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**JAN
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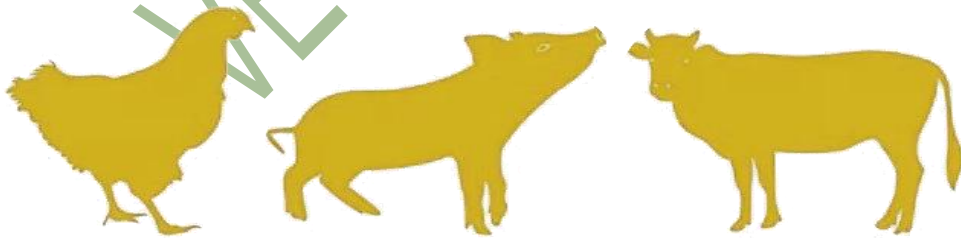
**AMINO ACID
MONTHLY
REPORT**





Amino Acid Monthly Report

Jan. 31st, 2023



One stop solution supplier

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【Preface】

➤ **Breeding situation**

"Around 10% of the pigs pressed and second fattened before and after the National Day had to be slaughtered, and the year-on-year slaughter volume in mid-December was already higher than the same period of the previous year. Big fat pigs listed impact pig prices, resulting in early December pig prices did not appear the rise expected by farmers, farmers panic slaughter further make the price stampede effect amplified. 2022 in the middle and late fourth quarter, the supply of pigs increased significantly, the supply increase significantly more than the seasonal increase in demand, resulting in the price of pigs since November 2022 continued to fall.

"Overall, pig prices are already at a low position, and there is little room to continue to fall sharply later. But the current consumption has entered the off-season, pig prices may still be low shock for a period of time. Rebound time also depends on the changes in supply and demand situation, is expected to stop falling and stabilizing pig prices in the second quarter."

➤ **Raw materials**

The corn market is weakly adjusted, traders mostly implement the previous contract, feed enterprises and deep processing enterprises have stocked up before the holiday, the pace of purchase and sale is relatively stagnant.

With the arrival of the second half of January, market transactions further weakened, the market gradually entered the price-less stage. However, due to some growers bullish sentiment has risen, coupled with some traders to collect grain enthusiasm has increased, therefore, corn prices are expected to maintain a generally weak and stable trend, the chances of a significant decline and a significant increase are low.

➤ **Market situation**

The amino acid industry is also still in the period of capacity expansion, although the current overcapacity, whether it is the resumption of production in Dacheng, Henan Jin Yufeng will soon put into production lysine, or the recent rumors of Adisso in Quanzhou plans to build 300,000 tons of methionine plant, as well as Qiqihar Fufeng added 50,000 tons of threonine expansion, Tongliao Meihua will soon build 250,000 tons of threonine new line, the pace of capacity expansion in the next 3-5 years is impossible to stop.

The supply is already over the demand, and in the market state where it is more difficult to release the production capacity, it is still the continuous expansion, which is reflected to the market, is more intense competition.

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Threonine

In January, the industrial production remained normal, the operating rate was about 82%, but it was still lower than expected, and the domestic supply pressure remained. However, affected by the decline in market prices, the industrial losses deepened, and the attitude of manufacturers was somewhat differentiated. Before the Spring Festival, some enterprises were vulnerable to deal, and some manufacturers were reluctant to sell and raise prices. In January, the average price of threonine in China was USD1200/MT, down 2.61% month-on-month and 27.53% year-on-year. Domestic terminal demand remained weak, and market supply pressure remained. Under the background of expected losses, the market supply and demand continue to play a game.

According to public information, Tongliao Meihua Biotechnology Co., Ltd. plans to put into production in the first half of 2023 with an annual output of 250000 tons of threonine; It is understood that CJ plans to build a new 80% threonine production line in the Brazilian plant. The first phase of 27000 tons/year is planned to be put into operation in the first half of 2023, and the second phase of 23000 tons is planned to be put into operation in early 2025. Pay attention to the adjustment of old production capacity after the new production capacity of Meihua is put into operation.

Lysine Hcl

It was predicted that open policy would make a bad situation on raw materials and transportation before new year holidays. But the truth is we strongly make it though and there is no big change about the prices on this product. Lysine is keeping stable this month. It is predicted this product would be stable but be influenced by US-CNY exchange rate. FOB price is around USD1200-1300/MT according to different market and brand.

Lysine Sulphate

The current mainstream factories quotation are USD780/MT-USD790/MT. The price is mainly stable. Market demand is temporarily quiet, the demand of end user is weak, depends on demand. It is needed to pay attention to the shipment of factories and market demand.

Valine

The mainstream Chinese domestic valine market is currently quoted at USD3.5/KG. The market supply is still tight and prices remained on the strong side.

The European market spot offer is €5.00-6.00/KG.

Tryptophan

Tryptophan market is mainly stable, factory production is normal, with the end of the Chinese New Year holiday, logistics gradually return to normal, more inquiries, but fewer transactions, export quotes USD8.3-8.5/KG, pay attention to the import and export and domestic factory shipment progress.

Methionine

In Jan, affected by chinese new year holiday, the DL-Methionine market is weak and less inquiry, the price is around USD 2.6-2.7/KG. In short time, it will be still keep stable. It mainly needs to attention the supplying status and exchange rate floating.



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