

AMINO ACID MONTHLY REPORT

Report Date. Nov 01,2024

One stop solution supplier





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BETTER LIFE***

Amino Acid monthly report

Report Date. Jan 01,2024

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PREFACE

BREEDING SITUATION

In September, the average price of pork nationwide fell by 3.2% compared with August, ending a five-month rise. Since then, pork prices have continued to decline slightly. The main reason for this round of pig price decline is the increase in pig supply, with the previously newly added medium and large pigs reaching the slaughtering age. In September, the pig slaughtering volume increased by 8.1% compared with August.

Regarding the trend of the pig market in the fourth quarter, the market believes that with the arrival of the peak consumption season for pork, the possibility of a sharp fluctuation in pig prices is relatively small, and the per-head profit of pig farming is expected to remain at a normal level.

There are several analyses and supporting factors: from the inventory of breeding sows, by the end of the third quarter, the national inventory of breeding sows was 40.62 million heads, equivalent to the normal inventory of 39 million heads at 104.2%, and was at a reasonable level of capacity control. From the number of newborn piglets, it has been increasing continuously since March, and according to the 6-month fattening cycle calculation, it corresponds to the peak consumption season of autumn and winter, with good market supply and demand matching. From the inventory of medium and large pigs, in September, the national inventory of pigs aged 5 months or more was down 4.6% year-on-year and up 1.5% month-on-month, and had increased for four consecutive months, indicating that the number of fattened pigs to be put on the market in the next 2-3 months will be more than those in previous months.

RAW MATERIALS

After the National Day holiday in October, domestic factories resumed operations at a high rate with improved profit margins, with soybean crushing reaching 2.06 million tons. The major oil plants' commercial inventory of imported soybeans was 6.63 million tons, down 93,000 tons from the same period in September, mainly due to the recent decline in the number of soybeans arriving at ports, but also due to the fact that factories consumed more soybeans due to higher crushing volumes. Meanwhile, the major oil plants' stock of soybean meal decreased by 960,000 tons, marking the fourth consecutive week of decline, down 550,000 tons from the recent peak, and has reached the lowest level since the middle of June, as well as the lowest level since the beginning of June.

Although the downstream of livestock breeding, except aquatic products, such as pigs, poultry and ruminants, will enter the peak consumption season of the year from the fourth quarter, as the temperature gradually drops, the demand for soybean meal in the market will gradually increase. In the case where the expected arrival of soybeans at ports in the later period is reduced, the supply pattern of soybean meal will gradually tighten, and the price will be supported. However, the profitability of pig and egg chicken breeding has shrunk recently, while white feathered broiler breeding is still in the red, which will increase the risks of later breeding. This will not be conducive to the consumption of soybean meal by feed and livestock enterprises. Under these circumstances, the overall increase in soybean meal demand is limited, thereby limiting the increase in soybean meal prices.

Threonine

Domestic manufacturers have signed export orders until mid to late December, with the majority of export orders. The market supply has decreased, and there is a strong sentiment among enterprises to raise prices. Mainstream manufacturers continue to increase their prices, while other enterprises follow suit. The trade market supply is tight, with market prices reaching FOB USD1550-1580/MT, and users are cautious about restocking due to higher prices.

According to market research, the production line of valine in Fufeng will be converted to Threonine in the middle and late stages, and the production line of tryptophan in Chengfu will be converted to Threonine. New manufacturers of Threonine have gradually supplied the market, and the expected increase in supply in the future will ease the current tension. Coupled with the rise in export freight rates, the export and domestic prices of Threonine may remain high. Pay attention to export orders and market supply situation.

Lysine Hcl

Lysine HCL 98.5% has slightly rising performance in early~mid of October. Until late of October, Lysine HCL trends stabilized. But the delivery time of some factories has already scheduled to January of 2025. End users purchase based on demands. It is expected that, in short term, because of long delivery time, the Lysine HCL trends won't be dropped too much. On the other hand, the significant increase of sea freight cost to Europe & America market since November has also affected some customers' purchase plan. Overall, the trading volume of Lysine HCL in October has increased if compare to September. Currently, the Lysine HCL 98.5% price is about FOB USD1440-1450/MT with the lead time is around end of December~January 2025. Need to pay attention to the customer's demands and factory delivery situation.

Lysine Sulphate

In the last month, the market for Lysine Sulphate remained stable, and the subsequent inquiries were average, while there are some factories reduced the production, so the supply has been slightly tight. Currently the terminal mainly purchased on demand, the overall transaction situation is average. The current market price is FOB USD685-690/MT at relatively low level, and the price is expected to be stable in the short term.

Valine

At present, the mainstream quotation of valine in the domestic market is FOB USD1.7/KG. The quotations of mainstream manufacturers in the valine market are stable, and the transactions are mainly negotiated and the transactions are sluggish. Some companies have switched to other amino acid categories, and the market supply has decreased. The terminal demand is sluggish, and it is purchased as needed. The recovery of terminal demand needs to be paid attention to in the future. It is expected that the price of valine will be weak and stable in the short term.

The price of valine in the European market is 2.00-2.10 euros/kg. This week, the price tended to stabilize. A manufacturer began to stop quoting in order to support the price, so some traders began to slightly raise the quotation. End users are beginning to plan to sign purchase orders for the demand in Q1 2025. More and more Chinese brands are applying for EU certification, but these brands are still in the process of certification.

Tryptophan

From mid-September to end-September, the market price of tryptophan is FOB USD7.2-7.4/KG, the manufacturer has lowered the quotation, the demand is flat, and the transaction is general. In October, the market price went down, market price is around FOB USD7-7.1/KG, and the terminal mainly use the inventory. It is expected that the price of tryptophan will be weak and stable in the short term.

Methionine

In Oct, the DL-Methionine market inquiry and deals are stable but trends to be little weak. Now the market price is around FOB USD 2.9-2.95/KG, some traders are offering littler lower. now all new orders delivery time is at least one month, the Q4 vessel shipment also will be get tightly next, please highly attention the supplying status and delivery time.

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