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AMINO ACID MONTHLY REPORT

Report Date. July,2026

One stop solution supplier

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CATALOGUE

PREFACE

LIVESTOCK & POULTRY FARMING

(I)This cycle falls within the traditional off-season for China ‘s poultry farming industry, which is characterized by high inventory levels, abundant slaughter volume, sluggish consumption, depressed product prices and slow profit recovery. Market trends vary across segments including laying hens, white-feathered broilers and yellow-feathered broilers. Supply pressure peaked in June, while a recovery inflection point emerged in mid-to-late July, laying the groundwork for a rebound in feed amino acid demand in the subsequent period.

Inventory Overview

The national inventory of productive laying hens rose to 1.34 billion heads in June, up 0.45% month-on-month and a sharp 6.77% year-on-year, hitting a three-year high for the same period. The overall supply base of poultry farming remained substantial. Inventories stayed elevated in early July, while farms launched seasonal culling operations from mid-to-late July. Slaughter volume of eliminated hens declined month-on-month, the growth rate of productive hen inventories slowed, and overall industry supply pressure eased marginally.

(II) Broiler Farming Segment (White-Feathered & Yellow-Feathered Broilers)

Market Conditions & Slaughter Volume

Prices of white-feathered and yellow-feathered broilers faced overall downward pressure during this cycle. Live broiler prices kept falling in June amid ample chicken supply, while catering and processed food consumption remained in the off-season, creating a clear supply surplus against weak demand.

Chick and live broiler prices hit cyclical lows in early July, leaving farmers with poor profitability. Prices of live broilers bottomed out and rebounded in mid-to-late July as distributors made bargain purchases. Restocking demand among farmers picked up modestly, chick prices recovered, and the industry entered a cyclical recovery phase.

RAW MATERIALS

The core raw materials for feed amino acid production mainly include fermentable feedstocks such as corn, soybean meal, methanol and liquid ammonia. During this cycle, the overall cost of domestic raw materials edged down, prices remained weak with limited fluctuations, and supply stayed ample. This has effectively eased the cost burden on amino acid manufacturers, yet further squeezed profit margins across the sector and intensified market competition.

1. Corn

As the primary fermentation feedstock for amino acids, corn inventories remain sufficient in summer, with surplus grain held by grassroots sellers released in an orderly manner and no supply shortages in the market. On the demand side, feed mills and deep-processing enterprises maintain steady purchasing without bulk stockpiling activity. Overall supply and demand are balanced, keeping corn prices stable at low levels and providing low-cost raw material support for amino acid production.

2. Methanol & Liquid Ammonia (Core Chemical Feedstocks)

Driven by falling international crude oil prices, domestic methanol prices dipped slightly during this cycle, with spot quotations trending moderately lower. The liquid ammonia market saw balanced supply and demand, stable operating rates of manufacturers and abundant spot supply, resulting in no sharp price swings.

SHORT-TERM MARKET OUTLOOK

In the short run, the poultry off-season will draw to an end from late July to August, accompanied by improved end-consumption and increased restocking activity. Feed demand will gradually recover, which is expected to lift rigid demand for feed amino acids and drive mild price corrections.

Nevertheless, the sector ' s overcapacity issue persists, and raw material prices lack upward momentum. A sharp rally across the board is unlikely; the market will probably see modest gains with divergent performance across products.

Threonine

Recently, the export order signing progress from the manufacturers has been slow since the terminal demand is weak.The market quotations have remained stable at around USD 970/MT.It is expected that the price of L-THREONINE will have a narrow range of weak adjustment.

Lysine Hcl

From mid-June to mid-July, the lysine market showed an overall pattern of fluctuating weak and bottoming out. Following the conflict agreement, crude oil prices declined, slightly easing production costs. However, export prices continued to remain below the cash cost line, keeping manufacturers under ongoing pressure. Domestic prices diverged, with 98.5% lysine hydrochloride softening. Weighed down by the EU anti-dumping investigation, concentrated plant maintenance shutdowns, and downstream wait-and-see sentiment, overall market transactions remained light, with prices hovering near the bottom.

Starting in July, some manufacturers entered scheduled production halts or reduced operations. Lysine HCl output is estimated to decline by about 25%, with some maintenance extending into August. MEIHUA, DAHE, and DONGXIAO suspended quotations, Wanlirunda halted production for maintenance, eppen implemented rotating maintenance, and Golden Corn slightly reduced supply. In the export market, 98.5% lysine FOB quotes were in the range of around USD 900/MT.

Lysine Sulphate

Currently, Lysine market prices remain stable among manufacturers and traders. Some producers have suspended operations as scheduled for maintenance, with export prices holding steady—70% Lysine Sulphate exports to non-European regions are quoted at FOB USD600/MT. Downstream buyers are exercising caution in purchases, resulting in overall weak trading activity. Close monitoring of supply fluctuations and export trends is essential going forward. Lysine prices are expected to remain range-bound in the short term.

The market price of 70% Lysine Sulphate in the European market is 1.15 EUR/KG. The lysine market continues to show a weak trend, with procurement by European end-users based on Q3 demand largely concluded and spot transactions remaining limited. Suppliers continue to compete for orders through price negotiations, while China FOB quotes remain below production cost levels.

The EU's anti-dumping review on lysine continues, primarily investigating whether Chinese exporters are offsetting the impact of existing anti-dumping duties through further price reductions.Meanwhile,,several leading upstream manufacturers will successively enter summer maintenance periods, and it is expected that from mid to late Q3, many companies' production facilities will operate at low capacity. However, overall supply remains ample, and maintenance shutdowns are unlikely to significantly affect the supply-demand balance.

Valine

At present, the mainstream quotations of valine in the domestic market range about USD1.39-1.45/KG. Quotations from manufacturers in the valine market have been consolidating within a narrow range. Market supply remains ample, while downstream end-users maintain a procurement-on-demand rhythm. During the month, some end-users took the opportunity to restock at favorable price points, driving moderate transaction volumes, with most deals concluded through price negotiation. The feed sector is digesting existing inventories while making timely purchases, providing a certain degree of demand-side support. Subsequently, attention should be paid to the production status of manufacturers, the actual transaction situation and the progress of new industry capacity. It is expected that the price of valine may continue to consolidate within a narrow range in the short term.

The quoted price of valine in the European market is 2.90-3.20 Euros/KG. Prices remained stable this month. During the month, some manufacturers including Huaheng attempted to lift prices publicly, demonstrating a willingness to defend prices, though the increase was limited against the backdrop of ample supply. Overall, the domestic valine market experienced a narrow adjustment from mid-to-late June before gradually stabilizing in July, with the market center fluctuating within a tight band over the past four weeks. Manufacturers such as Meihua actively offered at negotiable prices to move volumes, with actual transaction prices softening moderately, prompting some end-users to purchase at the lower end.

Tryptophan

Tryptophan prices remained broadly stable across both manufacturer and trade channels this month, though transaction volumes stayed light. Manufacturer offers held steady with actual transaction prices at approximately USD3.7/KG. In Europe, non-Chinese sources raised quotes to EUR 4.50–4.60/KG. End-user inventory levels of 40–50 days continued to suppress restocking demand, leaving overall market activity muted.

Methionine

In July, the DL-Methionine is still tight in the all amino acids, now the market price is around FCA USD4.1/KG.Although the source of raw materials and cost pressure have decreased, with the arrival of summer, the main factories will gradually enter the summer maintenance stage. NHU is still under stop production, CUC will start the maintenance plan from mid of July, CJ Malaysia plan to start it in August. Some european customers have already locked in Q3 demand in advance, next, it mainly needs to attention the supplying status and delivery time.

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