

AMINO ACID MONTHLY REPORT

Report Date. March 30,2025

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BETTER LIFE***

Amino Acid monthly report

Report Date. Jan 01,2024

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PREFACE

BREEDING SITUATION

First, Price Trend: Regional Differentiation Intensifies, National Average Declines Slightly

Overall Performance: In March, the national average price of live pigs exhibited a narrow downward trend. As of March 31, the national average price for foreign three-yuan live pigs decreased by approximately 2.54% compared to the previous month, with the year-on-year decline narrowing to 0.41%. In terms of stages, prices continued to fall during the first ten days due to off-season consumption following the holiday period. In the latter half of the month, prices rebounded slightly due to restocking efforts ahead of the Qingming Festival and reduced supply from aquaculture enterprises; however, the increase remained limited.

Regional Characteristics:

- Northern Regions: In Liaoning, Jilin, and other areas, pig prices rose against the trend, primarily attributed to a reduction in breeding enterprises and increased activity among retail investors.
- Southern Regions: In Guangdong, Guangxi, and other locations, pig prices fell under supply pressure. Some slaughterhouses operated at a loss, leading to depressed purchasing and sales activities.

Second, Supply and Demand Patterns: Supply Remains Loose, Demand Marginally Improves

Supply Side:

- Accelerated Capacity Reduction: By the end of March, the national breeding sow inventory had dropped to approximately 38 million, representing a 10% decrease compared to the same period in 2024. This figure has fallen below the normal holding level of 41 million set by the Ministry of Agriculture and Rural Affairs, indicating that pig supplies in Q3-Q4 of 2025 will contract significantly.
- Divergent Production Rhythms: Large-scale pig farming enterprises (e.g., Muyuan, Wen) actively reduced production volumes, while retail investors intensified passive reductions due to losses. Consequently, the market supply exhibited a "large-scale field pricing, retail selling" differentiation pattern.

Demand Side:

- Off-Season Pressure: In March, the traditional consumption off-season combined with rising temperatures resulted in sluggish white meat sales in terminal markets. The average daily slaughter volume of slaughterhouses decreased by about 15% compared to the previous month.
- Limited Holiday Boost: Pre-Qingming stocking demand briefly stimulated local markets, but the overall increment was not significant.

In summary, the live pig market in March remained weak due to ongoing supply-demand imbalances. However, capacity reductions and cost supports have laid the groundwork for potential future rebounds. It is recommended that breeding enterprises rationally plan production rhythms, slaughterhouses monitor frozen goods inventory digestion progress, and investors focus on phased opportunities arising from second-quarter supply-demand inflection points.

RAW MATERIALS

Corn Market: Policy Support vs. Import Shocks

(1) Price Trends: Deepening North-South Divide

Northeast Production Area: The purchase price of dry corn in Heilongjiang rose to a five-month high, with gains of 3-4% in Songyuan (Jilin) and Tieling (Liaoning). Sinograin's northeast branch depots increased their purchase price, coupled with signals of targeted stockpiling, alleviating market pessimism.

North China Region: Shandong's deep-processing enterprises, facing low inventory levels (<10 days), raised the prices in Binzhou and Weifang, driving a 30% increase in north-to-south grain transportation from the northeast.

Southern Sales Region: Spot prices in Guangdong's Pearl River Delta and Nanning (Guangxi) up 5-6%, due to delayed imported corn arrivals and a 26% year-on-year drop in Brazil's March corn exports.

(2) Supply-Demand Dynamics: Depleting Reserves and Substitution

Supply Side: Grassroots corn reserves in the northeast only left 10-20%, with traders reluctant to lower prices. Southern imported corn, Due 15% tariff imposed on March 10, saw U.S. corn CIF costs raised higher than domestic spot prices, weakening import substitution.

Demand Side: Hog inventories remained at a high of 420 million heads, but the hog-corn price ratio dropped to 7.8:1, prompting feed mills to increase wheat substitution to 15-20%. (3) Policy Impact: Stockpiling and Tariff Adjustments

Continuous Sinograin Stockpiling: On March 4, new purchase depots were added across northeast and southern provinces, with northeast depots raising prices, demonstrating significant policy support.

Import Tariff Adjustments: After imposing a 15% tariff on U.S. corn, imports are expected to decline. However, Brazil still has 587,000 tons of corn arriving in April, creating temporary supply pressure in southern regions.

Note: This translation maintains technical accuracy while adapting Chinese market terminology for international readability.

Threonine

This week, some producers have halted their offers, focusing on fulfilling existing orders. Trading activity in the spot market has weakened, with current quotations ranging between USD1270-1300/MT. Export demand from producers remains subdued. In the domestic market, some producers have halted offers following price increases, while downstream buyers are adopting a wait-and-see approach, leading to slower order placements compared to previous periods. Market attention is now on near-term transaction volumes and producers' shipment progress. Threonine prices are expected to trend slightly upward within a narrow range.

Lysine Hcl



From February to March, the overall price of L-Lysine HCL 98.5% experienced a large price fluctuation, price plummeting, and finally price stabilized situation.

After the CNY holiday, from February to early March, market demand keep remained weak, meanwhile due to the impact of anti-dumping sanctions in the Brazilian and EU markets, the mainstream factories of Lysine HCL significantly lowered price offer. Most of the end customers were mainly on the sidelines, and the market entered a game period between end users and factories.

Until the VIV exhibition week, Lysine HCL fell to the bottom price. After the VIV exhibition, end users began to actively purchase, factories' transaction orders increasing, the market price finally stop felling and stablized.

The current market price around FOB USD1160~1200/MT, lead time in April. Need to pay attention to market changes and factory delivery situation.

Lysine Sulphate

In the last month, the price of lysine sulphate is stable with strong trend. For two weeks, manufacturers mostly adopted the strategy of tied selling with 98% lysine. The spot supply is tight and the terminal purchases on demand.

The current market price is FOBUSD710--725/MT. It is expected that the price of 70% lysine will remain strong in the short term.

Valine

At present, the mainstream quotation of valine in the domestic market is 1.55-1.6USD/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

In mid-February, the price of tryptophan remained stable. And the mainstream price of tryptophan in the Chinese market was USD6.7-7/kg in early March. The quotation of tryptophan manufacturers fell slightly, the domestic spot is not much. At the end of March, mainstream quotation of the Chinese market tryptophan is USD6.3-6.5/kg, the quotation of tryptophan manufacturers and downstream user demand is weak, the domestic supply is normal, tryptophan transaction is less. On March 17, Daesang Food SEWON brand 50% tryptophan, 98% tryptophan stopped quotation. Pay attention to the change of factory quotation and downstream inventory.

Methionine

Since from middle of March, as the main factories announced that their facility maintenance plan, accordingly the DL-methionine price rised a little, now the market price is around FCA USD 2.75-2.85/KG. CUC plan to stop production since from middle of April and lasting for four weeks, NHU also will start the facility maintenance from July till August. It needs to highly attention the supplying status and delivery time, in short time, the price will be keep strong or little rised again.

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