



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.



Over the last 30 days the amino acid market has certainly become active. Supply chain challenges have tightened market availability due to port delays from Hurricane Ida along with supplier maintenance shutdowns. As we move into higher consumption months, supplies of key amino acids are expected to remain tight.

Amino Acids

INGREDIENT	TREND	COMMENTS
LYSINE	↑	<ul style="list-style-type: none"> Hurricane Ida effects have tightened supplies of imported lysine to the point some suppliers are out or allocating remaining inventory. Best estimate is supply will improve by the end of October. Ajinomoto is nearing completion of their scheduled lysine plant maintenance. Supply is expected to remain under allocation through the end of the year. CJ announced a near 20% price increase on lysine that will take effect no later than early October. In addition, they've announced a supply allocation to all customers given high demand. Given tight supply, expect prices to remain firm.
THREONINE DOMESTIC	↑	<ul style="list-style-type: none"> Like lysine, imported supply has tightened due to the hurricane impacts to US ports. Market prices have moved higher by up to 10% basis tight supplies available for purchase. Freight costs for imported product remains at historic levels pushing imported product prices higher. Expect prices to remain firm through the remainder of the year as demand outpaces supply.
TRYPTOPHAN	→	<ul style="list-style-type: none"> Market conditions have remained stable. Given lower soybean meal prices, some swine diets have reduced or caused tryptophan to be removed from the diet. With stable to weaker demand expected, analysts predict market prices will remain stable.
METHIONINE	→ ↓	<ul style="list-style-type: none"> Market conditions have remained quiet with only modest price weakness to report. Supplies remain good, able to meet both spot and contract customer needs. Global demand had weakened pushing prices lower. Until there's a supply or demand shift, expect prices to remain stable to weak.
VALINE	→	<ul style="list-style-type: none"> Prices have remained stable as supply has increased in the market. Like tryptophan, lower soybean meal prices have reduced the need for valine in swine diets. Prediction basis weaker demand that prices will continue to be stable.

· NOTES ·



Market price trends continue to remain stable. Suppliers continue to face challenges with delivery delays caused by port congestion, container availability and most recently Hurricane Ida causing the closure of the port in New Orleans. A combination of these issues has caused buyers to carry higher inventory volumes. These conditions are unfortunately expected to continue through at least the remainder of the year. From a price perspective, markets are expected to remain stable to firm for Q4.

Vitamins

INGREDIENT	TREND	COMMENTS
CHOLINE CHLORIDE	↑	<ul style="list-style-type: none"> Balchem announced a general market increase of 7% effective October 1 on their choline product line. The price increase is based upon raw material and logistics costs increases.
VITAMIN E	→	<ul style="list-style-type: none"> Market has remained stable overall as the BASF plant intermediate fire had no real impact on supply or pricing. With proper planning, market supply is good allowing prices to remain unchanged. Prices are expected to remain stable unless there are further delays in supply as we approach the end of the year.
VITAMIN A	→	<ul style="list-style-type: none"> BASF announced they're making progress at their German based plant and expect to be able to offer vitamin A to the market again. However, they've not indicated a specific timeline for availability. Stay tuned for future updates. Market has remained stable with no significant changes to pricing given balanced supply and demand. Buyers are keeping a keen eye on when BASF will return to the market as prices are predicted to weaken. In the meantime, stable conditions are expected to continue.
VITAMIN B5 (CAL PAN)	→	<ul style="list-style-type: none"> No real change to the cal pan market to report as prices continue to hover at low levels. Buyers look to have good supply and have booked longer positions basis price levels. Manufacturers are anxious to move prices higher given low levels for some time.
NIACIN NIACINAMIDE	↑	<ul style="list-style-type: none"> Prices have increased consistently basis container freight costs continuing to move higher. Given the value of niacin compared to other vitamins freight will have a greater impact to pricing. With lead times of 60-90 days, supply is available to meet buyer demand. No reason to expect the trend of firm pricing to stop anytime soon as freight cost and supply will continue to be a challenge.
D3 500	→↑	<ul style="list-style-type: none"> Producers have recently announced significant price increases as prices have hovered at low levels for some time. Time will tell how much and if prices will increase. Buyers have become more active to cover Q4 needs as prices have bottomed. Experts predict firm pricing going into Q4.



The trend of the supply and demand imbalance continues with demand outpacing available supply. With a higher percentage of the mineral needs coming from product imports, supply has remained tight due to lack of containers available for shipment. In addition to logistics, global demand for minerals continues to increase for use in consumer products causing some products to be available under volume allocations. Experts predict supply will remain tight with firm pricing through the first half of 2022.

Minerals

INGREDIENT	TREND	COMMENTS
MONOCALCIUM PHOSPHATE	↑	<ul style="list-style-type: none"> Manufacturers have announced price increases of \$100-\$120/ton beginning October 1. Producers have struggled to source key raw materials at affordable prices causing monocal prices to increase accordingly. Prices should remain stable at new levels through the end of the year.
ZINC	↑	<ul style="list-style-type: none"> Producers continue to tightly allocate available supplies based upon delivery shipment delays. Some Asian producers have reduced production volumes in preparation for the Winter Olympics in order to improve air quality. The current trend of tight supply and increasing prices is expected to continue into 2022.
COPPER SULFATE	→	<ul style="list-style-type: none"> Market prices have plateaued for the time being, predicted to be a short-term condition. Supply remains an on-going challenge with tight and inconsistent supply of containers to import. As demand for feed is expected to increase for the fall, prices are expected to remain firm.

Medicated Additives

- Pharmgate announced a general market price increase of 10% to many of their Pennchlor line of products effective October 1. The price increase is basis both logistics and raw material costs increases.

· NOTES ·

In the U.S., milk production in August was up 1.1% from last year. That's the smallest year over-year growth since June 2020, when the pandemic crippled processors and some dairy producers were forced to slam on the brakes. High temperatures in much of the country and unusually humid conditions in the Southwest added up to a lot of stress. National average milk yields fell short of year-ago levels, an exceptionally rare occurrence.

Dairy Powders

INGREDIENT	TREND	COMMENTS
WHEY PERMEATE	→ ↓	<ul style="list-style-type: none"> Markets have leveled off and supported by Q4 commitments. Lower spot prices are from producers looking to move older material out of storage. Speculating market to remain near these levels until after the Chinese New Year when exports are expected to pick up.
LACTOSE	→ ↓	<ul style="list-style-type: none"> Manufactures have been firm on most edible contracts. Market is supported by prices for 200 mesh and product for standardization. Lower end of the range are producers clearing warehouses for immediate shipment. There is a bearish sentiment as prices will slowly decline in the coming months.
DRIED WHEY	→ ↑	<ul style="list-style-type: none"> Higher-protein demand (WPC 80%/WPI) is very strong. Less Sweet Whey produced. Whey prices increased across the range and will be supported into Q1. Feed whey market is not as bullish as some option to permeate blends. Demand has remained from both domestic and export channels.
NFDM	→ ↑	<ul style="list-style-type: none"> Asian and Mexican demand are supporting global demand. Inventories are heavy in China, which should limit price upside. Lower production due to tight milk supply in the West. Exports remain firm. On track for another record year.

· NOTES ·