

**APPLICATION**



**FOR**

**CONTINUATION OF DUMPING DUTY NOTICES**

**2,4-Dichlorophenoxyacetic acid**

**from**

**The People's Republic of China**

**Public Version**

**Nufarm Limited**

**22 March 2022**

**1. Provide details of the name, street and postal address, of the applicant seeking the continuation.**

The applicant requesting the continuation of anti-dumping measures applicable to 2,4-Dichlorophenoxyacetic acid ("2,4-D acid") exported from The People's Republic of China ("China") is Nufarm Limited ("Nufarm"). Contact details for Nufarm are as follows:

Nufarm Limited  
103-105 Pipe Road  
LAVERTON NORTH VICTORIA 3026

ABN: 37 091 323 312

**2. Provide details of the name of the contact person, including their position, telephone number and facsimile number, and email address.**

The contact person at Nufarm to assist with this application is as follows:

Mr David Rumbold  
Regional Lead – Regulatory Affairs, Australia and New Zealand  
103-105 Pipe Road  
Laverton North Victoria 3026  
Tel: (03) 9282 1141  
Email: david.rumbold@nufarm.com

**3. Provide the names, addresses, telephone numbers of other parties likely to have an interest in this matter.**

Nufarm is the only integrated manufacturer of 2,4-D in Australia. Nufarm therefore is representative of the Australian Industry for the purposes of the anti-dumping provisions.

Other interested parties including exporters to this application include as follows:

P R China

(i) Shandong Weifang Rainbow Chemical Co. Ltd (“Rainbow”)  
19 & 20 Floor  
Hanyu Financial Centre  
Building A3-4  
No 7000 East Jingshi Road  
Jinan China 250101  
Tel: +86 531 88875225

(ii) Sinochem Holdings  
11/F, Central Tower, Chemsunny World Trade Center,  
28 Fuxingmennei Street, Xicheng District, Beijing, 100031  
Tel: 86-10-59568888  
Fax: 86-10-59568890

Please note: Sinochem merged with ChemChina on 31 March 2021 to create the Chinese state-owned entity “Sinochem Holdings” on 8 May 2021 (<https://www.sinochem.com/newen/17186.html>). A subsidiary focused on agriculture was then formed as the “Syngenta Group” (<https://www.sinochem.com/17191.html>). There may be other “Sinochem Holdings” or “Syngenta Group” subsidiaries exporting 2,4-D to Australia including Adama Australia and Sinochem International Australia (which has products that are exclusively distributed in Australia by Syngenta Australia: <https://www.syngenta.com.au/press-release/syngenta/syngenta-anz-enters-exclusive-distribution-agreement-sinochem-international>).

(iii) CAC Group  
Yangkou Chemical Industrial Park  
Rudong County, Jiangsu Province, China  
Tel: +86 513-68925288  
Fax: +86 513-68925200

(iv) Huilong Co. Ltd  
No. 1777, Qimen Road  
Sushan District, Hefei City, Anhui Province  
Tel: +86 551-62667301

The following importers are considered interested parties to this application:

- (i) 4Farmers Australia Pty Ltd  
35 McDowell St  
Welshpool WA 6101  
Tel: (08) 9356 3445  
Fax: (08) 9356 3447
- (ii) Accensi  
60-76 Potassium St  
Narangba QLD 4504  
Tel: 07 3897 2000
- (iii) Adama Australia  
Suite 1, Level 4, Building B  
207 Pacific Highway  
St Leonards NSW 2065  
Tel: (02) 9431 7800  
Fax: (02) 9431 7700
- (iv) Australian Independent Rural Retailers (AIRR)  
30 Brickworks Place  
Darra QLD 4076  
Tel: (07) 3713 8000
- (v) Axichem Pty Ltd  
18 Conquest Way  
Wangara WA 6065  
Tel: (08) 9302 4666
- (vi) Conquest Crop Protection Pty Ltd  
76 Walters Drive  
Osborne Park WA 6017  
Tel: (08) 9347 0500  
Fax: (08) 9347 0551
- (vii) Corteva Agriscience Australia Pty Ltd  
Locked Bag 2002  
Chatswood NSW 2057  
Ph: 1800 700 096
- (viii) Crop Smart  
2409/4 Daydream Street  
Warriewood NSW 2102  
Tel: 1300 783 481
- (ix) Imtrade Australia  
17 Ocean Street  
Kwinana Beach WA 6167  
Tel: (08) 9419 0333
- (x) Kenso Agcare Pty Ltd  
Level 1/98 Commercial Road  
Teneriffe QLD 4005  
Tel: (07) 3217 9788
- (xi) Nutrien Ag Solutions  
Level 10, 737 Bourke Street,  
Docklands VIC 3008  
Tel: 1800 888 642

- (xii) OzCrop Pty Ltd  
P.O Box 6506  
Norwest, NSW 2153  
Australia  
Tel: 02 8123 0170

Please note: According to Dun & Bradstreet, the parent company of OzCrop is Rainbow  
([https://www.dnb.com/business-directory/company-profiles.ozcrop\\_pty\\_ltd.05099e4c646c895ec675af3182138ee5.html](https://www.dnb.com/business-directory/company-profiles.ozcrop_pty_ltd.05099e4c646c895ec675af3182138ee5.html))

- (xiii) Sinochem International Australia  
606 St Kilda Rd  
Melbourne VIC 3004  
Tel: (03) 9520 8888

- (xiv) Syngenta Australia  
1/2-4 Lyonpark Rd,  
Macquarie Park NSW 2113  
Tel: 1800 022 035

- (xv) Titan Ag Pty Ltd  
Princes Street Marina  
Suite 15 / 16 Princes Street  
Newport NSW 2106  
Tel: (02) 9999 6655

**4. Provide details of the current anti-dumping measures the subject of this continuation application, including:**

- Tariff classification;
- The countries or companies specified;
- Date of publication of the measure.

The goods subject to anti-dumping measures are 2,4-Dichlorophenoxyacetic acid, a selective herbicide exported to Australia mainly in the forms of 2,4-D acid and 2,4-D ester.

The 2,4-D covered by the measures include:

- 2,4-D acid;
- 2,4-D intermediate products (salts and esters), including but not limited to:
  - iso butyl ester technical;
  - ethyl ester technical;
  - 2 ethyl hexyl ester technical;
  - sodium sale (Na)
  - dimethylamine salt (DMA); and
  - iso-propylamine salt (IPA);
- 2,4-D fully formulated products; and
- all other forms of 2,4-D.

2,4-D is classified within with following sub-headings in Schedule 3 to the *Customs Tariff Act 1995*:

- 2918.99.00 (statistical codes 43, 44)
- 3808.93.00 (statistical codes 61, 71, 79)

The proposed statistical codes are described in Table 1.

**Table 1: Statistical codes proposed in this application.**

Statistical code	Description
2918.99.00.43	2,4-Dichlorophenoxyacetic acid (free acid) (2,4-D) (CAS 94-75-7)
2918.99.00.44	Salts and esters of 2,4-dichlorophenoxyacetic acid (excl. mercury compounds of HS2852)
3808.93.00.61	Herbicides, anti-sprouting products & plant-growth regulators, with a basis of 2,4-dichlorophenoxyacetic acid, its salts or esters, containing bromomethane or bromochloromethane, in forms for retail sale or as preparations or articles
3808.93.00.71	Herbicides, anti-sprouting products & plant-growth regulators, with basis of 2,4-dichlorophenoxyacetic acid, its salts or esters, in forms for retail sale or as preparations, articles (excl. containing bromomethane or bromochloromethane)
3808.93.00.79	Herbicides, anti-sprouting products & plant-growth regulators, put up in forms or packings for retail sale or as preparations or articles (excl goods of Subheading Note 1 & 2 to this Chapter and HS 38085, 38086, 3808931030 to 3808939047)

**Note:**

- Prior to 1 January 2022, the following statistical codes for 3808.93.90 were included in the current measures instead of 3808.93.00 (statistical codes 61, 71):
  - 1 January 2015 to 31 December 2016: 3808.93.00 (statistical codes 41, 53)
  - 1 January 2017 to 31 December 2021: 3808.93.90 (statistical codes 41, 53)
- To capture products which contain 2,4-D and another herbicidally active ingredient, statistical code 3808.93.00.79 has been included; noting that this is not listed in the current measures when they were updated on 1 Jan 2022 despite being previously included.
- 2918.99.00.48 has not been included in this application as it now only applies to other carboxylic acids and not 2,4-D.

The applicable rate of duty for China for goods exported under both classifications is as follows:

- from 1 January 2017 – Free (under the China-Australia Free Trade Agreement)

The notices concerning the Minister's decision to continue the measures applicable to 2,4-D were published on 5 March 2018 (Australian Customs Dumping Notice 2018/21). A review by the Anti-Dumping Review Panel then confirmed these measures, other than a new dumping margin being set at 22.3% (previously 25.6%) for Shandong Weifang Rainbow Chemical Co., Ltd (Notice under section 269ZZM(4) dated 2 October 2018).

The current dumping specifications numbers are shown in Table 2.

**Table 2: Current dumping specification numbers for 2,4-D goods from China.**

Exporter	CCID	Description	Measure	IDD Rate	Export Terms	DSN
Shandong Weifang Rainbow Chemical Co. Ltd	CFE7734336C CEK7649363T CCW3693974F CCW3646367C	All types	IDD	22.3%	FOB, 95 Days	15
All other Exporters		All types	IDD	35.3%	FOB, 95 Days	13

5 **Provide a detailed statement setting out the reasons for seeking the continuation of the anti-dumping measures. An application must establish reasonable grounds for asserting that the expiration of the anti-dumping measure(s) might lead, or be likely to lead, to the recurrence of the material injury that the measure(s) are intended to prevent.**

**(i) The Goods – 2,4-D**

The goods the subject of this application is 2,4-D acid, including 2,4-D salts or esters and 2,4-D fully formulated product, exported from China.

**(ii) Application coverage**

The anti-dumping measures on 2,4-D exported from China extends to all Chinese exporters of 2,4-D (including acid, salts, esters and formulations).

**Part A – Will the dumping continue or recur?**

**(iii) Anti-dumping actions by other countries**

Nufarm is not aware that anti-dumping measures apply to exports of 2,4-D (and its derivatives) from China in any other country. Nufarm notes that the other major markets for 2,4-D such as the US and Brazil all have import tariffs in place for exports of 2,4-D from China whilst Australia has no tariff.

**(iv) Relevant evidence as to the current normal values for 2-4-D in China**

The Chinese market for 2,4-D is not transparent and obtaining domestic price information is difficult. Nufarm has, however, obtained some limited domestic pricing information for 2,4-D products as detailed below.

**Table 1 – Domestic prices – 2,4-D formulations in China**

**Table 3: Chinese domestic 2,4-D prices**

<b>Product</b>	<b>98% 2,4-D Acid</b>
<b>Quantity (kg)</b>	18,000
<b>Estimated price 2,4-D acid A\$/kg ex-VAT</b>	\$5.08

Notes:

1. Please refer to Confidential Attachment 1 for supporting evidence of Chinese domestic price.

A substantial proportion of 2,4-D products manufactured in China are exported. This applies particularly to Rainbow who noted the following in a submission dated 14 December 2017 contained in EPR 430:

*“Rainbow has an internal policy to refrain itself from selling 2,4-D product on domestic market. The management of Rainbow had issued a notice by an Email in [CONFIDENTIAL] to the company staffs that all Rainbow’s product should “better not to be sold domestically” unless there’s a special circumstance. This policy is because of the requirements from its suppliers that Rainbow shall not conduct domestic sales, to avoid bringing about disorders to the suppliers’ existing domestic sales channel.”*

Whilst Rainbow’s stated reason for this policy is preventing disorders in the Chinese domestic market, it clearly would also be beneficial for them during an anti-dumping investigation where the absence of domestic sales makes the determination of the normal value more complicated.

Domestic pricing information for 2,4-D formulations is not readily available and relates mainly to small container-sized sales rather than the large pack sizes common in the Australian market (20 L to 1,000L, noting that 1,000L is thought to be the most popular pack size for exports of 2,4-D to Australia).

(v) **Have exports continued following the imposition of measures and estimates of export prices**

The Australian market for 2,4-D is supplied as follows:

- From locally produced 2,4-D acid, 2,4-D esters (manufactured from 2,4-D acid) and formulated product containing 2,4-D in an amine salt or ester form manufactured by Nufarm;
- From imported 2,4-D acid, or 2,4-D salts or esters, that is formulated in Australia; and
- From imported formulated 2,4-D product.

China is the largest source country for 2,4-D acid and formulated product.

Nufarm has obtained Australian Bureau of Statistics (“ABS”) import data for 2,4-D acid, 2,4-D salts and esters, and formulated 2,4-D from China and other countries which is summarised on an imported quantity basis in Table 4 to Table 9. ABS data included at Confidential Attachment 2.

**Table 4: Imports (based on ABS data) of 2,4-D acid (kgs) CY2017 to CY2021 (HS Code 2918.99.00.43)**

Country	CY2017	CY2018	CY2019	CY2020	CY2021	Grand Total
China	4,106,311	517,017	35,000	160,890	19,440	4,838,658
India	272,880	1,248,200	860,086	2,047,620	1,729,040	6,157,826
Poland	900,000	958,000	800,000	900,000	1,300,000	4,858,000
Columbia	0	0	505,700	943,590	769,820	2,219,110
All other countries	0	1,596	33,043	372,328	54,640	461,607
<b>Grand Total</b>	<b>5,279,191</b>	<b>2,724,813</b>	<b>2,233,829</b>	<b>4,424,428</b>	<b>3,872,940</b>	<b>18,535,201</b>

**Table 5: Comparison (based on ABS data) of share of imports of 2,4-D acid (HS Code 2918.99.00.43) prior to the current measures (2017) and afterwards (2018-2021)**

Country	As a percentage of CY2017 imports	As a percentage of CY2018-CY2021 imports
China	78%	6%
India	5%	44%
Poland	17%	30%
Columbia	0%	17%
All other countries	0%	3%

**Table 6: Imports (based on ABS data) of 2,4-D salts or ester (kgs) CY2017 to CY2021 (HS Code 2918.99.00.44)**

Country	CY2017	CY2018	CY2019	CY2020	CY2021	Grand Total
China	1,257,629	161,863		414,000	0	1,833,492
India	687,800	1,026,200	178,200	435,800	217,800	2,545,800
All other countries	0	0	0	0	0	0
<b>Grand Total</b>	<b>1,945,429</b>	<b>1,188,063</b>	<b>178,200</b>	<b>849,800</b>	<b>217,800</b>	<b>4,379,292</b>



**Table 7: Comparison (based on ABS data) of share of imports of 2,4-D salts or ester (HS Code 2918.99.00.44) prior to the current measures (2017) and afterwards (2018-2021)**

Country	As a percentage of CY2017 imports	As a percentage of CY2018-CY2021 imports
China	65%	24%
India	35%	76%
All other countries	0%	0%

**Table 8: Imports (based on ABS data) of 2,4-D formulations (kgs) CY2017 to CY2021 (HS Code 3808.93.90.41)**

Country	CY2017	CY2018	CY2019	CY2020	CY2021	Grand Total
China	731,367	536,350	23,507	70,648	167,359	1,529,231
Malaysia	167,037	767,524	130,093	591,868	1,315,539	2,972,061
New Zealand	251,889	526,666	95,125	22,641	0	896,321
Columbia	0	0	152,313	0	0	152,313
India	0	0	0	98,424	0	98,424
Poland	0	0	80,000	0	0	80,000
Grand Total	1,150,293	1,830,540	481,038	783,581	1,482,898	5,728,350

Note that a significant volume marked as confidential with no country details was also imported in CY2017 under the obsolete statistical code 3808.93.00.41 which has been excluded for consistency but is suspected to have been 2,4-D formulation from China based on the Chinese export data submitted as part of ERP 430. As a result, the actual quantity, and share, of 2,4-D formulations being imported from China is suspected to be significantly higher.

**Table 9: Comparison (based on ABS data) of share of imports of 2,4-D formulations (HS Code 3808.93.90.41) prior to the current measures (2017) and afterwards (2018-2021)**

Country	As a percentage of CY2017 imports	As a percentage of CY2018-CY2021 imports
China	64%	17%
Malaysia	15%	61%
New Zealand	22%	14%
Columbia	0%	3%
India	0%	2%
Poland	0%	2%

**Table 10: Combined imports (based on ABS data) of 2,4-D acid, 2,4-D salt or ester and 2,4-D formulations (kgs) CY2017 to CY2021 (HS Codes 2918.99.00.43, 2918.99.00.44 and 3808.93.90.41)**

Country	2017	2018	2019	2020	2021	Grand Total
China	6,095,307	1,215,230	58,507	645,538	186,799	8,201,381
India	960,680	2,274,400	1,038,286	2,581,844	1,946,840	8,802,050
Poland	900,000	958,000	880,000	900,000	1,300,000	4,938,000
Malaysia	167,037	767,524	137,869	669,196	1,315,539	3,057,165
Columbia			658,013	943,590	769,820	2,371,423
All other countries	251,889	528,262	120,392	317,641	54,640	1,272,824
Grand Total	8,374,913	5,743,416	2,893,067	6,057,809	5,573,638	28,642,843

**Table 11: Comparison (based on ABS data) of share of combined imports of 2,4-D acid, 2,4-D salt or ester and 2,4-D formulations (HS Codes 2918.99.00.43, 2918.99.00.44 and 3808.93.90.41) prior to the current measures (2017) and afterwards (2018-2021)**

Country	As a percentage of CY2017 imports	As a percentage of CY2018-CY2021 imports
China	73%	10%
India	11%	39%
Poland	11%	20%
Malaysia	2%	14%
Columbia	0%	12%
All other countries	3%	5%

Calendar years 2018 and 2019 are well known in Australia for being part of the worst drought in over 100 years across significant parts of the country. This is reflected in the significant drop in import volumes of 2,4-D goods in these years (Table 4 to Table 9) – particularly from China - which could be misinterpreted as being caused by the current measures being introduced in 2018. However, Table 12 demonstrates that this trend was consistent across all other herbicide formulations.

**Table 12: Imports (based on ABS data) of all herbicide formulations under 3808.93 (excluding 2,4-D formulations under 3808.93.90.41)**

Country	CY2017	CY2018	CY2019	CY2020	CY2021	Grand Total
China	96,919,197	76,998,609	56,376,809	140,974,628	157,205,018	528,474,261
Malaysia	14,800,750	15,846,595	1,181,910	16,105,928	15,149,998	63,085,181
USA	7,222,005	5,383,459	3,551,166	2,677,535	4,774,367	23,608,532
Indonesia	5,380,587	5,154,303	117,690	3,604,292	4,698,292	18,955,164
All other countries	16,790,071	9,374,722	7,464,033	9,216,181	12,673,250	55,518,257
<b>Grand Total</b>	<b>141,112,610</b>	<b>112,757,688</b>	<b>68,691,608</b>	<b>172,578,564</b>	<b>194,500,925</b>	<b>689,641,395</b>

In addition to the volume data presented in the previous tables, the price can also be calculated based on ABS data for 2,4-D acid as shown in

Table 13. This is calculated by dividing the annual customs value by annual quantity, rather than averaging the individual consignment prices which can be deceptive as low quantity consignments are over-represented.

**Table 13: Imports (based on ABS data) of 2,4-D acid (AUD/kg, average annual price) CY2017 to CY2021 (HS Code 2918.99.00.43)**

Country	CY2017	CY2018	CY2019	CY2020	CY2021	Average price
China	\$3.32	\$3.82	\$14.47	\$3.25	\$3.52	<b>\$3.46</b>
India	\$2.81	\$4.21	\$4.39	\$3.21	\$3.15	<b>\$3.54</b>
Poland	\$3.32	\$3.43	\$4.38	\$2.96	\$3.38	<b>\$3.47</b>
Columbia	N/A	N/A	\$5.10	\$4.45	\$4.64	<b>\$4.66</b>
All other countries	N/A	\$3.32	\$9.32	\$3.50	\$9.41	<b>\$4.62</b>
<b>Average price</b>	<b>\$3.30</b>	<b>\$3.86</b>	<b>\$4.78</b>	<b>\$3.45</b>	<b>\$3.61</b>	<b>\$3.66</b>

When combined with Table 5, this analysis shows that not only do Australian growers have more choice when it comes to the origin of 2,4-D acid used in Australian formulated products (alongside supply of Nufarm's local 2,4-D acid synthesis) now than they did in 2017, the price of this 2,4-D acid is comparable to that of China in 2017. This is without any adjustments for inflation or COVID supply chain disruption and is summarised in Table 14.

**Table 14: Comparison of imports (based on ABS data) of 2,4-D acid (AUD/kg, average annual price) and share in CY2017 and CY2021 (HS Code 2918.99.00.43)**

Country	CY2017		CY2021	
	Average price	Share of imports	Average price	Share of imports
China	\$3.32	78%	\$3.52	<1%
India	\$2.81	5%	\$3.15	45%
Poland	\$3.32	17%	\$3.38	34%
Columbia	N/A	0%	\$4.64	20%
All other countries	N/A	0%	\$9.41	<2%

Unfortunately, it is not possible to calculate an appropriate price for either 2,4-D salts or ester, or 2,4-D formulations because each type requires a different calculation to determine the equivalent 2,4-D acid price (not just a proportion conversion, but also a value conversion). In the last continuation application, this was overcome using Chinese export data. This is no longer possible as the Chinese government froze access to this data in April 2020 which has removed a significant degree of transparency from the trade.

**(vi) Have exporters in China maintained distribution links in Australia?**

Whilst imports of 2,4-D from China have decreased following the 2018-2019 drought, Table 12 shows that imports of other herbicides from China have increased and a number of these exporters also either manufacture or trade 2,4-D so their distribution links have strengthened rather than declined during this period. In fact, during this time period imports from China is the only country of origin which has actually grown its share of imports of herbicide formulations other than 2,4-D. Table 15 demonstrates that compared to 2017 levels, imports over the prior 4 calendar years increased by a significant 10% from China whilst all other sources decreased as a result.

**Table 15: Imports (based on ABS data) of all herbicide formulations under 3808.93 (excluding 2,4-D formulations under 3808.93.90.41)**

Country	As a percentage of CY2017 imports	As a percentage of CY2018-CY2021 imports
China	69%	79%
Malaysia	10%	9%
USA	5%	3%
Indonesia	4%	2%
All other countries	12%	7%

Nufarm submits that China's increased share of total herbicide imports confirms China as the principle supply source for 2,4-D and this demonstrates the distribution links Chinese exporters have in Australia, especially when 2021 included 38% increase in the volume of overall exports compared to 2017 (excluding 2,4-D). When 2021 imports are compared with 2018, Malaysia increased its exports by a modest 2% whilst all other sources decreased, some significantly despite two years of favourable cropping conditions that drive the volume of herbicides in Australia (refer Table 16). During the same period, exports from China increased by 62% which further underlines its ties to the Australian market.

**Table 16: Imports (based on ABS data) of all herbicide formulations under 3808.93 (excluding 2,4-D formulations under 3808.93.90.41) comparing 2021 and 2017 volume levels**

Country	Percentage of 2021 imports compared to 2017
China	162%
Malaysia	102%
USA	66%
Indonesia	87%
All other countries	75%
<b>Grand Total</b>	<b>138%</b>

This includes OzCrop which as noted above is understood to be a subsidiary of Rainbow which therefore provides a direct distribution link between related parties.

A summary of Australian market offers is included at Confidential Attachment 3A and is summarised at Confidential Attachment 3B.

**(vii) Do producers/exporters of 2,4-D in China retain excess capacity that may be directed to Australia?**

China continues to export the vast majority of its 2,4-D production, and producers remain export-focused to supply agricultural chemicals of all types to markets such as Australia due to our close proximity and absence of import tariffs under the China-Australia Free Trade Agreement. Table 17 demonstrates that exports of 2,4-D have increased significantly (noting that data is not available after April 2020 due to restrictions by the Chinese government). Table 18 demonstrates a 39% increase in 2019 levels over 2016 levels. Of all the types of 2,4-D, only the acid (used by local formulators in the countries receiving the goods) declined (by 27%), whilst formulated products increased between 36 and 453%. In the first four months of 2020, volumes were on target to exceed 2019 levels. Note that the highest export levels were seen in 2017 which is an outlier in the analysis below, but it may indicate the total potential export volume is double that of 2016 levels. Chinese Export Data is included at Confidential Attachment 4.

**Table 17: Summary of all 2,4-D export quantities (kg) from China (based on Chinese export data categorized into the equivalent formulation type commonly found in Australia), CY2016 to CY2020 (to end April)**

Type of 2,4-D	CY2016	CY2017	CY2018	CY2019	CY2020 (to end April)	Grand Total
<b>2,4-D Product - Amicide Advance</b>	9,944,710	34,982,327	20,360,402	33,477,651	13,199,363	<b>111,964,453</b>
<b>2,4-D Product - Amine 625</b>	2,793,242	7,596,829	4,264,235	3,803,256	953,409	<b>19,410,971</b>
<b>2,4-D Product - Baton Low</b>	3,085,542	15,492,152	9,854,492	7,687,006	1,807,868	<b>37,927,060</b>
<b>2,4-D Product - Cobber 475</b>	558,268	1,235,043	1,818,343	3,085,574	1,238,008	<b>7,935,236</b>
<b>2,4-D Product - Ester 680</b>	2,328,358	5,290,513	6,702,479	7,100,263	1,496,885	<b>22,918,498</b>
<b>2,4-D Product - Mixtures</b>	355,940	1,524,498	1,781,631	1,205,076	1,573,594	<b>6,440,739</b>
<b>2,4-D Technical</b>	45,135,124	62,514,997	31,807,916	33,151,121	15,050,136	<b>187,659,294</b>
<b>Grand Total</b>	<b>64,201,184</b>	<b>128,636,359</b>	<b>76,589,498</b>	<b>89,509,947</b>	<b>35,319,263</b>	<b>394,256,251</b>

**Table 18: Exports of 2,4-D from China to all destinations (based on Chinese export data categorized into the equivalent formulation type commonly found in Australia), comparing 2016 and 2019 levels**

Type of 2,4-D	Percentage of 2019 exports compared to 2016
2,4-D Product - Amicide Advance	337%
2,4-D Product - Amine 625	136%
2,4-D Product - Baton Low	249%
2,4-D Product - Cobber 475	553%
2,4-D Product – Ester 680	305%
2,4-D Product - Mixtures	339%
2,4-D Technical	73%
<b>Grand Total</b>	<b>139%</b>

On 28 July 2021, Rainbow was listed on the Shenzhen Stock Exchange where their focus on exports was confirmed ([https://www.rainbowagro.com/news\\_detail/newsId=114.html](https://www.rainbowagro.com/news_detail/newsId=114.html)):

*“During its many years of business operations and development, Rainbow Agro has gradually formed its unique “fast market access” marketing pattern, which is based on proactively filing overseas registrations for crop protection products to create advance reserves. The company utilizes the method of independent registration, in conjunction with its traditional export model, allowing for flexible changes to its market role and supporting the sustainable and stable development of its businesses. As a result, an extensive and widespread international marketing network was established. Relying on its strength in international registration and its experienced international market team, Rainbow Agro established more than 50 overseas subsidiaries, as well as business relationships with over 70 countries. It also owns more than 3,000 registrations worldwide.*

*China is the largest pesticide production and exportation country in the world, where, in recent years, the pesticide industry has been advancing towards consolidation, intensification and scale-up operations. Chinese pesticide enterprises must overcome their constrained simple manufacturing systems and participate in brand competition in the global agricultural industry.”*

The Anti-dumping Commission noted in EPR 430 that:

*“Information provided in Rainbow’s REQ shows capacity utilisation rates of below 25 per cent during the inquiry period. Given that Rainbow is the largest exporter to Australia and that it has excess capacity, it is reasonable to assume that there is surplus capacity in China. In the absence of measures, this is likely to be a motivator to price goods at dumped levels in order to secure an increasing share of the Australian market.”*

The available information confirms that China will continue to increase exports of 2,4-D on the global market.

(viii) Will future exports of 2,4-D from China be at dumped prices?

Whilst 2,4-D exports from China to Australia have significantly decreased since 2017, some trade has still occurred which is summarised in Table 19.

**Table 19: Imports (based on ABS data) of various forms of 2,4-D from China CY2017 to CY2021 (CY2020-2021, quarterly quantity and average price)**

Quarter	HS Code 2918.99.00.43 (2,4-D acid)		HS Code 2918.99.00.44 (2,4-D salts and esters)		HS Code 3808.93.90.41 (Formulated products containing 2,4-D)	
	Quantity, kg	Ave. price, A\$/kg	Quantity, kg	Ave. price, A\$/kg	Quantity, kg	Ave. price, A\$/kg
CY2020 Qtr1	0	0	0	0	0	0
CY2020 Qtr2	0	0	0	0	34,880	\$6.37
CY2020 Qtr3	24,000	\$2.80	216,000	\$3.25	23,680	\$5.45
CY2020 Qtr4	136,890	\$3.32	198,000	\$2.99	12,088	\$3.74
CY2021 Qtr1	19,440	\$3.52	0	0	22,777	\$3.85
CY2021 Qtr2	0	0	0	0	144,582	\$4.15
CY2021 Qtr3	0	0	0	0	0	0
CY2021 Qtr4	0	0	0	0	0	0
<b>Grand Total / Ave.</b>	<b>180,330</b>	<b>\$3.28</b>	<b>414,000</b>	<b>\$3.12</b>	<b>238,007</b>	<b>\$4.56</b>

Notes:

Consignments below 1,000 kg have been excluded as they are likely misclassifications or samples for research because neither their volume nor price fit the profile of 2,4-D goods.

In the case of 2,4-D acid, the largest consignments imported from China occurred in Quarter 4 of CY2020 where the average price based on the declared customs value across 136,890 kgs was \$3.32 AUD/kg (FOB). When compared to the limited domestic pricing data for 2,4-D acid in Table 3 (\$5.08 AUD/kg, EXW for 18,000 kgs) it indicates a **dumping margin of approximately 35%**. This will vary slightly when converted to the same Incoterms (as only freight to port would be added to EXW which would therefore slightly increase the margin) and will also vary on a case-by-case basis due to difference in price on individual consignments and products. Note that this margin closely matches that which was determined for exporters other than Rainbow in Australian Dumping Notice 2018/21 (35.3%).

As noted previously, the lack of access to export data from China has compromised Nufarm's ability to adequately categorise the goods in all HS codes except 2918.99.00.43 (2,4-D acid) because it is not possible from the ABS data to determine what is a salt/amine or an ester (either a technical ingredient used by Australian formulators imported under 2918.99.00.44 or a fully formulated product imported under 3808.93.90.35 or 3808.93.90.41). The reason this is important is because the cost to make a salt/amine versus an ester is substantially lower and so would be the expected sale price. As a result, Nufarm respectfully request that the Anti-dumping Commission review the more detailed information available to them via the Australian Border Force to categorise each of the consignments of 2,4-D goods imported from China and assess their potential to be considered dumped.

This also demonstrates the importance of ensuring potential future measures are fit for purpose. The current *ad velorem* measures are effective across all types of 2,4-D, whilst the prior floor pricing

methodology only took account of the proportion of 2,4-D acid in the different forms and not the value of 2,4-D acid in each form. This method was clearly ineffective given dumping was still proven to have been occurring at a rate of 22.3% to 35.3% despite a floor price being established. Nufarm respectfully request that the Anti-dumping Commission take this into account in their assessment of this application.

The available data indicates that both dumping has occurred, and more so the threat of dumping remains as noted by the Anti-dumping Commission in EPR 430:

*“Information provided in Rainbow’s REQ shows that Rainbow is export oriented. Given that Rainbow is the largest exporter to Australia and that it has an export focus, it is reasonable to assume that there are other producers in China that focus on export markets. In the absence of measures, this is likely to be a motivator to price goods at dumped levels in order to secure an increasing share of the Australian market.”*

### **Part B – Will material injury recur?**

#### **(ix) In the absence of measures, will future imports of 2,4-D from China cause injury, or threaten to cause injury, to the Australian industry?**

In Report No. 189A the then Customs and Border Protection found the following:

- *Chinese 2,4-D is directly competitive with 2,4-D produced by the Australian industry, being virtually identical in composition, sold through similar distribution channels, and used for the same applications by end users (i.e. virtually interchangeable); and*
- *The Australian 2,4-D market is price sensitive, with pricing factoring heavily into the purchasing decisions of end users of 2,4-D formulations (the point at which Australian 2,4-D and Chinese imports are directly competitive).*

The Australian 2,4-D market remains price sensitive in 2022 with the number of competitors in the market having increased since the time of the 2017 continuation inquiry. Whilst imports from China have significantly reduced, the underlying threat for dumping remains and imports from China will quickly return as an unsustainable volume and price setter for 2,4-D goods should measures not be continued.

Nufarm have made, and are continuing to make, significant investments directly on 2,4-D acid synthesis totalling \$33.8 mil since 1 August 2017 to maintain Australia’s sovereign manufacturing capability for active constituents used in agricultural herbicides in Australia (2,4-D is only one of two still synthesised here, the other being trifluralin which is also produced by Nufarm):

- Investments in 2,4-D synthesis already complete:
  - \$26.5 mil 2,4-D synthesis plant maintenance and upgrades
- Investment in 2,4-D synthesis recently commenced:
  - \$7.3 mil to modernise the 2,4-D synthesis plant supported by the Australian Governments supply chain resilience initiative grant program (<https://business.gov.au/grants-and-programs/supply-chain-resilience-initiative/grant-recipients>).

In addition, other investments have been made over the same period totalling \$15.5 mil in areas of the plant which handle 2,4-D along with other herbicides:

- \$3.3 mil for replacing esterification reactors (required to convert 2,4-D acid to 2,4-D esters)
- \$2.6 mil formulation vessel and packaging equipment maintenance and upgrades
- \$9.6 mil for maintenance and upgrades that benefit production across the site

Nufarm’s financial data is included at Confidential Attachment 5.

As noted previously, zero transparency regarding export data from China since April 2020 is an ongoing challenge, and will continue to be so whilst this policy remains in place. However, some valuable insights are available prior to this. Table 20 and

Table 21 show the quantities and price (respectively) of exports for different types of 2,4-D to different regions around the world.

**Table 20: Summary of export quantities (kg) from China to all global destination regions (based on Chinese export data), CY2016 to CY2020 (to end April)**

Type of 2,4-D / Destination Region	CY2016	CY2017	CY2018	CY2019	CY2020 (to end April)	Grand Total
<b>2,4-D Product - Amicide Advance</b>	<b>9,944,710</b>	<b>34,982,327</b>	<b>20,360,402</b>	<b>33,477,651</b>	<b>13,199,363</b>	<b>111,964,453</b>
<i>Africa</i>	3,339,918	17,927,894	12,172,219	19,337,798	8,029,746	60,807,575
<i>Asia</i>	1,295,145	6,676,191	3,726,717	5,815,161	1,226,584	18,739,798
<i>Central America</i>	821,981	2,412,842	939,052	1,932,981	1,143,531	7,250,387
<i>Eastern Europe</i>	14,820	400,926	122,005	47,358	19,016	604,125
<i>European Union</i>	1,113	45,684	1,060	71,400	26,805	146,062
<i>Middle East</i>	84,889	68,180	99,625	448,452	74,495	775,641
<i>North America</i>				1,200		1,200
<i>Oceania</i>	507,072	981,201	501,420	345,540	477,290	2,812,523
<i>South America</i>	3,879,772	6,469,409	2,798,304	5,477,761	2,201,896	20,827,142
<b>2,4-D Product - Amine 625</b>	<b>2,793,242</b>	<b>7,596,829</b>	<b>4,264,235</b>	<b>3,803,256</b>	<b>953,409</b>	<b>19,410,971</b>
<i>Africa</i>	1,190,599	2,646,464	1,747,219	1,280,929	89,195	6,954,406
<i>Asia</i>	325,108	1,148,082	478,726	1,687,317	85,965	3,725,198
<i>Central America</i>	366,859	1,683,228	1,257,381	471,624	586,878	4,365,970
<i>Eastern Europe</i>		25,200	21,510			46,710
<i>European Union</i>		16,752	74,880	9,120		100,752
<i>Middle East</i>	10,200	5,640	28,990	19,025		63,855
<i>Oceania</i>	665,939	845,961	182,730	63,608	55,224	1,813,462
<i>South America</i>	234,537	1,225,502	472,799	271,633	136,147	2,340,618
<b>2,4-D Product - Baton Low</b>	<b>3,085,542</b>	<b>15,492,152</b>	<b>9,854,492</b>	<b>7,687,006</b>	<b>1,807,868</b>	<b>37,927,060</b>
<i>Africa</i>	249,960	2,072,390	1,888,689	439,159	78,400	4,728,598
<i>Asia</i>	1,082,708	7,031,984	4,885,729	4,363,975	915,486	18,279,882
<i>Central America</i>	47,021	1,699,977	1,155,734	514,111	410,250	3,827,093
<i>Eastern Europe</i>		19,200				19,200
<i>European Union</i>			60,605			60,605
<i>Middle East</i>		17,680	25,289			42,969
<i>Oceania</i>	15,168	64,168	20,200	58,980	30,000	188,516
<i>South America</i>	1,690,685	4,586,753	1,818,246	2,310,781	373,732	10,780,197
<b>2,4-D Product - Cobber 475</b>	<b>558,268</b>	<b>1,235,043</b>	<b>1,818,343</b>	<b>3,085,574</b>	<b>1,238,008</b>	<b>7,935,236</b>
<i>Africa</i>	139,698	832,750	555,931	2,013,062	644,675	4,186,116
<i>Asia</i>	54,750	151,751	779,242	790,128	411,573	2,187,444
<i>Central America</i>		7,270	6,619	23,570		37,459
<i>Eastern Europe</i>			85,479			85,479
<i>Middle East</i>	2,305	25,262	52,372	123,831		203,770
<i>Oceania</i>	-	95,640	233,040		108,000	436,680
<i>South America</i>	361,515	122,370	105,660	134,983	73,760	798,288



<b>Type of 2,4-D / Destination Region</b>	<b>CY2016</b>	<b>CY2017</b>	<b>CY2018</b>	<b>CY2019</b>	<b>CY2020 (to end April)</b>	<b>Grand Total</b>
<b>2,4-D Product – Ester 680</b>	<b>2,328,358</b>	<b>5,290,513</b>	<b>6,702,479</b>	<b>7,100,263</b>	<b>1,496,885</b>	<b>22,918,498</b>
<i>Africa</i>	6,000	92,515	231,304	504,560	75,312	909,691
<i>Asia</i>	64,010	935,337	1,937,743	1,077,019	623,130	4,637,239
<i>Central America</i>	-	137,760	463,640	411,430	-	1,012,830
<i>Eastern Europe</i>	680,652	1,984,950	2,578,677	4,407,425	178,540	9,830,244
<i>European Union</i>	15,640	177,658	375,860	163,248	62,200	794,606
<i>Middle East</i>	-	30,480	112,375	158,740	19,800	321,395
<i>Oceania</i>	1,480,856	1,236,069	603,935	244,881	62,303	3,628,044
<i>South America</i>	81,200	695,744	398,945	132,960	475,600	1,784,449
<b>2,4-D Product - Mixtures</b>	<b>355,940</b>	<b>1,524,498</b>	<b>1,781,631</b>	<b>1,205,076</b>	<b>1,573,594</b>	<b>6,440,739</b>
<i>Africa</i>	-	944	3,000	3,160	-	7,104
<i>Central America</i>	190,219	1,048,430	1,167,287	704,474	1,012,114	4,122,524
<i>Eastern Europe</i>	-	27,770	48,078	-	353,414	429,262
<i>Oceania</i>	-	7,556	-	1,891	-	9,447
<i>South America</i>	165,721	439,798	563,266	495,551	208,066	1,872,402
<b>2,4-D Technical</b>	<b>45,135,124</b>	<b>62,514,997</b>	<b>31,807,916</b>	<b>33,151,121</b>	<b>15,050,136</b>	<b>187,659,294</b>
<i>Africa</i>	589,278	1,248,459	288,900	429,000	162,000	2,717,637
<i>Asia</i>	8,783,024	14,508,938	9,028,937	6,070,180	2,807,580	41,198,659
<i>Central America</i>	3,144,039	5,730,738	1,682,000	1,860,975	792,000	13,209,752
<i>Eastern Europe</i>	2,952,690	4,144,565	994,200	1,584,000	1,270,000	10,945,455
<i>European Union</i>	101,455	367,835	62,050	56,500	26,150	613,990
<i>Middle East</i>	930,865	731,300	71,200	665,700	80,000	2,479,065
<i>North America</i>	11,288,202	15,125,120	7,493,220	5,346,000	3,790,806	43,043,348
<i>Oceania</i>	2,328,770	5,931,340	391,800	12,000	-	8,663,910
<i>South America</i>	15,016,801	14,726,702	11,795,609	17,126,766	6,121,600	64,787,478
<b>Grand Total</b>	<b>64,201,184</b>	<b>128,636,359</b>	<b>76,589,498</b>	<b>89,509,947</b>	<b>35,319,263</b>	<b>394,256,251</b>

**Table 21: Summary of export prices (USD/kg) from China to all global destination regions (based on Chinese export data), CY2016 to CY2020 (to end April)**

Type of 2,4-D / Destination Region	CY2016	CY2017	CY2018	CY2019	CY2020 (to end April)	Total average
<b>2,4-D Product - Amicide Advance</b>	<b>USD 1.58</b>	<b>USD 1.83</b>	<b>USD 2.39</b>	<b>USD 2.21</b>	<b>USD 1.61</b>	<b>USD 2.00</b>
<i>Africa</i>	<i>USD 1.62</i>	<i>USD 1.84</i>	<i>USD 2.39</i>	<i>USD 2.29</i>	<i>USD 1.58</i>	<i>USD 2.05</i>
<i>Asia</i>	<i>USD 1.55</i>	<i>USD 1.72</i>	<i>USD 2.39</i>	<i>USD 2.21</i>	<i>USD 1.75</i>	<i>USD 2.00</i>
<i>Central America</i>	<i>USD 1.68</i>	<i>USD 1.88</i>	<i>USD 2.36</i>	<i>USD 2.02</i>	<i>USD 1.63</i>	<i>USD 1.92</i>
<i>Eastern Europe</i>	<i>USD 2.99</i>	<i>USD 2.58</i>	<i>USD 3.94</i>	<i>USD 2.73</i>	<i>USD 1.98</i>	<i>USD 2.86</i>
<i>European Union</i>	<i>USD 3.82</i>	<i>USD 1.92</i>	<i>USD 4.25</i>	<i>USD 2.10</i>	<i>USD 2.06</i>	<i>USD 2.07</i>
<i>Middle East</i>	<i>USD 1.57</i>	<i>USD 1.47</i>	<i>USD 2.37</i>	<i>USD 1.94</i>	<i>USD 1.99</i>	<i>USD 1.92</i>
<i>North America</i>	-	-	-	<i>USD 2.78</i>	-	<i>USD 2.78</i>
<i>Oceania</i>	<i>USD 1.39</i>	<i>USD 1.70</i>	<i>USD 2.15</i>	<i>USD 1.98</i>	<i>USD 1.98</i>	<i>USD 1.81</i>
<i>South America</i>	<i>USD 1.56</i>	<i>USD 1.86</i>	<i>USD 2.33</i>	<i>USD 2.01</i>	<i>USD 1.55</i>	<i>USD 1.87</i>
<b>2,4-D Product - Amine 625</b>	<b>USD 1.49</b>	<b>USD 1.66</b>	<b>USD 2.16</b>	<b>USD 2.18</b>	<b>USD 1.51</b>	<b>USD 1.84</b>
<i>Africa</i>	<i>USD 1.44</i>	<i>USD 1.67</i>	<i>USD 2.04</i>	<i>USD 2.13</i>	<i>USD 2.06</i>	<i>USD 1.81</i>
<i>Asia</i>	<i>USD 1.44</i>	<i>USD 1.48</i>	<i>USD 2.33</i>	<i>USD 2.22</i>	<i>USD 1.72</i>	<i>USD 1.93</i>
<i>Central America</i>	<i>USD 1.53</i>	<i>USD 1.70</i>	<i>USD 2.11</i>	<i>USD 1.94</i>	<i>USD 1.14</i>	<i>USD 1.75</i>
<i>Eastern Europe</i>	-	<i>USD 1.63</i>	<i>USD 2.34</i>	-	-	<i>USD 1.96</i>
<i>European Union</i>	-	<i>USD 2.04</i>	<i>USD 2.26</i>	<i>USD 3.51</i>	-	<i>USD 2.33</i>
<i>Middle East</i>	<i>USD 1.70</i>	<i>USD 2.10</i>	<i>USD 2.40</i>	<i>USD 2.58</i>	-	<i>USD 2.31</i>
<i>Oceania</i>	<i>USD 1.59</i>	<i>USD 2.01</i>	<i>USD 3.59</i>	<i>USD 4.25</i>	<i>USD 4.45</i>	<i>USD 2.17</i>
<i>South America</i>	<i>USD 1.49</i>	<i>USD 1.52</i>	<i>USD 1.94</i>	<i>USD 2.00</i>	<i>USD 1.44</i>	<i>USD 1.65</i>
<b>2,4-D Product - Baton Low</b>	<b>USD 1.90</b>	<b>USD 1.77</b>	<b>USD 2.37</b>	<b>USD 2.26</b>	<b>USD 1.82</b>	<b>USD 2.04</b>
<i>Africa</i>	<i>USD 1.66</i>	<i>USD 1.93</i>	<i>USD 2.50</i>	<i>USD 2.51</i>	<i>USD 2.03</i>	<i>USD 2.20</i>
<i>Asia</i>	<i>USD 1.39</i>	<i>USD 1.66</i>	<i>USD 2.23</i>	<i>USD 2.17</i>	<i>USD 1.64</i>	<i>USD 1.92</i>
<i>Central America</i>	<i>USD 1.65</i>	<i>USD 1.84</i>	<i>USD 2.59</i>	<i>USD 2.77</i>	<i>USD 1.67</i>	<i>USD 2.17</i>
<i>Eastern Europe</i>	-	<i>USD 2.13</i>	-	-	-	<i>USD 2.13</i>
<i>European Union</i>	-	-	<i>USD 2.41</i>	-	-	<i>USD 2.41</i>
<i>Middle East</i>	-	<i>USD 1.76</i>	<i>USD 2.25</i>	-	-	<i>USD 2.05</i>
<i>Oceania</i>	<i>USD 4.91</i>	<i>USD 3.67</i>	<i>USD 4.90</i>	<i>USD 5.42</i>	<i>USD 5.25</i>	<i>USD 4.70</i>
<i>South America</i>	<i>USD 2.24</i>	<i>USD 1.81</i>	<i>USD 2.42</i>	<i>USD 2.21</i>	<i>USD 2.09</i>	<i>USD 2.08</i>
<b>2,4-D Product - Cobber 475</b>	<b>USD 1.61</b>	<b>USD 2.03</b>	<b>USD 2.42</b>	<b>USD 2.20</b>	<b>USD 1.93</b>	<b>USD 2.14</b>
<i>Africa</i>	<i>USD 1.70</i>	<i>USD 2.03</i>	<i>USD 2.51</i>	<i>USD 2.31</i>	<i>USD 1.86</i>	<i>USD 2.19</i>
<i>Asia</i>	<i>USD 1.92</i>	<i>USD 1.97</i>	<i>USD 2.20</i>	<i>USD 2.07</i>	<i>USD 2.02</i>	<i>USD 2.09</i>
<i>Central America</i>	-	<i>USD 1.50</i>	<i>USD 6.40</i>	<i>USD 2.30</i>	-	<i>USD 2.87</i>
<i>Eastern Europe</i>	-	-	<i>USD 3.50</i>	-	-	<i>USD 3.50</i>
<i>Middle East</i>	<i>USD 1.75</i>	<i>USD 2.38</i>	<i>USD 2.72</i>	<i>USD 1.54</i>	-	<i>USD 1.95</i>
<i>Oceania</i>	-	<i>USD 2.32</i>	<i>USD 2.45</i>	-	<i>USD 2.33</i>	<i>USD 2.39</i>
<i>South America</i>	<i>USD 1.53</i>	<i>USD 1.90</i>	<i>USD 2.16</i>	<i>USD 2.06</i>	<i>USD 1.53</i>	<i>USD 1.76</i>
<b>2,4-D Product - Ester 680</b>	<b>USD 2.50</b>	<b>USD 2.69</b>	<b>USD 3.23</b>	<b>USD 3.22</b>	<b>USD 2.55</b>	<b>USD 2.98</b>
<i>Africa</i>	<i>USD 4.10</i>	<i>USD 3.46</i>	<i>USD 3.48</i>	<i>USD 3.54</i>	<i>USD 3.20</i>	<i>USD 3.49</i>

<b>Type of 2,4-D / Destination Region</b>	<b>CY2016</b>	<b>CY2017</b>	<b>CY2018</b>	<b>CY2019</b>	<b>CY2020 (to end April)</b>	<b>Total average</b>
<i>Asia</i>	<i>USD 2.66</i>	<i>USD 2.65</i>	<i>USD 3.27</i>	<i>USD 3.27</i>	<i>USD 2.73</i>	<i>USD 3.06</i>
<i>Central America</i>	-	<i>USD 4.07</i>	<i>USD 4.60</i>	<i>USD 5.66</i>	-	<i>USD 4.96</i>
<i>Eastern Europe</i>	<i>USD 2.48</i>	<i>USD 2.52</i>	<i>USD 2.90</i>	<i>USD 2.90</i>	<i>USD 2.54</i>	<i>USD 2.79</i>
<i>European Union</i>	<i>USD 2.70</i>	<i>USD 2.58</i>	<i>USD 3.21</i>	<i>USD 3.46</i>	<i>USD 2.68</i>	<i>USD 3.07</i>
<i>Middle East</i>	-	<i>USD 2.90</i>	<i>USD 3.21</i>	<i>USD 2.65</i>	<i>USD 2.62</i>	<i>USD 2.87</i>
<i>Oceania</i>	<i>USD 2.47</i>	<i>USD 2.71</i>	<i>USD 3.43</i>	<i>USD 4.06</i>	<i>USD 2.54</i>	<i>USD 2.82</i>
<i>South America</i>	<i>USD 2.82</i>	<i>USD 2.83</i>	<i>USD 3.16</i>	<i>USD 3.28</i>	<i>USD 2.21</i>	<i>USD 2.77</i>
<b>2,4-D Product - Mixtures</b>	<b>USD 2.96</b>	<b>USD 3.35</b>	<b>USD 3.42</b>	<b>USD 2.96</b>	<b>USD 2.49</b>	<b>USD 3.06</b>
<i>Africa</i>	-	<i>USD 5.76</i>	<i>USD 5.70</i>	<i>USD 4.00</i>	-	<i>USD 4.95</i>
<i>Central America</i>	<i>USD 3.08</i>	<i>USD 3.16</i>	<i>USD 3.32</i>	<i>USD 2.78</i>	<i>USD 2.28</i>	<i>USD 2.92</i>
<i>Eastern Europe</i>	-	<i>USD 4.56</i>	<i>USD 3.45</i>	-	<i>USD 3.04</i>	<i>USD 3.19</i>
<i>Oceania</i>	-	<i>USD 3.78</i>	-	<i>USD 4.05</i>	-	<i>USD 3.84</i>
<i>South America</i>	<i>USD 2.82</i>	<i>USD 3.70</i>	<i>USD 3.60</i>	<i>USD 3.21</i>	<i>USD 2.55</i>	<i>USD 3.34</i>
<b>2,4-D Technical</b>	<b>USD 1.94</b>	<b>USD 2.19</b>	<b>USD 2.90</b>	<b>USD 2.63</b>	<b>USD 1.83</b>	<b>USD 2.30</b>
<i>Africa</i>	<i>USD 2.14</i>	<i>USD 2.62</i>	<i>USD 3.30</i>	<i>USD 2.78</i>	<i>USD 1.87</i>	<i>USD 2.57</i>
<i>Asia</i>	<i>USD 1.68</i>	<i>USD 2.04</i>	<i>USD 2.95</i>	<i>USD 2.60</i>	<i>USD 1.87</i>	<i>USD 2.23</i>
<i>Central America</i>	<i>USD 1.89</i>	<i>USD 2.32</i>	<i>USD 2.95</i>	<i>USD 2.63</i>	<i>USD 1.96</i>	<i>USD 2.32</i>
<i>Eastern Europe</i>	<i>USD 2.08</i>	<i>USD 2.20</i>	<i>USD 3.16</i>	<i>USD 2.95</i>	<i>USD 2.02</i>	<i>USD 2.34</i>
<i>European Union</i>	<i>USD 1.79</i>	<i>USD 2.46</i>	<i>USD 3.35</i>	<i>USD 2.57</i>	<i>USD 1.74</i>	<i>USD 2.42</i>
<i>Middle East</i>	<i>USD 1.79</i>	<i>USD 2.38</i>	<i>USD 3.05</i>	<i>USD 2.33</i>	<i>USD 1.76</i>	<i>USD 2.15</i>
<i>North America</i>	<i>USD 2.13</i>	<i>USD 2.18</i>	<i>USD 2.62</i>	<i>USD 2.38</i>	<i>USD 1.73</i>	<i>USD 2.23</i>
<i>Oceania</i>	<i>USD 2.06</i>	<i>USD 2.24</i>	<i>USD 2.63</i>	<i>USD 2.85</i>	-	<i>USD 2.21</i>
<i>South America</i>	<i>USD 1.93</i>	<i>USD 2.21</i>	<i>USD 3.00</i>	<i>USD 2.69</i>	<i>USD 1.82</i>	<i>USD 2.38</i>
<b>Total average</b>	<b>USD 1.89</b>	<b>USD 2.04</b>	<b>USD 2.68</b>	<b>USD 2.46</b>	<b>USD 1.80</b>	<b>USD 2.21</b>

Customs and Border Protection determined in Report 189A that the Australian market for 2,4-D is extremely price sensitive and Nufarm continues to consider that selling prices are the key consideration for end-users in the decision to purchase product. It is considered likely that Chinese exporters would seek to dump 2,4-D into Australia to secure sales volumes.

On the basis of the foregoing, Nufarm submits that should the measures be allowed to expire it is likely that Chinese exporters of 2,4-D (acid and formulated product) will reduce export prices to Australia to increase sales volumes, resulting in a recurrence of dumping and material injury that the anti-dumping measures are intended to prevent.

## Part C - Conclusions

### (x) Conclusions on dumping and material injury in the absence of measures on 2,4-D exported from China.

It is Nufarm's contention that a recurrence of dumping and material injury will likely recur in the event the measures are allowed to expire based upon the following:

- import volumes of 2,4-D and its derivative products from China have continued since the measures were continued in 2018;
- exporters of 2,4-D (including acid, formulations of salts and esters) in China have maintained strong distribution links in Australia, as evidenced by the ongoing volumes of 2,4-D exported to Australia in between 2018 and 2021 along with a significant increase in other herbicides;
- on a *prima facie* basis, it appears that 2,4-D acid and formulated 2,4-D has been exported from China with margins of dumping between negligible and 35 per cent in 2020-21;
- Should Chinese export prices to Australia for 2,4-D acid and formulated 2,4-D decline, Nufarm will encounter aggressive price competition from Chinese exports such that Nufarm's margin will be eroded resulting in reduced profits and profitability, demonstrating that Nufarm is therefore susceptible to a recurrence of material injury from dumping;
- Chinese exporters have grown excess capacity and increased export volumes of the 2,4-D ester 680 equivalent formulation to other countries compared to when they were dumped in Australia in 2016 and 2017, so the removal of measures would provide an opportunity for exporters to further increase export volumes to Australia from these 2016 and 2017 levels (at dumped prices);
- Since 1 August 2017, Nufarm has continued to invest a total of \$33.8 mil in its dedicated Australian 2,4-D acid synthesis along with an additional \$15.5 mil in other areas of the plant where 2,4-D is also handled (such as esterification, formulation and packaging). This demonstrates the significant commitment being made by Nufarm to continue local supply of one of two remaining herbicides still synthesised in Australia;
- Nufarm has also invested over \$0.5 mil since 1 August 2017 to develop a unique 2,4-D formulation known as "Dropzone". Dropzone has been specially formulated for Australian growers in Australian conditions and offers features such as no volatility, low odour, and droplet optimisation. This delivers improved performance through reduced losses from spray drift and increased droplet retention which results in improved efficacy on certain key weeds.

This application demonstrates that should the anti-dumping measures on 2,4-D acid and other derivative forms of 2,4-D (including salts, esters and formulations) be allowed to expire, it is likely that the Australian industry manufacturing like goods would experience a recurrence of material injury.

Nufarm therefore requests the Commissioner to conduct a formal investigation into the continuation of anti-dumping measures on 2,4-D products exported from China in accordance with the provisions contained in Division 6A – Continuation of anti-dumping measures within the Customs Act.

### List of Attachments

<b>Attachment No</b>	<b>Description</b>	<b>Confidential/Non-Confidential</b>
1	Domestic Selling Price information China	Confidential
2	ABS Import Data	Confidential
3A	Collation of market officers for imported Chinese 2,4-D products	Confidential
3B	Summary of market offers for imported Chinese 2,4-D products	Confidential
4	Chinese export data	Confidential
5	Nufarm Financial Data	Confidential