



AGRONOMIQ
(AGRICHEM MANUFACTURING INDUSTRIES PTY LTD)
A.C.N. 125 437 185

26th November 2012

Mr. Timothy Flor
Supervisor
Australian Customs and Border Protection Service
5 Constitution Avenue
Canberra ACT 2601

Dear Tim,

Re: 2,4-D Acid Anti-Dumping Duty (ADD) Continuation Investigation

We have had the opportunity to read Nufarm's letter dated 23rd November 2012 regarding the Non-injurious Price.

Because of the redacted data it is impossible to respond in a meaningful manner to the content, however, from what I can gather Nufarm continues to believe that the prices it has constructed from various data are meaningful, which is not the case.

AGRONOMIQ/AIRR has been active in the Australian 2,4-D market segment for just over two years. The price for first shipment of 2,4-D 625g/L Amine salt in IBCs in October 2010 was US\$■■■■.■■■/Litre. The price we paid for 2,4-D 625 g/L Amine salt in October 2012 was US\$■■.■■■/Litre. Thus there has been virtually no movement in the price for the past two years and the price has remained stable in the interim. I should also remind you that this product contains 625 g/L of 2,4-D acid. The prices shown above are internally consistent with the quotation of US\$3.48/kg for 2,4-D 96% acid I sent you on 21st November. This price is consistent with the actual Chinese domestic price of 2,4-D 96% acid.

Notwithstanding the extreme lengths that Nufarm has undertaken to artificially construct prices for 2,4-D acid in both Australia and China - instead of telephoning both sellers and buyers to ascertain the actual price - the debate on price is largely academic as Nufarm, by its own admission, has not suffered material damage. Nufarm may sell as much of its domestically-produced 2,4-D acid to the US as it wishes to capture "superior returns" and it may also purchase the alleged dumped Chinese 2,4-D for formulation and sale to the Australian market. The product has also been profitable for Nufarm for the past two years. Nufarm may also sell 2,4-D to the Australian Trifluralin market because it recently established to the satisfaction of the AAT (29th August 2012) that Trifluralin Technical and 2,4-D acid were substitutable.

Nufarm does have xenophobic fears about the 300 Chinese 2,4-D companies who are set to invade Australia once the Anti-dumping Duty has been removed, but these fears are completely unfounded by virtue of:

- The number quoted is hyperbole. To be meaningful these companies should have been named and their 2,4-D capacity disclosed.
- Lack of ICAMA certification (which costs US\$200,000) will prevent Chinese 2,4-D acid producers obtaining AC clearance in Australia for their product;
- Lack of market access by registered Chinese label holders in Australia;
- Only seven Chinese companies currently hold AC clearance in Australia for 2,4-D acid - and one of these is no longer operating.
- Chinese 2,4-D companies are interested in earning profits and can earn greater profits in markets where prices are higher.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Myles Stewart-Hesketh', written in a cursive style.

Myles Stewart-Hesketh
Director