

AMINO ACID MONTHLY REPORT

Report Date. May 30,2025

One stop solution supplier



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A background image showing a complex molecular structure with blue and white spheres connected by lines, set against a light blue gradient.

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***IDEAS FOR
BETTER LIFE***

Amino Acid monthly report

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***ONE STOP
SOLUTION SUPPLIER***

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PREFACE

BREEDING SITUATION

(1) ****Supply Side****

The inventory of breeding sows and the sale of live pigs have shown significant trends since the second half of 2024. The number of breeding sows in stock has been steadily increasing, laying the groundwork for an anticipated rise in live pig sales during the second quarter of 2025. According to forecasts from professional industry institutions, the year-on-year growth rate of live pig sales in Q2 2025 is expected to range between 15% and 20%. As May progresses into its mid-to-late stages, there is a heightened likelihood of large pigs weighing over 130 kilograms being released onto the market en masse. If farmers engage in panic-driven, concentrated selling, it could lead to a severe shock in market prices, potentially triggering an abrupt price collapse.

(II) ****Demand Side****

Operational rates of consumption and slaughtering enterprises post-May Day holiday

Following the May Day holiday, pork consumption did not rebound as anticipated. Slaughterhouse operational rates have remained consistently low, hovering around 26% to 27%. More alarmingly, frozen food inventory levels are exceptionally high, ranging from 22% to 24.7%. Fresh meat sales have cooled significantly, while frozen meat stocks remain heavily accumulated. Under these conditions, slaughterhouses lack the incentive to purchase live pigs at elevated prices.

****Market Forecast for June****

(1) ****Supply Side****

Based on historical data regarding breeding sow inventories, it is projected that overall supply pressure will remain relatively high throughout June 2025. Typically, piglets born after July 10th cannot be sold within the same calendar year. Consequently, efforts to stabilize piglet prices and maintain market equilibrium must continue until July. Currently, the average weight of pigs sold by group factories remains relatively high, with continued profitability observed in weight gain and meat growth. The price differential inversion between standard fattened pigs is not yet severe, which helps preserve market stability. However, considering the livestock retention observed in May, if farmers opt for concentrated sales in June, market supply will surge, exerting downward pressure on prices.

RAW MATERIALS

May Market Summary

In the first quarter of 2025, China's cumulative corn imports amounted to only 260,000 tons, representing a year-on-year decline of over 96.7% and reaching a historically low level. The substantial reduction in imported corn can be attributed to two primary factors: shifts in the global corn supply pattern and domestic policy adjustments, as well as market price dynamics. These changes have enhanced the domestic market's reliance on domestically produced corn, thereby strengthening bullish sentiment in the spot market. Market participants generally anticipate potential risks of insufficient corn supply, which is expected to provide robust support for prices.

Following the onset of spring, corn planting progress in Northeast China fell short of expectations. In regions such as Jilin, sowing was delayed by nearly 10 days compared to previous years. Although this delay did not significantly impact short-term market supply, it raised concerns regarding the yield

of the upcoming corn harvest, reinforcing bullish market expectations and driving up corn prices during the first ten days of May.

III. Market Forecast for June

(1) Supply Side Analysis

- ****Trader Shipping Dynamics****: As June approaches, traders who previously withheld grain due to reluctance to sell may increase their shipping activities. However, given the limited overall surplus in the market and ongoing positive price expectations, large-scale panic selling is unlikely. It is anticipated that the shipping pace will remain relatively stable, with minimal impact on market supply.
- ****Import Expectations****: Despite the current low level of imported corn, potential adjustments in international corn supply and domestic demand could lead to a slight increase in imports during June. Nevertheless, domestic import policies and constraints such as international transportation logistics suggest that imported corn will not significantly disrupt the domestic supply structure in the short term.

(II) Price Trend Prediction

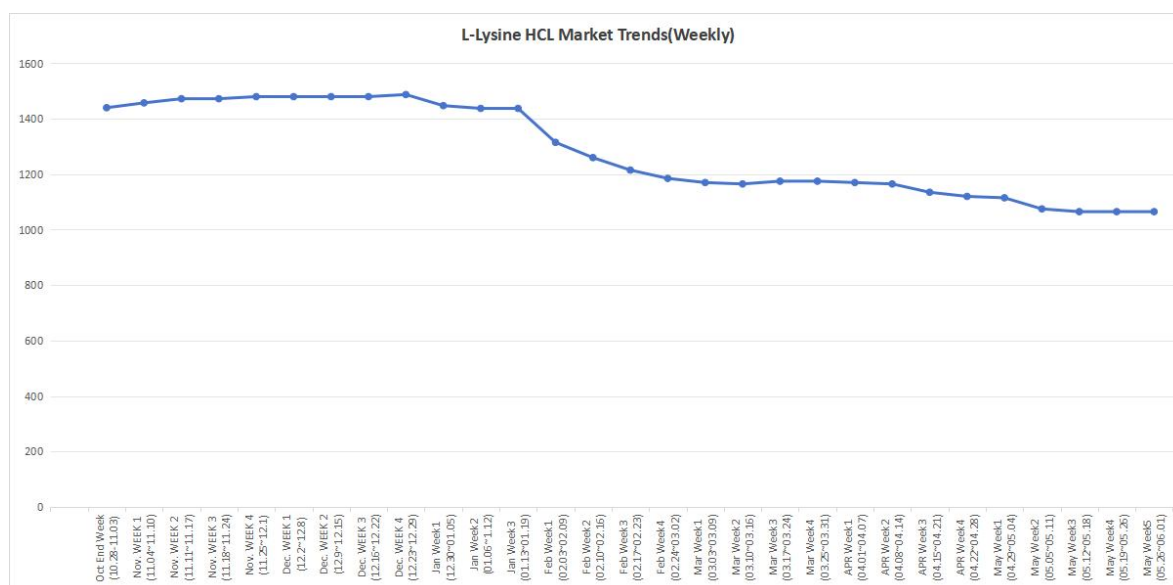
Considering both supply and demand dynamics, it is expected that corn prices in June will exhibit a weak and volatile trend. During the first ten days of the month, increased trader shipments and the substitution effect of new wheat are likely to continue, potentially leading to a slight decline in corn prices, consistent with the adjustment observed in late May. However, as the market gradually absorbs the substitution of new wheat and trader shipping stabilizes, corn prices are expected to stabilize by mid-June. If there is a marginal improvement in feed demand driven by an increase in live pig inventories during this period, a phased price rebound may occur. Nonetheless, given the high substitution ratio of wheat, any rebound is likely to be limited. In the second half of the month, as new wheat purchases conclude, traders may refocus on the corn market. Should market grain supplies remain tight without significant relief, corn prices may tentatively rise again. Overall, price fluctuations are expected to remain within a narrower range compared to the early May peak. From a regional perspective, mainstream corn prices in North China may fluctuate between 1.18 and 1.22 yuan per jin, while port clearance prices in Northeast China may range from 2,380 to 2,450 yuan per ton.

Threonine

The manufacturer's quotation is strong, with controlled shipment. The trade market quotation is around USD 1260-1300/MT, and there is a shortage of spot goods in some areas.

Some futures orders have slightly lower prices. The upstream factory's signing of export orders for Threonine is average, with stable quotations. Domestic users still have stock and are mostly observing and purchasing as needed. Market transactions are not active, and supply remains stable. We are concerned about the transaction situation, and it is expected that the price of Threonine will remain stable.

Lysine Hcl



In May, L-Lysine HCL 98.5% market demand was flat. In early May, the EU relative authorities lowered tariffs on several mainstream manufacturers regarding the lysine HCL. The overall price trend was stable with a slow decline and continuous bottom-out. The end users purchased on actual demands. In late May, customers' enquiries increased, and the transactions rebounded slightly. The current market price around FOB USD1060~1080/MT, lead time in June. Need to pay attention to market changes and factory delivery situation.

Lysine Sulphate

The 70% lysine market was relatively strong in May. Upstream manufacturers slightly raised prices because the tight production schedule and their production costs increased due to the rise in the price of raw material--corn. The slight price increase stimulated downstream purchases, so the inquiries and transactions improved slightly.

The current market price is FOB USD695--725/MT. It is expected that the price of 70% lysine will be relatively strong in the short term, but we still need to pay close attention to factors such as raw material price fluctuations, changes in domestic and foreign demand, and adjustments to import and export policies (there are still uncertainties in EU anti-dumping measures and US tariff policies).

Valine

In May the factory released a maintenance plan. Recently the quotation of valine has slightly increased. Most of customers purchase as needed. The export price is approximately 1.65-1.7usd/kg. The overall market is mainly in waiting with an increase in inquiries. Please pay attention to the factory's delivery progress in the future.

Tryptophan

In early May, the shipment of tryptophan manufacturers was slow, and the market price remained at a low and stable level. The downstream purchased the product as needed. According to market information, the mainstream quotations from Chinese tryptophan factories at the end of May were USD5.36 - 5.67/kg. The mainstream quotations of tryptophan market manufacturers remained stable, and the terminal inquiries and transactions were sluggish. According to market information, on May 27th, XMYG tryptophan quotation was USD5.75/kg.

Methionine

Now the market price is around FCA USD 2.9-3.0/KG. Since from May, all main DL-Methionine start the facility maintenance plan, like Evonik will be lasitng for 8-10 weeks, NHU plan to start it during July-August. the factories offering are stable at the moment, mainly delivery the old orders before and the end users still has inventory, but date on 5th, June , the NHU annoucned that they pull up the price. Next it needs to highly attention the factories production status and market supplying situation.

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