

Daily Note

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Hokko Q4 results 2022/23

The Japanese company Hokko Chemical has announced its annual results for its fiscal year, from the 1st of December 2022 to 30th November 2023. Agrochemical sales increased by 5.1% to yen 25,931 million. On currency conversion, sales decreased by 2.4% to approximately \$185.6 million highlighting weakness in the yen.

When measured in local currency terms, sales benefitted from strong export demand with increased shipments to other Asian markets, notably China and India, as well as to Brazil. Weakness in the yen, favourable demand of the fungicide kasugamycin and increased adoption of the paddy rice herbicide ipfencarbazone contributed to growth in international sales. Product wise, the company reports that sales were particularly strong for herbicides, which increased by 18.0% to approximately 8 million yen. Sales were also favourable for fungicides (+6.4% to 8.0 million yen) and insecticides (+1.2% to 5.2 million yen). Offsetting such gains was a decline in revenue from insecticide/fungicide combination products (-9.3% to 4.4 million yen).

Looking forward, the company anticipates increased competition in the domestic market where limited growth is expected. Gains are expected for exports, boosted by geographic expansion.

Lantmännen acquires HKScan's Swedish operations

The Swedish cooperative Lantmännen has announced it has signed an agreement to acquire 100% ownership in HKScan Corporation's Swedish operations, HKScan Sweden AB. The acquisition includes all operations in Sweden, as well as the brands Scan, Pärsons, and Bullens. Through the acquisition, Lantmännen is broadening and strengthening its business portfolio from field to fork. The transaction must be approved by relevant authorities and is expected to be completed during the first half of 2024. Until the transaction is completed, Lantmännen and HKScan Sweden AB continue to operate as separate companies. Financial terms have not been released.

US EPA issues first update on PRIA 5 implementation

As reported by [S&P Global Commodity Insights](#), the US EPA highlights undertaking a host of measures during the first year of its implementation of the nation's Pesticide Registration Improvement Act of 2022 (PRIA 5). Around a third of the Agency's pesticide program activities are funded by registration fees authorized by the PRIA, with the regulator adding that fee increases and revised decision timeframes sanctioned by the Act improved its ability to perform reviews of new applications as well as the re-evaluation of older pesticides. Notably, the EPA is mandated by the US Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to review each registered pesticide every 15 years to determine whether they continue to meet standards of registration by not posing harm to human health or the environment.

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