

BACKGROUND: H.R. 4223

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Thiophanate-Methyl (TOPSIN® Technical) Tariff Suspension

U.S. HTS No. 2930.90.1000

CAS # 23564-05-8

*Note: The CAS product description is listed as:
dimethyl[1.2 phenylene bis(iminocarbonothioyl)bis(carbamate)]*

Product Profile

Cerexagri (a wholly-owned subsidiary of ATOFINA*) imports thiophanate-methyl as the active ingredient in the manufacture of agricultural fungicides. Thiophanate-methyl material (TOPSIN® Technical) is manufactured in Japan by Nippon/Soda and imported into the U.S. by Cerexagri/Nisso LLC joint venture. The active ingredient, thiophanate-methyl, is reprocessed for packaging by the following U.S. agrichemical distributor/marketers, under their own label, for use as a crop fungicide.

- (1) Scotts Company (Maryville, OH)
- (2) Cleary Chemical Corporation (Dayton, NJ)
- (3) Regal Chemical Company (Alpharetta, GA)

The agrichemical fungicide products produced and marketed are labeled for use in controlling various diseases on certain crops and turf ornamentals.

Competitive Profile

Direct U.S. Competition: There are no U.S. producers of thiophanate-methyl. To our knowledge, there are no other commercial applications for thiophanate-methyl other than as an agrichemical fungicide.

Direct Foreign Competition: There are three foreign competitors currently importing thiophanate-methyl into the U.S. They are:

- (1) **Gowan-Pacific** (Peoples Republic of China)
Est. 2001 import volume: 96 m/lbs. @ declared valuation of \$.92 per/lb.
Estimated Annual Loss to U.S. Treasury: \$6,800 (\$88,320 x 7.7% duty)
- (2) **Microflo** (China and/or S. Korea)
Est. 2001 import volume: 24 m/lbs. @ declared valuation of \$.70 per/lb.
Estimated Annual Loss to U.S. Treasury: \$1,293 (\$16,800 x 7.7% duty)
- (3) **Nations Ag II** (Peoples Republic of China)
Est. 2001 import volume: 156 m/lbs. @ declared valuation of \$1.70 per/lb.
Estimated Annual Loss to U.S. Treasury: \$20,420 (\$252,200 x 7.7% duty)

Indirect U.S. Competitors: The following U.S. companies market fungicides with an active ingredient that differs, in their respective chemical formulations, from thiophanate-methyl. These fungicides are labeled for use on some -- but not all -- of the crops and turf ornamentals registered for use by branded products employing thiophanate-methyl as the active ingredient. However, all of the companies listed import their respective fungicide product into the U.S.

- (1) Aventis (Research Triangle Park, NC)
- (2) Syngenta Crop Protection, Inc. (Greensboro, NC)

Minimal Revenue Loss

Cerexagri – Est. 2002 thiophanate-methyl imports
300 m/lbs. @ declared valuation of \$5.99 per/lb
Est. Annual Loss to U.S. Treasury: \$138,370 (\$2,982,000 x 7.7% duty)

Other Foreign Importers – Est. 2002 thiophanate-methyl imports
Est. Annual Loss to U.S. Treasury: \$28,513 (see details above)

Total Estimated U.S. Treasury Loss: \$166,883

Profile: Cerexagri, Inc. and ATOFINA Chemicals, Inc. (North America)

Cerexagri, Inc., headquartered in King of Prussia, PA, is an agricultural pesticides producer and a wholly-owned subsidiary of ATOFINA Chemicals, Inc. Headquartered in Philadelphia, ATOFINA Chemicals and ATOFINA Petrochemicals, headquartered in Houston employ nearly 4,000 people with facilities in 17 states. The company reported sales in 2001 of \$2.2 billion.

ATOFINA Chemicals and Petrochemicals are part of ATOFINA, the world's 6th largest chemical company with 72,000 employees and worldwide sales in 2001 of \$17.5 billion. ATOFINA is the chemical branch of TotalFinaElf (NYSE:TOT) headquartered in Paris, France.

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