

One stop solution supplier

**AUG
23RD**

AMINO ACID MONTHLY REPORT





Amino Acid Monthly Report

August.23rd,2022



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VEGA GROUP

【Preface】

➤ **Breeding situation**

According to the Ministry of Agriculture and Rural Affairs monitoring, on August 10, the average price of pork in the national agricultural wholesale market was RMB 29.16/KG. It is reported that in April this year, the national pork ex-factory price gradually increased; from early June, the pork ex-factory rose significantly; in early July, the average pork ex-factory price was RMB29.22/KG, reaching the highest point of the weekly average pork ex-factory price in 2022.

Entering August, a number of head hog breeding companies released their sales briefs for July, and it is clear from the data that the selling price of hogs in July rose by a large margin from the previous month.

Futures researchers said that the suppression of demand by high prices is particularly evident this year, with the overall consumption capacity of residents declining, and demand is expected to improve significantly only around mid-autumn, with the end of the year pickling likely to bring a seasonal consumption season. In the long term, the current pig production situation is generally stable and improving, and the farming end is starting to be profitable. However, it is necessary to be alert to the fact that "the current demand side does not show obvious signs of improvement, the upstream and downstream do not support a significant rebound in hog prices, and there may be a risk of a second pullback after the rush high".

➤ **Raw material**

With the spring corn into the market one after another, the market encountered new pressure, the overall willingness of traders to ship high, and the continued auction of rice, the overall supply of the market is still facing significant pressure. At the same time, the demand side of the farm feeding demand growth is limited, deep processing demand faces continued shrinkage. In the context of high-temperature maintenance,

low profits overlapping with high inventories forced plus the deep processing in North China's Shandong region to start the level of depression to the lowest in the past three years, the willingness to purchase corn is relatively low.

From the supply-demand balance, the current corn market is still in a situation where supply exceeds demand, and the current feed enterprises continue to use brown rice instead of corn. Although some areas in Liaoning and Jilin, corn has a certain disaster, but with the gradual entry of spring corn around the market, corn prices under pressure new and old grain synchronized supply, downstream bearish mentality continues, is expected in the next month, the mainstream corn offer is still dominated by shock downward.

➤ **Market overview**

The domestic Methionine trade market is stable to strong, the inquiry volume is slightly active, some enterprises enter into overhaul in August, pay attention to the supply side shipment situation.

The price of 70% lysine market is weak, and the willingness to purchase and sell is not strong; 98% lysine market offer is stable with general inquiries, some enterprises enter into overhaul, pay attention to the enterprise shipment situation.

Threonine

The manufacturer's price is weak and stable, the export transaction is slightly improved, and the domestic trade market price is reduced by a narrow margin.

The European market quotation was lowered to Euro 1.85-1.95/KG.

Some Chinese enterprises offer lower prices, but they need to be sold with 98% lysine together. The demand in the international market is weak, and the export of manufacturers has improved slightly, but it is still lower than expected. The domestic export quotation has been lowered to USD1290-1350/MT, so we need to pay attention to the changes in the export situation.

Lysine Hcl

Some main provinces began limiting electricity supply to homes, offices and malls on Wednesday, due to a severe power crunch driven by extreme heat waves and drought, according to state media and one power company. At present we are not sure if this factor would influence Lysine hcl in the market. Right now this product is keeping stable, Main price is at USD1250/MT.

Lysine Sulphate

Since mid-July to mid August, price of Lysine Sulphate have dropped, around USD20-40/MT. At present, price reached the bottom, the overall fluctuation is not large, and mainly keep stable in later period. Now Lysine Sulphate in China market is quoted at USD850-870/MT according to different brand, can consider to take an appropriate purchase.

Valine

The Valine market was stable this month, the cost of raw materials did not change much, and the factory delivery time was normal, about mid-September. The price is around USD2.7-2.75/KG , which is at a low level, and the demand from end customers is relatively dull, so stay on the sidelines.

Tryptophan

The overall supply of Tryptophan industry has decreased, and domestic manufacturers have a strong willingness to raise prices, and the market price is USD7.3-7.5/KG. According to foreign media reports, the CJ Brazil plant has been put into operation but the supply is limited. Weak downstream demand, weak market adjustment.

Methionine

In August, the market is still relatively stable as before. At present, the market price is around USD2.8-2.9/KG, some traders offering is slightly lower. Market inquiries began to be active, thus the price remains firm. Please note that some factories are still under facility maintenance, and needs to attention the supplying situation and delivery time.



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