

# **Pesticide Policies in China**

**The Third Edition**

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## 1. Introduction

In recent years, through the implementation of international conventions, the production, use and international trade of highly toxic and high-risk pesticides are under stricter control. Following the international conventions, all countries in the world have actively implemented ban or restriction measures on pesticides according to their own national conditions. For example, in recent years, paraquat, the second largest variety of herbicides, has had the second highest pathogenicity rate among the pesticides after the organophosphorus pesticide, So paraquat has been banned or severely restricted by more than 20 countries.

The pesticide industry in China had started late. However, since the 1990s, in order to improve the pesticide production rate, the state had continuously increased the investment in the pesticide industry. After many years of development, China's pesticide output and sales value have been growing year by year. Due to fierce market competition, new product development appears quite difficult, with the increased risks and the long development period. In order to strengthen the R&D ability, achieve the scale effect and the synergy, increase the market share, reduce the costs and increase the profits, the pesticide enterprises have merged and reorganised frequently. Development of the industry is centralised and monopolised.

*The 13th Five-year Plan for Economic and Social Development of the People's Republic of China* points out the implementation of zero growth action in the usage of chemical fertilizers and pesticides, which indicates that the consumption structure of pesticides will be adjusted. The pesticides of high toxicity and high residue in the past will be gradually eliminated by the market, giving way to those pesticides with high efficiency, low toxicity and low residue. For example, in the field of herbicides, the selective herbicides like acetochlor and trifluralin can be widely replaced by the pendimethalin which is environmental-friendly, efficient and lowly-toxic. At the same time, the relevant ban or restriction policies of pesticides will be issued constantly.

In recent years, due to the frequent safety and environmental protection accidents in domestic production enterprises as well as the development of social technology, the old environmental protection policies are no longer applicable. China has increased the revisions and improvement of environmental protection policies and production safety policies.

In this report, CCM will do analysis the Pesticide Policies in China 2019 from the following aspects:

- ✓ Pesticide industry policies
- ✓ Pesticide management policies
- ✓ Environmental protection policies
- ✓ Pesticide residue policies
- ✓ Pesticides banned and restricted
- ✓ Other pesticide policies

## 2. Methodology

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. A lot of work has gone into the compilation and analysis of the obtained information. When necessary, checks have been made with Chinese agrochemical players.

- Internet

CCM contacted with players in the domestic agrochemical industry through B2B websites and software as well as obtained registration information on the internet.

- Data processing and presentation

The data collected and compiled are sourced from:

- China Crop Protection Industry Association
- CCM's database
- Published articles in periodicals, magazines, journals and third-party databases
- Statistics from governments and international institutes
- Telephone interviews with domestic producers, joint ventures, service suppliers and governments
- Third-party data providers
- Comments from industrial experts
- Professional databases from other sources
- Information from the internet

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

### 3. Executive summary

On 19 January, 2019, the Xinhua News Agency was authorised to issue the No.1 central document in 2019, namely the XXX. This is the XXX No.1 central document focusing on XXX, XXX and rural people in the new century.

On 19 March, 2019, the Ministry of Agriculture and Rural Affairs of the People's Republic of China published the XXX. The document points out 2019 is a XXX year for full XXX of what outlined by President Xi Jinping at the symposium on in-depth promotion of the development of the XXX Economic Belt, as well as an important period to fight for the XXX and XXX of the XXX River.

On 2 April, 2019, Ministry of Agriculture and Rural Affairs of the People's Republic of China issued the *Key Points for Green Development of Agricultural and Rural Areas in 2019*. The document points out the green development of agricultural and rural areas in 2019 should implement the spirit of the XXX issued by the State Office of the CPC Central Committee and the No.1 Document of the CPC Central Committee in XXX, striving to improve the level of green development of agricultural and rural areas in accordance with the requirements of the central rural work conference and the meeting of directors of the National Agriculture and Rural Affairs Department, so as to give full play to the leading role of XXX.

On 5 March, 2019, the 2nd Session of the 13th National People's Congress was convened. Premier Li made a report on the work of the government, stating that taxation will be reduced for all industries. The report also points out that China will deepen the reform of value-added tax (VAT). On 1 April, 2019, the State Taxation Administration officially adjusted the VAT rate of pesticide industry from XXX% to XXX%.

By January 2020, China will have banned or restricted the use of XXX pesticides, XXX of which are banned ones and XXX of which are restricted ones (excluding the banned ones); new registration of XXX pesticides is to be stopped also. It is expected that more and more XXX pesticide products will be listed as the banned or restricted pesticides in the coming years with the introduction of risk assessment and China's encouragement for safe, high-efficiency and economical pesticides. Enterprises should pay attention to the development of XXX, eliminate XXX pesticide products, so as to enhance the competitiveness.

## 4. What's in this report

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

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### 1 Pesticide industry policies

#### 1.1 No.1 Central Document in 2019

On 19 January, 2019, the Xinhua News Agency was authorised to issue the No.1 central document in 2019, namely the XXX. This is the XXX No.1 central document focusing on XXX, XXX and rural people in the new century.

The document points out that XXX is a decisive period for building a well-off society in all aspects. And there are many hard tasks that must be fulfilled related to XXX, XXX and rural people. Therefore, the works should be done in the XXX areas in XXX and 2020 are included in this year's No.1 central document. For the overall goal of building a well-off society in all aspects, the central government has put forward a series of rural reform and development goals that must be completed by the end of XXX, such as winning the battle against poverty, achieving favorable results in the XXX-year remediation and renovation of the rural living environment and doubling farmers' per-capita disposable income on XXX.

The document consists of eight parts:

- Focusing on precise policies and winning the decisive battle to get rid of poverty.
- Consolidating the agricultural foundation and ensuring the effective supply of important agricultural products.
- Promoting XXX steadily and making up for the deficiencies of XXX and XXX.
- Developing and expanding XXX and widening channels for increasing farmers' income.
- Deepening rural reform comprehensively and stimulating the vitality of rural development
- Perfecting rural management mechanism to maintain the harmony and stability in rural society.
- Giving full play of the XXX and strengthening the construction of rural grass-roots organisations comprehensively.
- Consolidating Chinese Communist Party's leadership over the works on agriculture, rural areas and rural people. Implement the general policy of giving priority to the development of agriculture and rural areas.

Timely introduction of the No.1 central document has pointed out five major directions for agricultural enterprises, dealers and other participants in agricultural sector.

**Ensuring effective supply of major agricultural products and raising farmers' enthusiasm for farming.**

The agricultural structure should be adjusted and optimised. Production of high-quality green agricultural products and products in scarcity needs to be developed vigorously. Quantity-oriented development should be replaced by quality-oriented in agriculture. The No.1 central document of 2019 states in particular that an arable land minimum of XXX billion mu should be strictly ensured. Special protection system for permanent capital farmland should be established and followed, with a bottomline of XXX billion mu.

- Influence

According to No.1 central document of 2019, effective supply of main grains should be ensured. Besides, problems like disconnection between production and marketing and insufficient protection against risks are to be solved. Recently, as food prices stay low, some grains are unsalable, and farmers are unable to cope with extreme weather, these policies bring much hope to farmers and greatly improve their enthusiasm for farming.

**XXX crops and XXX brands have bright prospects in developing rural characteristic industries.**

...

- Influence

...

**Making full use of XXX. Internet companies and new farmers make a new recipe for success.**

...

- Influence

...

**Strengthening pollution control and continuing to reduce the use of chemical fertilizers and pesticides.**

...

- Influence

...

**Improving the agricultural insurance policy and maintaining the stability of land contracting system. Agricultural-related financial institutions have become popular.**

...

- Influence

...

**Table 1.1-1 Themes of No.1 Central Document, 2004–2019**

<b>Year</b>	<b>Major theme of the No.1 Central Document</b>
2019	XXX
2018	XXX
2017	XXX
2016	XXX
2015	XXX
2014	XXX
2013	XXX
2012	XXX
2011	XXX
2010	XXX
2009	XXX
2008	XXX
2007	XXX
2006	XXX
2005	XXX
2004	XXX

*Source: No. 1 Central Document of 2004–2019*

## **1.2 Key Points for Promoting Green Development in Agricultural and Rural Areas Along the Yangtze River Economic Belt in 2019**

On 19 March, 2019, the Ministry of Agriculture and Rural Affairs of the People's Republic of China published the XXX. The document points out 2019 is a XXX year for full XXX of what outlined by President Xi Jinping at the symposium on in-depth promotion of the development of the XXX Economic Belt, as well as an important period to fight for the XXX and XXX of the XXX River. In accordance with the work arrangement made by the leading group for the development of the XXX Economic Belt and the XXX, work priorities have been put forward.



First, overall requirements

...

Second, problem-oriented actions

...

Third, agricultural non-point source pollution treatment

...

Fourth, special action safeguarding aquatic organisms in the XXX

...

Fifth, XXX of the rural living environment

...

Sixth, pilot zones of green agricultural development

...

### **1.3 Key Points for Green Development of Agricultural and Rural Areas in 2019**

On 2 April, 2019, Ministry of Agriculture and Rural Affairs of the People's Republic of China issued the Key Points for Green Development of Agricultural and Rural Areas in 2019. The document points out the green development of agricultural and rural areas in 2019 should implement the spirit of XXX issued by the State Office of the CPC Central Committee and the No.1 Document of the CPC Central Committee in XXX, striving to improve the level of green development of agricultural and rural areas in accordance with the requirements of the central rural work conference and the meeting of directors of the National Agriculture and Rural Affairs Department, so as to give full play to the leading role of XXX.

Key points for works in 2019 are as follows:

1. Promoting XXX in agriculture
- ...
2. Strengthening the XXX and XXX of agricultural pollution.
- ...
3. Protecting and preserving XXX resources.
- ...
4. Effectively improving rural living environments.
- ...
5. Strengthening overall promotion and experimental demonstration.
- ...

### **1.4 VAT rate of pesticide industry down to XXX%**

On 5 March, 2019, the 2nd Session of the 13th National People's Congress was convened. Premier Li made a report on the work of the government, stating that taxation will be reduced for all industries. The report also points out that China will deepen the reform of value-added tax (VAT). VAT rate will be lowered to XXX% in the industries with 16%-rate before, like



manufacturing industry; the rate will be adjusted to XXX% in the industries with 10%-rate before, like transportation industry and construction industry; as for the industries in XXX% level, VAT rate will remain unchanged, but taxpayers will shoulder less tax burden through supporting measures such as granting more tax credit to service industry. Tax system will also be simplified. Specifically, VAT rate on pesticides might be lowered to XXX%.

Starting from 1 May, 2018, the VAT rate on pesticides had been reduced from XXX% to XXX%. Since 1 April, 2019, the VAT rates of industries of transportation, construction, feed, pesticide, agricultural machinery, and agricultural film were adjusted from XXX% to XXX% according to the State Taxation Administration. And the XXX% level remained unchanged. This policy can reduce the costs of pesticide enterprises. Small enterprises, in particular, have less tax burden and more room to develop. The reduced the production cost, transportation cost and etc. will give pesticide enterprises greater competitiveness.

## **2 Pesticide management policies**

### **2.1 Key Points of Pesticide Management in 2019**

...

## **3 Environmental protection policies**

### **3.1 Emission Standard of Air Pollutants for Pesticides Industry (Consultation Paper)**

...

## **4 Pesticide residue policies**

### **4.1 Key Points for Quality and Safety of Agricultural Products in 2019**

Key arrangements for the whole year's works are:

Promote standardised production and increase supply of green and high-quality agricultural products.

...

## 4.2 National Food Safety Standard—Maximum Residue Limits for Pesticides in Food (2019)

Main features

...

Significance

...

...

## 5 Pesticides banned and restricted

### 5.1 List of pesticides banned and restricted (as of Jan. 2020)

Table 5.1-1 List of banned pesticides in China

No.	Banned pesticide
1	XXX
2	XXX
3	XXX
4	XXX
5	XXX
...	...
40	XXX
41	XXX

Source: Ministry of Agriculture and Rural Affairs

By January 2020, the Ministry of Agriculture and Rural Affairs will have restricted the use of XXX pesticides. Since 1 August, 2019, the use of XXX, XXX, XXX on vegetables, fruit, tea, mushroom and Chinese medicinal herbs has been prohibited.

Table 5.1-2 List of restricted pesticides in China

No.	Restricted pesticide
1	XXX
2	XXX
3	XXX
4	XXX
5	XXX
...	...
34	XXX
35	XXX

Note: Excluding the pesticides in the list of banned pesticides

Source: Ministry of Agriculture and Rural Affairs

Table 5.1-3 List of pesticides with new registration stopped in China

No.	Pesticides with new registration stopped
1	XXX
2	XXX
3	XXX
4	XXX
...	...
22	XXX
23	XXX

Source: Ministry of Agriculture and Rural Affairs

## 5.2 High-toxic pesticides prohibited in all edible agriculture products

...

## 5.3 Specific standards for banned or restricted pesticides in certain regions

...

## 6 Other pesticide policies

...

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