Qingdao Hengning plans $61.96 Mn agrochemical expansion

24 August 2026 | News

Project will add a flexible production line for fluxapyroxad and bixafen at the companyâ??s Shandong manufacturing base

Qingdao Hengning Biotechnology Co. Ltd, a wholly owned subsidiary of Hailir Pesticides and Chemicals Group, is moving ahead with a $61.96 million (RMB 420.70 million) agrochemical expansion project that will establish a flexible production line for two major SDHI fungicides—fluxapyroxad and bixafen—at its manufacturing base in Shandong Province.

The environmental impact report for the 9,000-tonnes-per-annum agrochemical technical and intermediates project received an approval notice on July 22, 2026. The project will be located at Xinhe Chemical Industrial Park in Pingdu City, Qingdao, and involves the renovation and expansion of the company's existing production facilities.

The investment is part of a broader capacity-building phase at Hengning Biotechnology. The company plans to utilise vacant space in Workshop 7 and existing Workshop 1a to install reactors, distillation equipment, rectification towers and other production systems. The project will establish a switchable production line, allowing the facility to manufacture either fluxapyroxad or bixafen depending on production requirements.

The plant is designed to operate for 7,200 hours annually, with a maximum capacity of 6,000 tonnes per year of fluxapyroxad or 3,000 tonnes per year of bixafen. The two products will share the same production infrastructure rather than being manufactured simultaneously at their maximum capacities.

The expansion will also include a bromine extraction unit, magnesium chloride facilities, rectification systems and by-product treatment units for hydrochloric acid and sodium sulfite. New circulating water, nitrogen generation and exhaust-gas treatment systems are also planned, while hazardous waste from the project will be handled through an existing 100-tonnes-per-year incineration facility. Other storage, utility and environmental protection systems will rely partly on the company's existing infrastructure.

The move comes at a pivotal moment for China's SDHI fungicide manufacturing sector. Fluxapyroxad and bixafen are among the active ingredients attracting significant investment as manufacturers prepare for or expand generic production. Industry tracking shows that fluxapyroxad capacity additions have accelerated in 2026, while investments in SDHI fungicides including bixafen, fluxapyroxad and fluopyram have become increasingly concentrated as patent barriers expire.

Qingdao Hengning has already emerged as an important production base in Hailir's technical-grade pesticide expansion strategy. The company had previously outlined capacity plans covering 6,000 tonnes per year of fluxapyroxad and 3,000 tonnes per year of bixafen, alongside other large-scale agrochemical investments.

The project also reflects the increasingly competitive nature of China's fungicide manufacturing landscape. According to industry tracking, July 2026 alone saw investment plans covering tens of thousands of tonnes of pesticide technical capacity, with fluxapyroxad and bixafen among the fungicides attracting new investment.

Qingdao Hengning, established in 2019, focuses on the research, production and sale of agrochemical technicals and intermediates. As part of Hailir Pesticides and Chemicals Group, the company has been positioned as a key manufacturing platform for the group's expanding crop protection business.

With the new project, Hengning is adding significant flexibility to its manufacturing portfolio. Rather than committing separate facilities to individual active ingredients, the switchable production model will allow the company to adjust output between fluxapyroxad and bixafen according to market demand.

The strategy could prove important as China's agrochemical industry enters a new phase of capacity expansion around off-patent and recently off-patent active ingredients. Fluxapyroxad is among the compounds drawing heightened interest from generic manufacturers, while bixafen has also become part of the expanding SDHI fungicide production landscape.

For Hailir and its Qingdao Hengning subsidiary, the $61.96 million investment represents another step in building a larger and more diversified technical manufacturing base. The project’s flexible design may give the company an additional advantage in a market where production economics, competition and demand for individual active ingredients can change rapidly.