

PUBLIC RECORD



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping
Commission

Continuation 604
2,4-D (2,4-Dichlorophenoxyacetic acid)
Exported from the People's Republic of China
File note
Conference with Nufarm Limited

8 July 2022, 9.00am

Participants:

Nufarm Limited (Nufarm)	David Rumbold – Australia Portfolio Solutions Lead, Nufarm Limited
Anti-Dumping Commission	Tim King – Case Manager Isabel Leaver – Case Team Brad Champness – Case Team Ryan Yarahmadian – Case Team Larry Isaac – Case Team

The Commission met with representatives from Nufarm Limited on 8 July 2022 to discuss the goods under consideration, with particular regard to how like goods are to be determined for the purposes of the continuation. The following is a summary of the matters discussed.

- 2,4-D is formulated in Australia, in that the main component chemical (phenol) is imported from overseas, and then Nufarm takes phenol, and uses chlorine derived from the electrolysis of salt (NaCl) turn it to 2,4 dichlorophenol. Monochloroacetic acid is then used to complete the synthesis of 2,4-D (2,4-Dichlorophenoxyacetic acid) compound.

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- There is an alternate synthesis pathway using sulfuryl chloride to react with phenol (instead of chlorine) which may be used by Shandong Weifang Rainbow Chemical Co.,Ltd (Shandong Rainbow).
- Nufarm confirmed the legal requirements for imports into Australia:
 - This includes the manufacturing site name and physical address needing to be approved by the Australian Pesticides and Veterinary Medicines Authority (APVMA)
 - The minimum purity of the active constituent must meet that which is recorded by APVMA on the certificate of approval for that site (noting the minimum purity for any site must be 96%)
 - The impurity of free phenols must be no greater than 3 grams per kilogram in the case of 2,4-D, in line with the Agricultural and Veterinary Chemicals Code (Agriculture Active Constituents) Standards 2022
- There are different herbicide regulatory standards in China for the domestic market, which generally focus on purity (as opposed to impurity) and require Institute Control of Agrichemicals, Ministry of Agriculture ([ICAMA](#)) approval.
- The biggest effect on 2,4-D imports to Australia since the measures were last reviewed in 2017 has been the drought conditions in Australia in 2018 and 2019, otherwise imports are of a similar volume but more diverse range of exporting countries than previously
- Covid-19 has also had an impact on the 2,4-D synthesis costs globally, resulting in higher costs to make and sell, and with component products of 2,4-D becoming more expensive to purchase and to also ship to Australia
- Australian broad acre production growers commonly use cost as a deciding factor in what herbicides to use, and in the case of 2,4-D used for summer weed control will generally tank mix with other herbicides such as glyphosate rather than a co-formulation (i.e. one that contains 2,4-D and glyphosate in the same drum or carton)
- Nufarm advised overseas growers in regions such as Europe have a bigger focus on convenience, and will use more co-formulations of 2,4-D (i.e. a combination of herbicides in one drum or carton) in their production
- The 2,4-D ester product is a value added product, in that it has additional components to the 2,4-D acid product, and that it is more expensive to make
- The disposal of dangerously toxic by-products of the 2,4-D synthesis process (i.e. dioxins) is an important consideration, which is performed by Nufarm through plasma arc reaction to reduce by-products to safer compounds
- Nufarm confirmed that 2,4-DB (4-(2,4-Dicholophenoxy)butyric acid) has a different molecular composition to 2,4-D, and 2,4-DB should not be considered the goods or like goods for the purposes of this case

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- Nufarm confirmed that Dicamba (3,6-dichloro-2-methoxybenzoic acid) has a different molecular composition to 2,4-D, and Dicamba should not be considered the goods or like goods for the purposes of this case
- Nufarm drew attention to Shanghai Rainbow's cost allocation information in the public record version of the exporter questionnaire response, and noted that they couldn't demonstrate the cost allocation for the month with the largest production of domestic sales (question G-6.2 on the exporter questionnaire).
- Nufarm provided both a public version and a confidential version of a powerpoint to demonstrate their manufacturing process, with the public version to be included as an attachment to this file note.