten agrochemical industrial organizations in China have received the award.

At the conference, Shirley Xia, deputy secretary-general of CCPIA, gave a speech. She pointed out that though China’s agrochemical industry is growing rapidly, it still has not fully gotten rid of the extensive growth pattern featured by high consumption, high emission and low efficiency. To change the situation, CCPIA was one of the earliest organizations to introduce the responsible care idea in the industry. Through persistent publicity and promotion, more and more domestic agrochemical companies have joined the responsible care action. Responsible care has become a government-instructed, industry-promoted and enterprise-executed regulation and a foundation for the survival of an enterprise, from a voluntary action.

In recent years CCPIA has shifted the focus of its work to health, safety and environmental protection. Based on the rich experiences of transnational companies in carrying out responsible care activities for years, CCPIA has been conveying the latest concepts on responsible care on the high level of the industry. With pesticide industry parks as platforms, CCPIA has organized training several times, and through responsible care activities, a large number of medium- and large-sized companies have settled in the parks. Recently, some responsible care activities have been organized several times, and through responsible care activities, a large number of medium- and large-sized companies have settled in the parks.

Mr. Sun stressed "as a key, big non-patented pesticide producer and exporter, China will benefit from the establishment of FAO/WHO pesticide specifications. It is of vital importance for China’s enterprises to stand a chance in the international competition and to promote their own brands on a much higher level."

The workshop lasted five days. Dr. Markus Muller, chief expert of WHO/PE, Ms. Yang Yongzhen, joint secretary of FAO/WHO JMP and JMP, Mr. Chen Tiechun, head of Institute for the Control of Agrochemicals, MOA and expert of FAO/WHO JMP, etc. made up the group of experts at the workshop. It seems quite straightforward how powerful the teaching lineup is.

At the workshop, experts from home and abroad not only made an expound explanation on the establishment of FAO/WHO standards and the application procedures, but also gave a systemic and in-depth introduction to many enterprises’ questions on standards, including requirements on parameters of pesticides’ active ingredients, determination of relevant impurities as well as requirements on data/information. In the meantime, they also designed instant practice and carried out round table discussions and face-to-face Q&A activities to complement the traditional one-to-many teaching method in the aim of helping enterprises better understand and absorb the knowledge and skills they have acquired.
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