



UNITED
ANIMAL HEALTH

UNITED MARKET NEWS

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In order to better inform our customers and teammates of ingredient market trends, find attached the next edition of United Market News. The content provided has been gathered and prepared by our procurement professionals and to provide directional market trends from our perspective.



The amino acid complex has become more volatile with tightening supply combined with increasing prices over the last 30 days. Supply chain issues from non-domestic sources remain challenged. Most recently energy shortages along with environmental emission controls have decreased available market supply. Expectation is these conditions will continue well into 2022.

Amino Acids

INGREDIENT	TREND	COMMENTS
LYSINE	↑	<ul style="list-style-type: none"> Supplies from both domestic producers are under strict contractual allocation and expected to continue through the remainder of the year. Non-domestic supplies have tightened due to supply chain delays and reduced production as manufacturers are under strict energy and emissions controls. CJ recently announced a 11% price increase basis higher input and logistics costs. Expect prices to remain bullish with tight available supply for the next several months.
THREONINE DOMESTIC	↑	<ul style="list-style-type: none"> Domestic supply has remained consistent with prices moving up incrementally given tight supply of non-domestic threonine. All are allocating supply to contact customers with limited spot availability. Non-domestic available supply has decreased to the market given reduced production from Asia combined with delivery delays. While not as volatile as lysine, threonine prices are expected to remain firm.
TRYPTOPHAN	→	<ul style="list-style-type: none"> Prices have remained unchanged with good supply available from major suppliers. Demand could weaken in swine diets especially given higher inclusions of soybean meal. Analysts predict prices to stay unchanged in the short term. Demand changes combined with available import volume will drive any price change long term.
METHIONINE	→	<ul style="list-style-type: none"> With summer maintenance complete for some Asian producers, available global supply has increased. Global prices have reportedly decreased by 25% since the summer months with slower demand experienced. With good supply expected to continue, expect prices to remain stable to possibly weaker by the end of the year.
VALINE	↑	<ul style="list-style-type: none"> Overall demand has remained stable to even weaker basis shadow values of other ingredients especially in swine diets. Prices were moving lower this summer but have recently firmed as supply from Asia has tightened. With all manufacturing coming from Asia, expect supply to tighten due to environmental regulations and energy shortage with increasing prices expected.

· NOTES ·



The vitamin category has been generally stable as we exit the slower summer consumption period now moving towards the fall and winter months. Over the past several few weeks, news has circulated from China on tightening energy availability, especially coal that has limited manufacturers from producing at normal levels. In addition, the Chinese government has worked to enforce environmental controls on air emissions in preparation for the upcoming Olympic games in February. A combination of these factors along with continued freight and port congestion issues could tighten supply pushing prices higher.

Vitamins

INGREDIENT	TREND	COMMENTS
VITAMIN E	→ ↑	<ul style="list-style-type: none"> • Electric supply has tightened in the areas where vitamin production is located. Some producers have used this time to shutdown for maintenance. • Market prices increased around 5% during Q3 basis increased freight and intermediate costs. • Manufacturers are bracing for decreased production supply basis energy supply combined with environmental controls limiting available supply. • Expect market pricing to increase during Q4 and Q1.
VITAMIN A	→	<ul style="list-style-type: none"> • Current supply has supported market demand with adequate forecasting. • Prices have remained overall stable for the moment. With limited energy supply and environmental government controls, expect supply to tighten for the fall and winter months. • Experts predict stable to bullish price conditions for Q4. Available supply will drive market prices.
VITAMIN B5 (CAL PAN)	↑	<ul style="list-style-type: none"> • Market prices have moved up as much as 20% from lower historic levels as supply chain concerns could threatened future market supply. • Energy and environmental issues are expected to limit available supply while pushing prices higher in Q4 and possibly into Q1. • Buyers are looking to take adequate coverage in preparation for the US and Chinese New Year's holidays.
NIACIN NIACINAMIDE	→ ↑	<ul style="list-style-type: none"> • Market pricing have remained relatively stable with good supply arriving from India, allowing for a timely delivery compared to shipments from Chinese producers. • Like other vitamins, concerns with delivery and available supply are expected to keep the market stable to firm during the coming months.
D3 500	↑	<ul style="list-style-type: none"> • Buyers looked to secure purchase positions recently basis concerns of available supply. • With buying activity, spot prices quickly escalated by 20% or more during September. • Uncertain supply basis energy and environmental issues facing producers will keep prices firm and supply tight for the next several months.



Overall the market trend for minerals could be summarized with a continuation of tight supply with higher prices. With many of the minerals produced outside the US, freight costs combined with increasing raw material inputs are expected to keep prices bullish for the coming months.

Minerals		
INGREDIENT	TREND	COMMENTS
MONOCALCIUM PHOSPHATE	↑	<ul style="list-style-type: none"> Spot market prices remain firm as supply tightens across the market. With strong demand for phosphate for fertilizer, availability for feed has tightened. Key raw material inputs including phosphoric acid, coal and natural gas have moved higher forcing phosphate prices to increase. Producers expect contract prices to increase again by January 1 with supply under allocation.
ZINC	↑	<ul style="list-style-type: none"> Demand remains strong for zinc containing products in the consumer products markets pressuring available supply for feed use. With most zinc containing products produced outside the US, supply has tightened given shipping delays combined with reduced outputs especially from Asia. Experts predict zinc oxide and sulfate prices to remain firm with supply under allocation for the next several months.
COPPER SULFATE	→	<ul style="list-style-type: none"> Although variable basis purchase ownership, copper sulfate prices have remained stable. With ample supply available from domestic producers, prices have seen little change recently. Overall demand for copper will remain strong with growing consumer demand for electric based products and for use in the building and construction industry. The trend for copper will be driven by the supply and demand balance. Prices look to remain stable for now.

· NOTES ·

Inflation remains a critical upside risk to dairy prices in the coming months. Higher input costs, labor availability, logistical challenges and more are colliding and driving values higher. This inflationary environment shows little signs of slowing in the near term, becoming a systemic issue that could provide underlying support to dairy markets well into 2022.

Pork prices in China have stabilized but major increases are not expected until 2022 as they work through the supply glut that developed as a result of sending hogs early to market due to ASF outbreaks. Optimism on new ASF vaccine approved by USDA will hopefully get Chinese producers to repopulate herd.

Dairy Powders

INGREDIENT	TREND	COMMENTS
WHEY PERMEATE	→ ↓	<ul style="list-style-type: none"> Permeate supply seems to be positive. Some producers are in good balance through the end of the year. Customers have started asking for Q1 offers to take advantage of the perceived bottom of the permeate market. Production at or below cost due to high whey prices. Inability to export and/or major delays at many of the ports are keeping downward pressure on this market.
LACTOSE	↓	<ul style="list-style-type: none"> Lactose is oversupplied with slight weakness to continue in the coming weeks. While there is still some buyer interest for 200 mesh lactose and lactose used for standardization, demand is generally subdued. Inventories are heavy and manufacturers are willing to move whatever will ship. Manufacturers say the high freight costs have taken a bite out of export sales. Seeing more competition show up from Europe in international markets.
DRIED WHEY	→ ↑	<ul style="list-style-type: none"> The CME spot dry whey price has seen renewed support and demand persists. Supplies remain tight driven by mixed to lower production. Higher protein whey markets are firmly supported with little chance for weakness. For the first time in a long time the NDPSR is higher than the central states whey mostly. Thinking the market will reset itself in March and April.
NFDM	↑	<ul style="list-style-type: none"> Production and logistical hurdles caused by staffing shortages in nearly all facets of production have had some effect on the availability of Nonfat Dry Milk. Customers are willing to consider prices they would have scoffed at just a month ago. NFDM market tones continue to respond to a bullish tailwind.

· NOTES ·