

# *AMINO ACID MONTHLY REPORT*

Report Date. Jan 24,2025

**One stop solution supplier**





**VEGA**



***IDEAS FOR  
BETTER LIFE***

**Amino Acid monthly report**

Report Date. Jan 24,2025

***ONE STOP  
SOLUTION SUPPLIER***

03	PreFace
03	Threonine
05	Lysine Hcl
05	Lysine Sulphate
05	Valine
06	Tryptophan
06	Methionine



## PREFACE

### **MARKET SITUATION**

In 2024, the international environment was complex and severe. China's animal husbandry industry adjusted its production capacity at a high level. The overall profitability of the breeding industry recovered, but there was a significant differentiation. Pig breeding turned from a loss to a profit, and the prosperous period throughout the year was extended. For white-feathered broilers, the loss period was long and the profit period was short. The global production of corn and soybeans reached an all-time high. With a loose market supply and demand, prices of both dropped below the four-year low. The reduction in the use of wheat and paddy rice for feed, combined with tightened imports of grains, led to a gradual increase in the proportion of corn added in feed. The advantage of using soybean meal was obvious. With the promotion of low-protein diets, the demand for amino acids in feed increased steadily. At the same time, the price of thermal coal decreased year-on-year, and the raw materials and production costs of amino acids dropped significantly, resulting in good profitability. Meanwhile, the domestic feed amino acid industry was still in the process of accelerating capacity expansion. Xinjiang, with its advantages in raw materials and energy, has seen a continuous stream of project investments and construction in recent years. Meihua and Fufeng both have projects under construction. In the Northeast region, Meihua, Chengfu, NHU, etc. all have projects under construction or in production. In addition, there are also project construction, production, and supply in regions such as Ningbo in Zhejiang, Quanzhou in Fujian, Hubei, Shandong, Anhui, and Ningxia. It is estimated that in 2024, the production capacity of China's feed amino acids (lysine, methionine, threonine, and tryptophan, the same below) will account for 67.4% of the global total, an increase of 11.6 percentage points compared with 2020. The production capacity of feed amino acids continues to shift to China. The domestic export demand is strong, especially for small varieties of amino acids, with a large increase in production capacity, supply, and exports.

Meanwhile, the amino acid industry is undergoing profound changes, which are mainly reflected in several aspects:

First, the market share of foreign amino acid enterprises is being squeezed. International trade protectionism is on the rise, and the processing of anti-dumping procedures is accelerating. The European Union has successively launched anti-dumping investigations into Chinese lysine and valine. The preliminary ruling proposes to impose a tax rate of 58.3% - 84.8% on relevant lysine products originating from China. The preliminary ruling result for valine is expected to be announced within 7 months, with a maximum of 8 months. In the next two years, as China's amino acid production capacity comes on stream and supplies increase, foreign trade risks will continue to grow. Brazil has also launched an anti-dumping investigation into Chinese feed-grade lysine.

Second, the domestic production capacity is being put into operation at an accelerated pace, exports have maintained high growth for consecutive years, and the risks of anti-dumping continue to simmer. This indicates that domestic enterprises need to strengthen their strategic planning from a global perspective. Fufeng Group plans to invest \$350 million in building an agricultural product deep-processing project in Kazakhstan. It will use crops such as wheat and corn to produce high-value-added products, including starch, amino acids, monosodium glutamate, and xanthan gum. Meihua Biotech's wholly-owned subsidiary in Singapore plans to acquire the food amino acid, pharmaceutical amino acid, and human milk oligosaccharide businesses and assets of Kyowa Hakko Kirin Co., Ltd. for 10.5 billion yen (approximately 500 million yuan). After this acquisition,

Meihua will add a variety of new amino acid categories and new strains, extend its industrial chain, and enhance its fermentation and refining capabilities for downstream high - value - added pharmaceutical amino acid products. In terms of industrial layout, the company will obtain multiple domestic and foreign production and operation entities through this transaction, implementing its overseas expansion strategy and accelerating its overseas layout. After the transaction is completed, it will integrate the existing supply - production - sales business chain on a global scale.

Third, against the backdrop of continuous capacity expansion, international anti - dumping measures, and profound changes in the global production pattern, manufacturers are adjusting their product portfolios to drive downstream application adjustments. Meihua plans to halt the production of 100,000 tons of 98% lysine and switch to producing other varieties of amino acids. Moreover, a 600,000 - ton 80% lysine production line under construction in Baicheng by Meihua is expected to start production in September 2025. Wanli Runda Group has suspended its plan to promote the sales of 98% lysine in the European Union. The planned quantity originally destined for the EU in 2025 will be redirected to other countries in different regions, and the group has the production capacity for 80% lysine. Previously, Golden Corn could normally produce and supply 75% lysine to the market. In the coming years, it is expected that downstream application portfolios may follow suit and adjust, triggered by the product portfolio adjustments of leading enterprises.

## Threonine

As the Spring Festival is approaching, downstream demand remains basically stable. Inventory can cover until the end of February. Upstream manufacturers are gradually feeling inventory pressure. The quoted prices of mainstream enterprises have dropped significantly. The trading sector mainly focuses on shipping goods, and their quoted prices are also weakening, ranging from USD1.42-1.5/KG, with some being slightly lower. Currently, most end - users are adopting a wait - and - see attitude. Their enthusiasm for signing orders is weak, and they are paying attention to the order execution of enterprises in the early stage.

## Lysine Hcl

In November 2024, the overall trends of Lysine HCL 98.5% remained stable, mainstream factories raising prices up slightly. End customers purchased based on demands, with delivery times until the end of January or February.

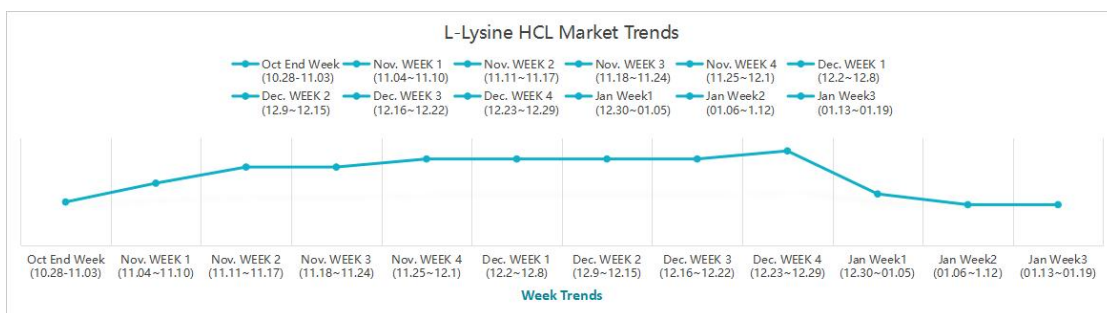
In December 2024, market demand was rising, short delivery time cargos hard to get, market supply became tight, trading volume increased, caused prices rose. By the end of 2024, most factories' cargo lead time has scheduled by the end of February~begin of March.

On December 18, 2024, the EU's anti-dumping case against L-lysine HCL disclosed preliminary arbitration results and imposed additional tariffs on some main factories.

At the beginning of January 2025, affected by holidays, the overall market demand decreased and market demands became slightly weak. End-users purchase on-demands. Most of the delivery time is until March.

The current market price around FOB USD1360~1400/MT, lead time in March.

In late January, time is approaching to the Chinese Lunar New Year holiday, need to pay attention to market changes and factory delivery situation during the holidays.



## ***Lysine Sulphate***

---

In the last month, the market for Lysine Sulphate remained stable, and the market inquiries were average. Currently the terminal mainly purchased on demand, the overall transaction situation is average.

The current market price is USD675-685/MT at relatively low level, and we need to pay attention to the production situation of manufacturers and the progress of the Brazil's anti-dumping investigation on lysine originating from China. It is expected that the price of lysine sulphate will remain stable in the short term.

## ***Valine***

---

After the Spring Festival, the market price of valine is expected to show a slight downward adjustment within a narrow range or remain stable. The following is an analysis from the aspects of supply, demand, and cost:

Some enterprises switch production or cut production: Since the price of valine has been under continuous pressure since 2024, some enterprises that previously put valine production into operation have chosen to switch production or reduce production. For example, CJ CheilJedang has reduced the production of valine and transformed it into a flexible production line, alleviating the pressure of oversupply to some extent. However, domestic enterprises such as Meihua Biotech have new production lines planned to be put into production. A 600,000 - ton 80% lysine production line being built in Baicheng by Meihua is expected to start production in September 2025. Although it is a lysine production line, it may affect the enterprise's production arrangements for valine and its market supply strategy.

Downstream inventory digestion: Before the Spring Festival, downstream demand was basically stable, and inventory can cover until the end of February. Currently, end - users are mostly adopting a wait - and - see attitude, with a weak sentiment for signing orders. They mainly focus on digesting inventory, so it is difficult for demand to increase significantly in the short term. However, in the long run, with the development of the breeding industry and the increasing demand for high - protein feed, as an important essential amino acid, valine has the potential for an upward trend in market demand.

Impact of anti - dumping: The European Union has launched an anti - dumping investigation into Chinese valine. Although the price in the European market is currently strong, the subsequent preliminary ruling results and possible tax levies will have an uncertain impact on the export of Chinese valine and its market price. If taxes are levied, it may lead to restricted exports, increased supply pressure in the domestic market, and a downward price trend. If the final result is relatively optimistic, it will have a certain positive effect on market confidence and price stability.

## ***Tryptophan***

---

In mid-December, the quotation of tryptophan manufacturers was firm, the spot supply was tight, the downstream inquiry heat was slightly reduced, and a small amount of on-demand replenishment was made. In late December, the quotation of tryptophan manufacturers was stable, the early orders were successively delivered, the downstream just needed to buy, and the actual market transactions were general.

In January, the price of tryptophan manufacturers is stable, mainly delivered, the downstream inquiry is light, the actual market is weak, and the current market price is USD6.7-6.9/KG.

## ***Methionine***

---

Since from first month of 2025, the main DL-Methionine factories pull up the price a little, accordingly the distributors and traders are also increase the offering, now the market price is around USD 2.8-2.85/KG. the market inquires get more actively but the deals are stable. Next it needs to highly attention the supplying situation and delivery time.



***ONE-STOP  
GREEN ADDITIVES  
MANUFACTURER AND SUPPLIER***

**VEGA GROUP**

