

95,000 T/A Glyphosate capacity set to shift to Fuhua Tongda in Sichuan

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The Leshan-based producer is set to absorb 30,000 t/a from Nantong Lihua Agrochemical and 65,000 t/a from Shandong Vier Chemical, strengthening Sichuan's position as a major glyphosate production hub



China's glyphosate industry is entering another phase of consolidation, with Fuhua Tongda Chemical Co., Ltd. preparing to absorb a combined 95,000 tonnes per annum (t/a) of glyphosate production capacity through two separate capacity transfers into Leshan, Sichuan Province.

The latest move came after the Leshan Municipal Bureau of Economy and Information Technology issued a public notice on the proposed acceptance of a 30,000 t/a glyphosate production capacity indicator from Nantong Lihua Agrochemical Co., Ltd. The entire capacity is scheduled to be relocated to Wutongqiao District in Leshan and subsequently constructed by Fuhua Tongda.

The transaction follows Fuhua Tongda's earlier agreement to acquire another 65,000 t/a of glyphosate production capacity from Shandong Vier Chemical Co., Ltd. Taken together, the two transfers would bring an additional 95,000 t/a of glyphosate capacity under Fuhua Tongda's production network, representing a major shift of capacity from eastern and northern China towards Sichuan.

The scale of the transfers is significant for Fuhua Tongda, which currently operates approximately 153,000 t/a of glyphosate production capacity. The additional capacity would substantially increase the company's potential production scale and further strengthen its position among China's leading glyphosate manufacturers.

More broadly, the transactions illustrate how China's crop-protection industry is increasingly favouring scale, integration and geographic concentration. Rather than expanding through numerous smaller production sites, major manufacturers are increasingly consolidating capacity in locations where access to raw materials, energy, infrastructure and environmental-compliance capabilities can support large-scale operations.

Wutongqiao has emerged as one such location. The district has developed a sizeable chemical manufacturing ecosystem supported by industrial infrastructure and access to relatively competitive energy resources. For Fuhua Tongda, concentrating production in the region provides an opportunity to leverage existing manufacturing capabilities and deepen integration across its chemical value chain.

The movement of capacity also reflects the changing economics of China's chemical industry. Producers operating in eastern coastal regions face higher land and operating costs alongside increasingly stringent environmental and regulatory requirements. These pressures have encouraged the retirement, relocation or consolidation of less competitive production facilities, while larger integrated producers are better positioned to absorb capacity and invest in modernised manufacturing infrastructure.

For the glyphosate market, the relocation of capacity from multiple regions into a major production centre could further reshape the industry's competitive landscape. Fuhua Tongda's planned additions would increase the concentration of production among large-scale manufacturers and potentially strengthen the company's advantages in manufacturing efficiency, procurement, logistics and supply-chain integration.

The broader shift is also consistent with China's ongoing effort to upgrade its chemical manufacturing base. As older and less efficient facilities exit the market, production is increasingly moving towards specialised industrial parks with established infrastructure and stronger environmental-management capabilities. This process is likely to favour companies with integrated operations and the financial and technological resources required to operate large-scale facilities.

For Fuhua Tongda, the proposed capacity transfers represent more than an increase in production volume. They reinforce its strategy of concentrating glyphosate manufacturing in Leshan and leveraging the region's industrial ecosystem to build scale. If the planned transfers are completed and the additional capacity is brought into operation, the company will have significantly expanded its production footprint while further consolidating its position in China's glyphosate industry.

The developments could also contribute to a more concentrated supply structure in the domestic glyphosate market. As fragmented capacity continues to be phased out and production becomes increasingly concentrated among major manufacturers, scale and cost competitiveness are likely to become even more important determinants of industry performance.