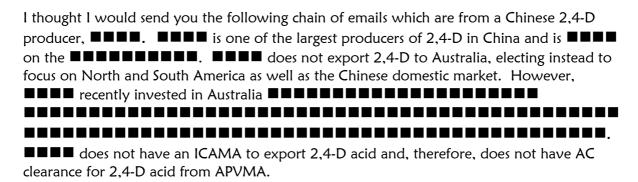
From: Myles Stewart-Hesketh [mailto:myles@apparentag.com.au]

Sent: Wednesday, 5 December 2012 12:36 PM

To: 'FLOR Timothy'

Dear Tim,

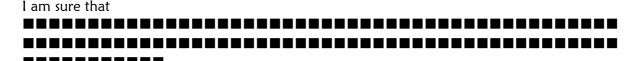


You will note that has quoted me a price of AUD. Imply kg (US\$ IIII kg), CIF Melbourne, for 2,4-D acid and later confirmed it was the same as the price the company charges for 2,4-D acid in China. The price is clearly significantly lower than other prices I have received from other Chinese producers which are around the US\$ IIII kg level.

The price of AUD■.■■/kg clearly contradicts (by a large margin) the Chinese domestic 2,4-D acid price of AUD3.79/kg constructed by Nufarm from 2,4-D IBE.

I would like to draw another matter to your attention which should establish once and for all that Chinese 2,4-D acid is not dumped in Australia. Nufarm has mentioned on several occasions in its submissions that it exports most, if not all of its domestically-produced 2,4-D acid to the US where it receives superior returns. These returns are also available to Chinese 2,4-D producers who, by the way, produce 2,4-D acid of a comparable quality to that of Nufarm. The US EPA (which is responsible for the registration of agricultural chemicals in the US) requires registration of an individual source, that is, the physical address of the manufacturing plant. For example, the Nufarm Laverton North manufacturing plant is a registered source in the US. The cost of registering a source in the US is around US\$





There is no question about Nufarm's product quality, but it is no better than the quality of 2,4-D acid produced by Chinese manufacturers engaged in the export business.

Therefore, why would Chinese 2,4-D producer/exporters dump 2,4-D acid in the Australian market when they can achieve the same high returns that Nufarm achieve in the US?

With best regards.

Myles Stewart-Hesketh
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