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Market and Competitive Analysis of Dicamba Industry in China

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Contents

Executive summary 1
Introduction and methodology 2
1 Brief introduction to global dicamba market 4
1.1 Supply 4
1.2 Demand 5
2 Overall situation of dicamba market in China 6
2.1 Industry development in China 6
2.1.1 Brief introduction to dicamba industry 6
2.1.2 Production technology 6
2.1.3 Product registration 7
2.2 Supply of dicamba in China 9
2.2.1 Major raw materials 9
2.2.2 Capacity and output (2008–H1 2017) 11
2.2.3 Producers (2011–H1 2017) 12
2.2.4 Potential capacity as of June 2017 14
2.3 Export (2008–H1 2017) 15
2.3.1 By month (2014–H1 2017) 16
2.3.2 By destination (2014–H1 2017) 20
2.3.3 By exporter (2014–H1 2017) 24
2.4 Demand 29
2.4.1 Consumption volume (2008–H1 2017) 29
2.4.2 Consumption pattern 30
2.5 Price 31
2.5.1 Historical price (2008–H1 2017) 31
2.5.2 Influencing factors behind price trends 32
2.5.3 Future price trends (2017–2018) 33
2.6 Forecast on supply and demand (2017–2021) 33
3 Benchmarking research on major producers in China 35
3.1 Jiangsu Yangnong Chemical Co., Ltd. 35
3.1.1 Basic information 35
3.1.2 Key points in company history 35
3.1.3 Current ownership structure 36
3.1.4 Overall business performance 37
3.1.5 Marketing and sales mode 38
3.1.6 Commercial activity 38
3.1.7 Analysis of dicamba production cost 39
3.1.8 Financial analysis 39
3.1.9 SWOT analysis 40
3.2 Jiangsu Changqing Agrochemical Co., Ltd. 41
3.2.1 Basic information of the company 41
3.2.2 Key points in company history 41
3.2.3 Current ownership structure 42
3.2.4 Overall business performance 43

3.2.5 Marketing and sales mode.....43
3.2.6 Commercial activity.....44
3.2.7 Analysis of dicamba production cost.....45
3.2.8 Financial analysis.....45
3.2.9 SWOT analysis.....46
3.3 Zhejiang Shenghua Biok Biology Co., Ltd......47
3.3.1 Basic information of the company.....47
3.3.2 Key points in company history.....47
3.3.3 Current ownership structure.....48
3.3.4 Overall business performance.....49
3.3.5 Marketing and sales mode.....50
3.3.6 Commercial activity.....51
3.3.7 Analysis of dicamba production cost.....52
3.3.8 Financial analysis.....52
3.3.9 SWOT analysis.....53
4 Investment opportunities and suggestions.....**54**

LIST OF TABLES

Table 1.1-1 Capacity and output of major producers of dicamba technical in the world, as of H1 2017
Table 2.1.1-1 Output of herbicides and dicamba technical in China, 2011–2016
Table 2.1.2-1 Comparison of techniques for producing dicamba technical
Table 2.1.2-2 Capacities and production technologies adopted by major producers of dicamba technical in the world, as of June 2017
Table 2.1.3-1 Registrations of dicamba technical in China, as of 30 June, 2017
Table 2.1.3-2 Registrations of dicamba formulations in China, as of 30 June, 2017
Table 2.2.1-1 Capacity and output of major producers of 1,2,4-trichlorobenzene in China, 2014–H1 2017
Table 2.2.1-2 Capacity and output of major p-dichlorobenzene producers in China, 2014–H1 2017
Table 2.2.3-1 Capacity and output of major producers of dicamba technical in China, 2012–H1 2017
Table 2.2.4-1 Potential capacity of dicamba technical in China, as of June 2017
Table 2.3.1-1 China's exports of dicamba 98% technical by month, H1 2017
Table 2.3.1-2 China's exports of dicamba 98% technical by month, 2016
Table 2.3.1-3 China's exports of dicamba 98% technical by month, 2015
Table 2.3.1-4 China's exports of dicamba 98% technical by month, 2014
Table 2.3.1-5 China's exports of dicamba 48% AS by month, H1 2017
Table 2.3.1-6 China's exports of dicamba 48% AS by month, 2016
Table 2.3.1-7 China's exports of dicamba 48% AS by month, 2015
Table 2.3.1-8 China's exports of dicamba 48% AS by month, 2014
Table 2.3.2-1 China's exports of dicamba 98% technical by destination, H1 2017
Table 2.3.2-2 China's exports of dicamba 98% technical by destination, 2016
Table 2.3.2-3 China's exports of dicamba 98% technical by destination, 2015

Table 2.3.2-4 China's exports of dicamba 98% technical by destination, 2014
Table 2.3.2-5 China's exports of dicamba 48% AS by destination, H1 2017
Table 2.3.2-6 China's exports of dicamba 48% AS by destination, 2016
Table 2.3.2-7 China's exports of dicamba 48% AS by destination, 2015
Table 2.3.2-8 China's exports of dicamba 48% AS by destination, 2014
Table 2.3.3-1 China's exports of dicamba 98% technical by exporter, H1 2017
Table 2.3.3-2 China's exports of dicamba 98% technical by exporter, 2016
Table 2.3.3-3 China's exports of dicamba 98% technical by exporter, 2015
Table 2.3.3-4 China's exports of dicamba 98% technical by exporter, 2014
Table 2.3.3-5 China's exports of dicamba 48% AS by exporter, H1 2017
Table 2.3.3-6 China's exports of dicamba 48% AS by exporter, 2016
Table 2.3.3-7 China's exports of dicamba 48% AS by exporter, 2015
Table 2.3.3-8 China's exports of dicamba 48% AS by exporter, 2014
Table 2.4.1-1 Production, export and apparent consumption of dicamba in China, 2008–H1 2017
Table 3.1.1-1 Basic information on Jiangsu Yangnong Chemical Co., Ltd.
Table 3.1.3-1 Top 10 shareholders of Jiangsu Yangnong Chemical Co., Ltd., as of March 2017
Table 3.1.3-2 Subsidiaries of Jiangsu Yangnong Chemical Co., Ltd., as of March 2017
Table 3.1.4-1 Total assets, revenue and profit of Jiangsu Yangnong Chemical Co., Ltd., 2013–Q1 2017
Table 3.1.7-1 Cost of dicamba technical in Jiangsu Yangnong Chemical Co., Ltd., June 2017
Table 3.1.8-1 Important financial ratio of Jiangsu Yangnong Chemical Co., Ltd., 2013–2016
Table 3.2.1-1 Basic information on Jiangsu Changqing Agrochemical Co., Ltd.
Table 3.2.3-1 Top 10 shareholders of Jiangsu Changqing Agrochemical Co., Ltd., as of March 2017
Table 3.2.3-2 Subsidiaries of Jiangsu Changqing Agrochemical Co., Ltd., as of March 2017
Table 3.2.4-1 Total assets, revenue and profit of Jiangsu Changqing Agrochemical Co., Ltd., 2013–Q1 2017
Table 3.2.7-1 Cost of dicamba technical in Jiangsu Changqing Agrochemical Co., Ltd., June 2017
Table 3.2.8-1 Important financial ratio of Jiangsu Changqing Agrochemical Co., Ltd., 2013–2016
Table 3.3.1-1 Basic information on Zhejiang Shenghua Biok Biology Co., Ltd.
Table 3.3.3-1 Top 10 shareholders of Zhejiang Shenghua Biok Biology Co., Ltd., as of March 2017
Table 3.3.3-2 Subsidiaries of Zhejiang Shenghua Biok Biology Co., Ltd., as of March 2017
Table 3.3.4-1 Total assets, revenue and profit of Zhejiang Shenghua Biok Biology Co., Ltd., 2013–Q1 2017
Table 3.3.7-1 Cost of dicamba technical in Zhejiang Shenghua Biok Biology Co., Ltd., June 2017
Table 3.3.8-1 Important financial ratio of Zhejiang Shenghua Biok Biology Co., Ltd., 2013–2016

LIST OF FIGURES

Figure 1.1-1 Market share of global major producers of dicamba technical by output, 2016
Figure 2.1.2-1 Route A for production of dicamba technical with 1,2,4-trichlorobenzene as starting raw material
Figure 2.1.2-2 Route B for production of dicamba technical with 2,5-dichloroaniline as starting raw material
Figure 2.2.1-1 Monthly ex-works price of 1,2,4-trichlorobenzene in China, Jan. 2014–June 2017
Figure 2.2.1-2 Monthly ex-works price of p-dichlorobenzene in China, Jan. 2014–June 2017
Figure 2.2.2-1 Capacity and output of dicamba technical in China, 2008–H1 2017
Figure 2.2.3-1 Market share of dicamba technical producers in China by output, 2016
Figure 2.3-1 China's export volume of dicamba technical and dicamba formulations, 2008–H1 2017
Figure 2.4.1-1 Apparent consumption (converted to 98% technical) of dicamba in China, 2008–H1 2017
Figure 2.4.1-2 Actual consumption of dicamba (converted to 98% technical) in China, 2008–H1 2017
Figure 2.4.2-1 Actual consumption of dicamba (converted to 98% technical) in China by crop, 2016
Figure 2.5.1-1 Annual ex-works price of dicamba 98% technical and 48% AS in China, 2008–2016
Figure 2.5.1-2 Monthly ex-works price of dicamba 98% technical in China, Jan. 2014–June 2017
Figure 2.5.1-3 Monthly ex-works price of dicamba 48% AS in China, Jan. 2014–June 2017
Figure 2.6-1 Forecast on capacity and output of dicamba technical in China, 2017–2021
Figure 2.6-2 Forecast on global demand for dicamba (converted to 98% technical), 2017–2021
Figure 3.1.4-1 Revenue structure of Jiangsu Yangnong Chemical Co., Ltd. by product type, 2013–2016
Figure 3.1.5-1 Revenue structure of Jiangsu Yangnong Chemical Co., Ltd. by region, 2013–2016
Figure 3.2.4-1 Revenue structure of Jiangsu Changqing Agrochemical Co., Ltd. by product type, 2013–2016
Figure 3.2.5-1 Revenue structure of Jiangsu Changqing Agrochemical Co., Ltd. by region, 2013–2016
Figure 3.3.4-1 Revenue structure of Zhejiang Shenghua Biok Biology Co., Ltd. by product type, 2013–2016
Figure 3.3.5-1 Revenue structure of Zhejiang Shenghua Biok Biology Co., Ltd. by region, 2013–2016

1. Introduction

In recent years, development of dicamba-tolerant crops and weeds' increasing tolerance to competing products like glyphosate have directed more and more attention to dicamba: BASF has been increasing its investment in developing dicamba business. In April 2016, Monsanto announced that more than USD975 million would be input on a dicamba project. As of June 2017, Fuhua Tongda Agro-chemical Technology Co., Ltd., a top manufacturer of glyphosate technical in China, is also constructing a 20,000 t/a project of dicamba technical.

Amidst a fast-growing dicamba market in the globe, Chinese enterprises are also preparing for catching up with the trend. As of June 2017, the potential capacity of dicamba technical has come to 37,000 t/a in the country.

The dicamba industry has ushered in a fast development in China. With only a small number of active manufacturers though, China is playing an important role in the global supply of dicamba.

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

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

- Overview of the global dicamba market
- Overall development of China's dicamba industry
- Capacity and output of dicamba technical in China (2008-H1 2017)
- Manufacturers of dicamba technical and their capacities and outputs in China (2012–H1 2017)
- Potential capacity of dicamba technical as of June 2017
- Analysis of dicamba exports from China (2014–H1 2017)
- Consumption of dicamba in China by volume and application fields (2008–H1 2017)
- Price trend of dicamba in China (2008–H1 2017)
- Forecast on supply and demand of dicamba in China (2017–2021)
- Benchmarking research on the three major Chinese dicamba manufacturers
- Investment opportunities and suggestions

2. Approach for the report

The report is drafted by diverse methods as follows:

✓ Desk research

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

✓ Telephone interview

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

Interviewees cover:
- Key producers
- Key traders
- Associations
- Experts

✓ Internet research

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

Data processing and presentation

The data collected and compiled are sourced from:

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

The data obtained from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were held in order to analyze the data and draw conclusions from them.

3. Executive summary

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

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

- In recent years, the production scale of dicamba has witnessed a dramatic growth in China–the national total capacity of dicamba technical soared from XXX t/a in 2012 to XXX t/a in 2016 and XXX t/a as of June 2017, and the total output also increased largely from XXX tonnes in 2012 to XXX tonnes in 2016 at a CAGR of over XXX during 2012–2016.

- As of 30 June, 2017, there had been XXX valid dicamba registrations in China, including XXX for technical, XXX for single formulations and XXX for mixed formulations. Comparatively, the number of active producers is quite small–only seven major ones as of H1 2017, which are mainly distributed in Jiangsu and Zhejiang provinces. Among them, Jiangsu Yangnong Chemical Co., Ltd. ranks the top by a capacity of XXX t/a as of June 2017.

- Before 2014, the annual average ex-works price of dicamba 98% technical was on the rise from USDXXX/t in 2011 to USDXXX/t in 2014 because of the fast demand growth in the past few years. However, it began to decrease from USDXXX/t in 2015 to USDXXX/t in 2016 and USDXXX/t in H1 2017 due to the fast capacity expansion, increasing output and sluggish pesticide market.

- Over XXX% of dicamba products (converted to 98% technical) produced in China are for export. China’s export volume of dicamba products (calculated by 98% technical) increased from XXX tonnes in 2012 to XXX tonnes in 2016 at a CAGR of XXX%. The US is the largest export destination.

- Only a small quantity of dicamba is consumed domestically every year, mostly for weed control in wheat and corn fields. The actual consumption of dicamba in China was estimated to be around XXX tonnes in 2016 (converted to 98% technical) .

- It is estimated that the capacity and output of dicamba technical in China would rise to XXX t/a and XXX tonnes in 2021 at CAGRs (2017–2021) of XXX% and XXX% respectively, which is mainly due to the fast growth in demand for the product from the future planting expansion of dicamba-tolerant crops.

4. What is in the report?

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

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2 Overall situation of dicamba market in China

2.1 Industry development in China

2.1.3 Product registration

Table 2.1.3-2 Registrations of dicamba formulations in China, as of 30 June, 2017

Type of formulation		Common content	Number of registration	Share
Single formulations	AS	48%	xxx	xxx
	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	Total	**/**	**xxx**	**100%**
Mixed formulations	AS	35%, xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx
	Total	**/**	**xxx**	**100%**

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

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2.2 Supply of dicamba in China

2.2.2 Capacity and output (2008–H1 2017)

Figure 2.2.2-1 Capacity and output of dicamba technical in China, 2008–H1 2017

Source: CCM

Table 2.2.3-1 Capacity and output of major producers of dicamba technical in China, 2012–H1 2017

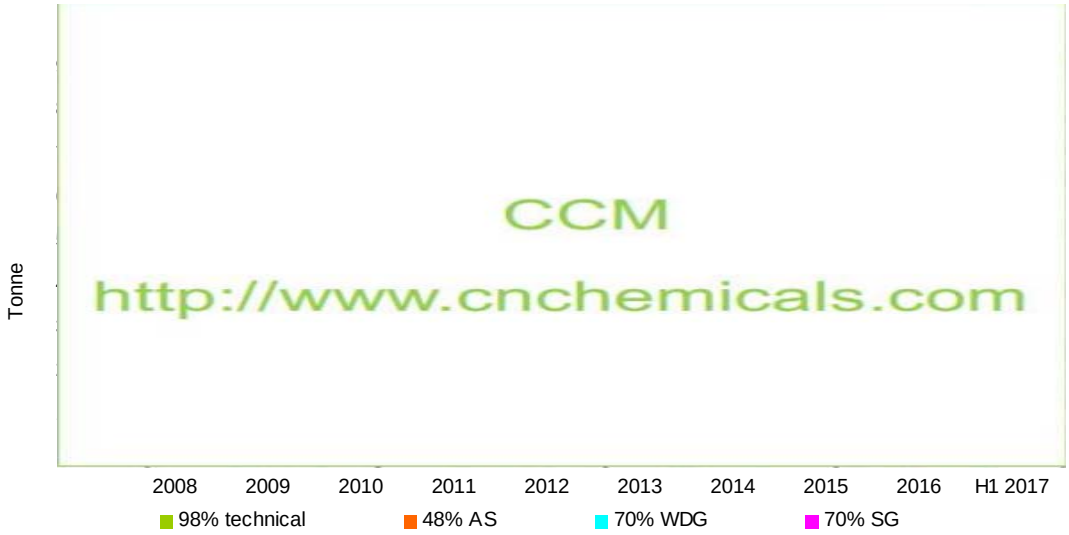
No.	Company	Status in H1 2017	Capacity, t/a						Output, tonne					
			H1 2017	2016	2015	2014	2013	2012	H1 2017	2016	2015	2014	2013	2012
1	Jiangsu Yangnong Chemical Co., Ltd.	Active	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
…	…	Active	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
…	…	Active	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Total			**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

Source: CCM

…

2.3 Export (2008–H1 2017)

Figure 2.3-1 China's export volume of dicamba technical and dicamba formulations, 2008–H1 2017



Source: China Customs & CCM

2.4 Demand

2.4.1 Consumption volume (2008–H1 2017)

Table 2.4.1-1 Production, export, import and apparent consumption of dicamba in China, 2008–H1 2017

Year	Production		Export								Import		Apparent consumption
	98% Technical		Technical	70% WDG		70% WSG		48% AS		Total			
	Capacity, t/a	Output, tonne	Quantity, tonne	Quantity, tonne	Converted to 98% technical, tonne	Quantity, tonne	Converted to 98% technical, tonne	Quantity, tonne	Converted to 98% technical, tonne	Converted to 98% technical, tonne	Quantity, tonne	Converted to 98% technical	Quantity, tonne (converted to 98% technical)
2008	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2009	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2010	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2011	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2012	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2013	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2014	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2015	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2016	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
H1 2017	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Source: CCM

3 Benchmarking research on major producers in China

3.1 Jiangsu Yangnong Chemical Co., Ltd.

3.1.7 Analysis of dicamba production cost

Table 3.1.7-1 Cost of dicamba technical in Jiangsu Yangnong Chemical Co., Ltd., June 2017

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

Source: CCM

3.1.8 Financial analysis

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

Item	2016	2015	2014	2013
Return on equity (ROE)	xxx	xxx	xxx	xxx
Return on total assets (ROA)	xxx	xxx	xxx	xxx
Pre-tax profit margins	xxx	xxx	xxx	xxx
Turnover of total assets	xxx	xxx	xxx	xxx
Turnover of accounts receivable	xxx	xxx	xxx	xxx
Liabilities/assets	xxx	xxx	xxx	xxx
Current ratio	xxx	xxx	xxx	xxx
Quick ratio	xxx	xxx	xxx	xxx

Source: Jiangsu Yangnong & CCM

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