

December 2023

Plant-Based Protein

Monthly Market Insight



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UrnerBarry
MARKET PRICES, NEWS, AND ANALYSIS

Key Takeaways

Sources state any reduction in volume from China to North America will lead to even lower offers in Europe.

Market participants speculate that anti-dumping duties could lead to lower pea protein demand overall.

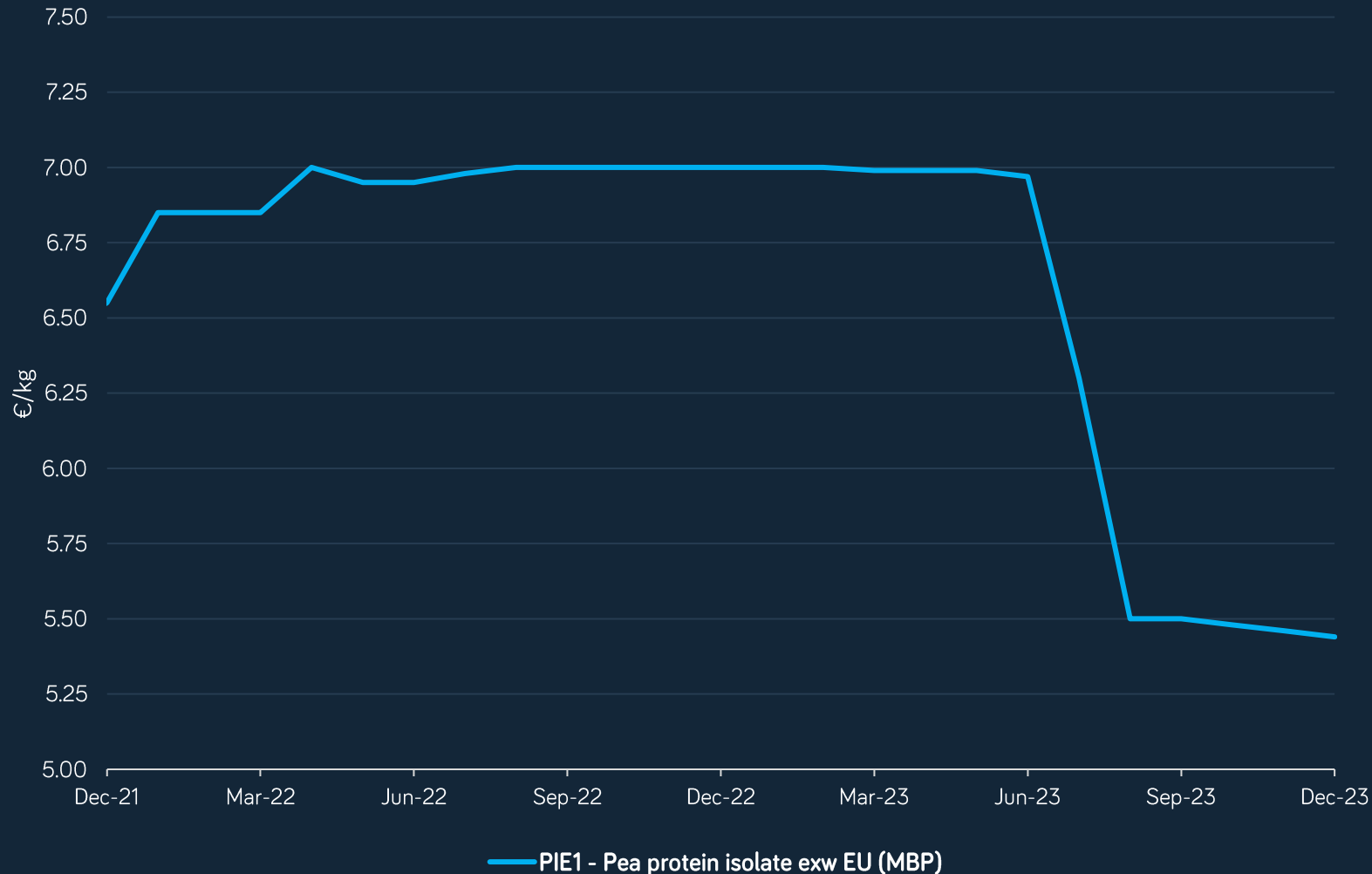
If tariffs go into effect, players may reformulate to less expensive options like soy.

Some producers already have quite a bit of inventory stocked, and with a shelf life of two years, they are willing to reduce prices to move product.

Mintec Webinars: for registration links and recordings, please click [here](#).

Monthly Price Movements

Pea Protein Isolate Prices in Europe



Pea Protein Isolate EU

MINTEC BENCHMARK PRICES

€5.44/kg

MONTH-ON-MONTH CHANGE

↓ 1%

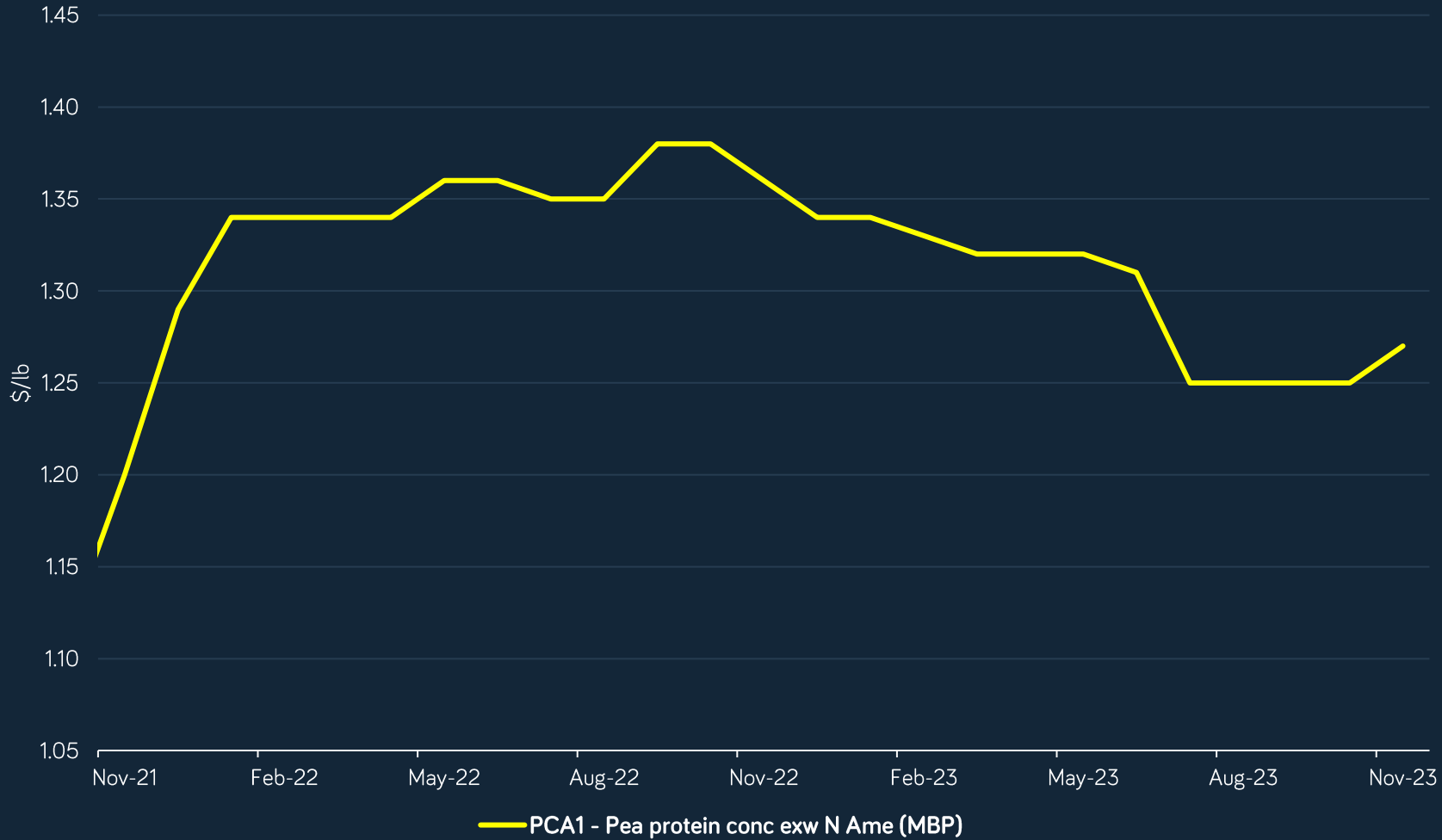
YEAR-ON-YEAR CHANGE

↓ 22%

- Sources in Europe told Mintec that demand continues to be weak for plant-based proteins as we move into 2024
- In Europe, there are sellers with excess inventory that are keen to move product, even at a discount
- Sources also state that a reduction in imports of pea protein from China to North America will likely lead to even lower offers throughout Europe

Monthly Price Movements

Pea Protein Concentrate Prices in North America



Pea Protein Concentrate NA

MINTEC BENCHMARK PRICES

\$1.28/lb

MONTH-ON-MONTH CHANGE

▲ 1%

YEAR-ON-YEAR CHANGE

▼ 7%

- In North America, market participants speculate that anti-dumping tariffs on pea protein from China could lead to a decline in pea protein usage overall
- Sources told Mintec that reformulating to cheaper ingredients can still be costly to develop
- Meantime, some suppliers are not decreasing prices, with offers mostly flat y-o-y as they try to recoup from squeezed margins

Monthly Price Movements

PLANT-BASED MINTEC BENCHMARK PRICES	MINTEC CODE	NOV ASSESSMENT	CHANGE	% CHANGE
Soy Concentrate EXW Europe	SCE1	€2.65/kg	€0.00/lb	0%
Soy Texturized Concentrate EXW Europe	SCE2	€3.50/kg	€0.00/lb	0%
Soy Isolate EXW Europe	SIE1	€5.45/kg	€0.00/lb	0%
Soy Concentrate EXW North America	SCA1	\$1.00/lb	\$0.00/lb	0%
Soy Texturized Concentrate EXW North America	SCA2	\$1.63/lb	-\$0.01/lb	-1%
Soy Isolate EXW North America	SIA1	\$2.28/lb	-\$0.01/lb	-1%
Soy Concentrate EXW China	SCC1	\$0.98/lb	-\$0.01/lb	-1%
Soy Isolate EXW China	SIC1	\$2.00/lb	\$0.00/lb	0%
Pea Concentrate EXW North America	PCA1	\$1.28/lb	+\$0.01/kg	+1%
Pea Texturized Concentrate EXW North America	PCA2	\$1.73/lb	+\$0.01/kg	+1%
Pea Isolate EXW North America	PIA1	\$2.93/lb	+\$0.01/kg	+1%
Pea Concentrate EXW Europe	PCE1	€2.68/kg	-€0.01/kg	-1%
Pea Texturized Concentrate EXW Europe	PCE2	€3.51/kg	-€0.03/kg	-1%
Pea Isolate EXW Europe	PIE1	€5.44/kg	-€0.02/kg	-1%
Pea Isolate EXW China	5G91	\$1.51/lb	\$0.00/lb	0%
DAIRY MINTEC BENCHMARK PRICES	MINTEC CODE	NOV ASSESSMENT	CHANGE	% CHANGE
Whey Protein Concentrate (instant) EXW Europe	WCIEU	€8.93/kg	+€1.13/kg	+14%
Whey Protein Isolate EXW Europe	WIEU	€10.65/kg	+€1.65/kg	+18%
Whey Protein Concentrate (instant) FCA USA	WCIUS	\$8.52/kg	+\$1.69/kg	+27%
Whey Protein Isolate FCA USA	WIUS	\$12.40/kg	+\$2.40/kg	+24%

Market Sentiment for the Month Ahead

Demand Remains Weak ⌵

- Sources tell Mintec that demand is expected to remain weak as we head into 2024 for all plant-based proteins, and shelf space availability has declined at retail for the alternative meat category
- Weaker demand for meat alternatives has also caused market players to get more creative in their offerings, pivoting to other categories like dairy, beverages, nutrition supplements, as well as meat/vegetable hybrid products

Negotiations Underway ➔

- Buyers have started to look at product for next year, with offers mostly steady y-o-y. Some buyers are pushing back on initial offers, as logistics/energy costs have eased, and demand has been below expectations
- Meantime, market players note that there are producers in Europe, Asia, and Latin America that are keen to sell product given the two-year shelf life

Pea Protein Usage Could Decline ⌵

- If anti-dumping tariffs go into effect on Chinese product entering North America, the price of pea protein may become too expensive for market players, and lead to a shift to cheaper ingredients like soy
- This change in usage could lead to an increase in soy protein prices, as this option would be the main substitute for pea protein. However, players note that the cost to reformulate can be very high, so the shift may not be justifiable despite higher prices due to a reduction in import volume
- Meanwhile, the volume reduction leading to an increase in North American pea protein prices could cause a decline in European prices, as product could be rerouted there

Less Purchasing from North America and China ⌵

- Sellers tell Mintec that buyers are purchasing less, if any, product from North America and China, stating that it is cheaper to be out of stock than get hit with a fine later if duties are announced
- Some buyers are stocking up at lower values while they can, but importers are taking a risk as buyers do not want to carry as much stock. Pea protein prices remain higher in North America and lower in Europe.

“North American pea protein prices may increase, but some will reformulate to soy and gluten which are cheaper in use and more functional. Anti-dumping on Chinese pea protein may backfire and cause less usage of the ingredient overall.” - **Producer**

MARKET SENTIMENT



'Wait-and-see' approach

Most participants are taking a 'wait-and-see' approach as anti-dumping tariffs remain in question.

Supply and Demand

2023 Top Soy Protein Isolate Importers/Exporters YTD

- Customs data does not represent the full scope of trade volume for specified items. Data may exclude large quantities of imported product due to the use of generalized or uneven reporting terms and/or omission of certain company requested records. The import/export figures with the associated importer/exporter name are only for waterborne shipments into the U.S.
- *What appears as "ORDER" indicates that buyers have chosen to not disclose their name to the public.

Importers	Pounds
1. Order	3,673,480
2. PGP International	2,579,680
3. Air Tiger Express	844,252
4. The Scoular Company	622,346
5. T Full North America LLC	641,280
6. UPS Supply Chain Solutions	227,185
7. International Fastline Forwarding	133,599
8. Bunge North America Inc	133,017
9. Evangel Shipping Inc	126,919
10. Flexport International	106,756

Exporters	Pounds
1. Order	4,585,660
2. Dezhou Ruikang Bio Technology Co	1,256,950
3. Air Tiger Logistics (HK) Limited	888,785
4. Qingdao Topway International	641,280
5. Shangdong Sinoglory Health Food Co	627,913
6. Air Tiger Express (China) Co Ltd	355,148
7. Dezhou Ruikang Bio Technology	248,647
8. Ningbo Get-Win International	211,531
9. Bunge Asia PTE Ltd	133,017
10. Flexport International	106,756

Soy Protein Isolate Imports US Customs Waterborne Shipment Volume



Supply and Demand

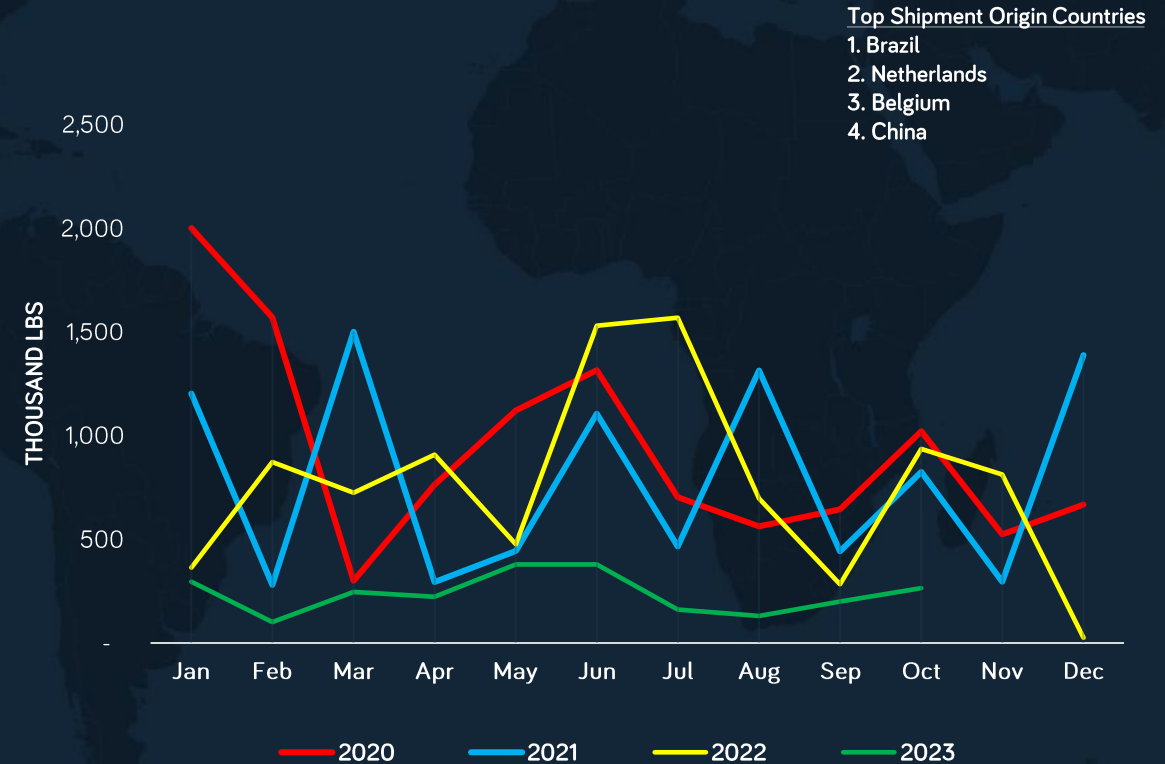
2023 Top Soy Protein Concentrate Importers/Exporters YTD

- Customs data does not represent the full scope of trade volume for specified items. Data may exclude large quantities of imported product due to the use of generalized or uneven reporting terms and/or omission of certain company requested records. The import/export figures with the associated importer/exporter name are only for waterborne shipments into the U.S.
- *What appears as "ORDER" indicates that buyers have chosen to not disclose their name to the public.

Importers	Pounds
1. Aquafeed S A	361,202
2. Bunge North America Inc	263,194
3. DE Well Container Shipping Inc	217,373
4. Geodis USA Inc	212,579
5. Especies y Aditivos Alimentarios	196,101
6. Gestion Cargo Zona Franca S A S	174,249
7. Tecnas S A	167,136
8. FedEx Trade Networks	159,150
9. Apex Maritime	130,424
10. Prime Shipping International Inc	121,694

Exporters	Pounds
1. Solae LLC	613,933
2. CJ Selecta S A	361,202
3. Bunge Asia PTE Ltd	263,194
4. Order	239,982
5. DE Well Container Shipping Inc	217,373
6. FedEx International Freight Forward	159,150
7. K-Apex Logistics (Qingdao) Co Ltd	130,424
8. Whimstar Logistics (Tianjin) Co Ltd	121,694
9. Archer Daniels Midland Co	114,768
10. Maxwide Logistics Inc	86,949

Soy Protein Concentrate Imports US Customs Waterborne Shipment Volume



Supply and Demand

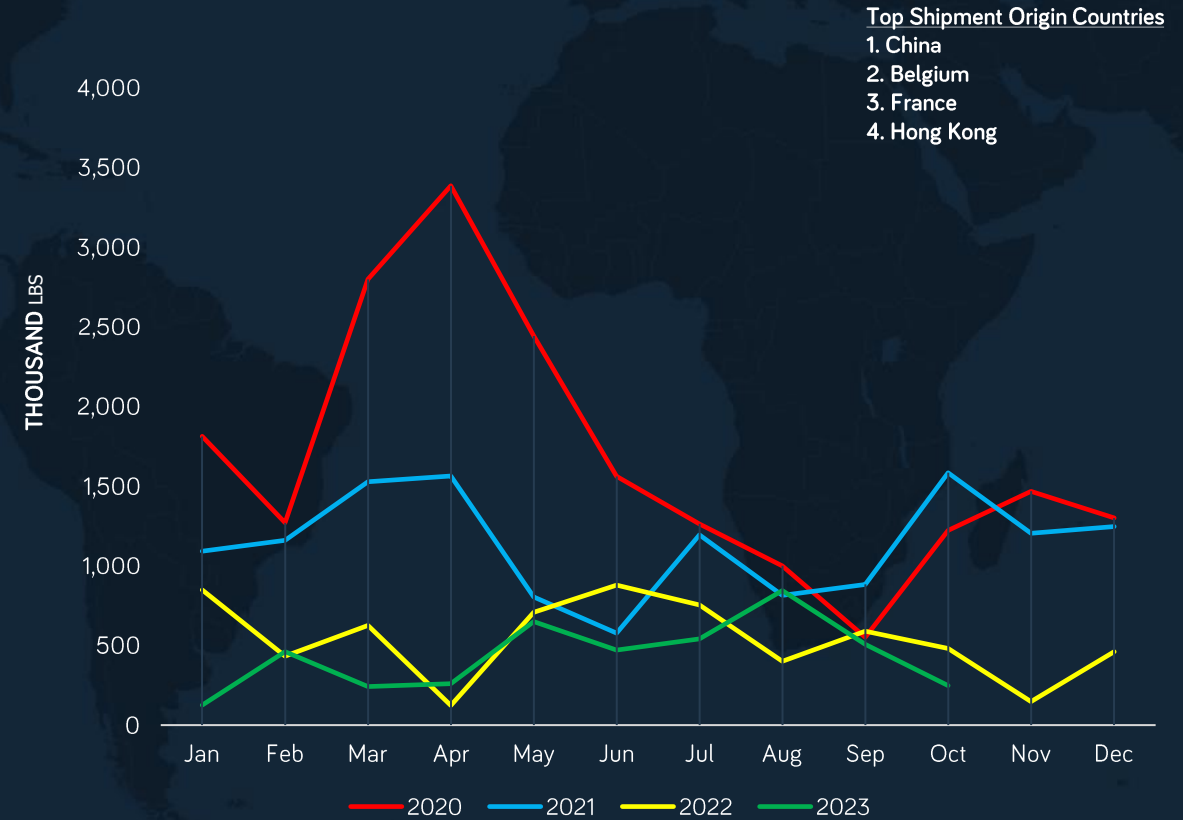
2023 Top Pea Protein Isolate Importers/Exporters YTD

- Customs data does not represent the full scope of trade volume for specified items. Data may exclude large quantities of imported product due to the use of generalized or uneven reporting terms and/or omission of certain company requested records. The import/export figures with the associated importer/exporter name are only for waterborne shipments into the U.S.
- What appears as "ORDER" indicates that buyers have chosen to not disclose their name to the public.

Importers	Pounds
1. Cosucra Inc	1,299,920
2. A&B Ingredients Inc	791,894
3. Hecny Transportation Inc	736,771
4. MTS Logistics Inc	456,770
5. OEC Freight Companies Inc	268,168
6. Immortal Service Inc	238,976
7. Kings International Group Inc	231,483
8. Order	198,670
9. Delmar International	182,012
10. Centrans Marine Shipping Inc	132,276

Exporters	Pounds
1. Cosucra Groupe Warcoing S A	1,487,820
2. Order	932,052
3. Hecny Transportation Inc	599,285
4. Honour Lane Shipping Ltd	456,770
5. Qingdao Zhongfu Interntational	286,598
6. Orient Express Container Co Ltd	268,168
7. Ningbo Port Southeast Logistics Gro	196,754
8. Delmar International	182,012
9. Yantai Zhongzhen Trading Co Ltd	174,958
10. Hecny Shipping Ltd	137,486

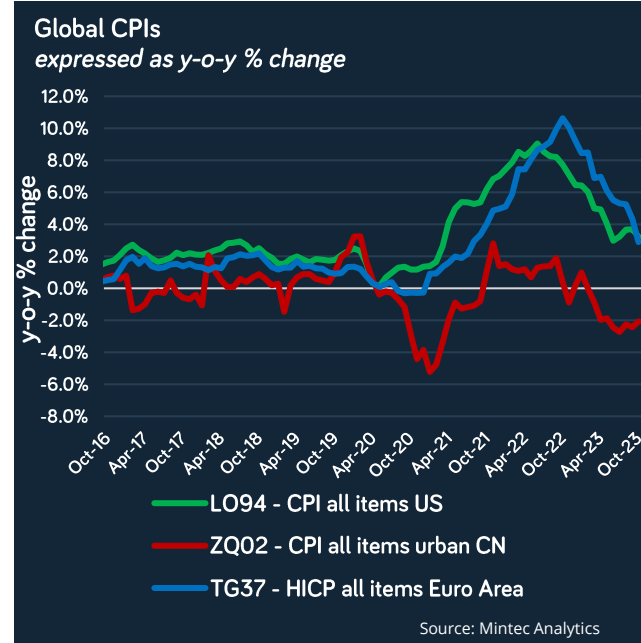
Pea Protein Isolate Import Volume US Customs Shipment Volume



Other Price Drivers

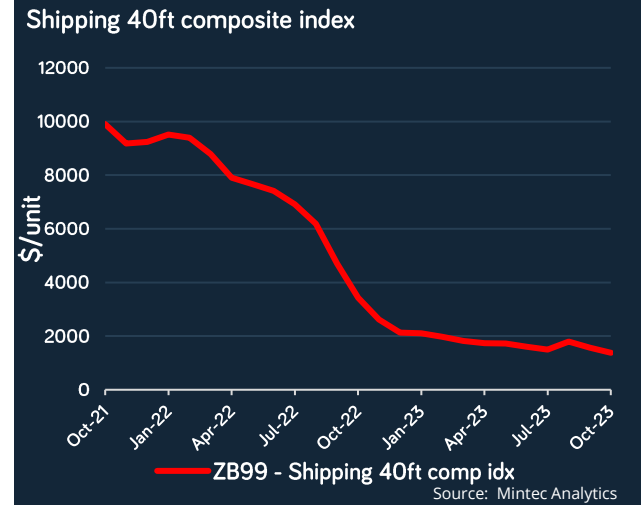
Macroeconomic Environment

- Inflation in the US was 3.2% y-o-y in October, falling from 3.7% in September. Market players had anticipated an annualized figure of 3.3%, so the October figure was lower than predicted
- In the Eurozone, inflation fell to 2.9% y-o-y in October, down from 4.3% y-o-y in September 2023. The overall figure continues to slow, driven by annualized declines in the cost of energy
- Consumer prices in China fell to -0.2% y-o-y, after flattening in September. The result was below expectations of a 0.1% y-o-y decline, and the core figure (excluding food and energy) rose by 0.6% y-o-y, down from 0.8% y-o-y in August



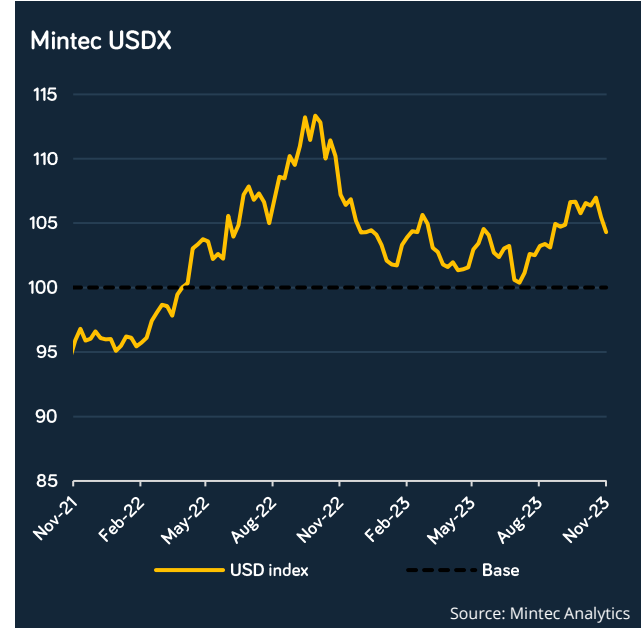
Freight Rates

- In October, the shipping 40ft container index fell by 11% m-o-m and 60% y-o-y to \$1,366 per unit
- Carrier capacity is still oversupplied, but market sources say the market is close to balance
- Panama is experiencing an ongoing drought and is scheduled to reduce capacity for three months. This will likely lead to changes in commodity flows, and spikes in freight costs are possible



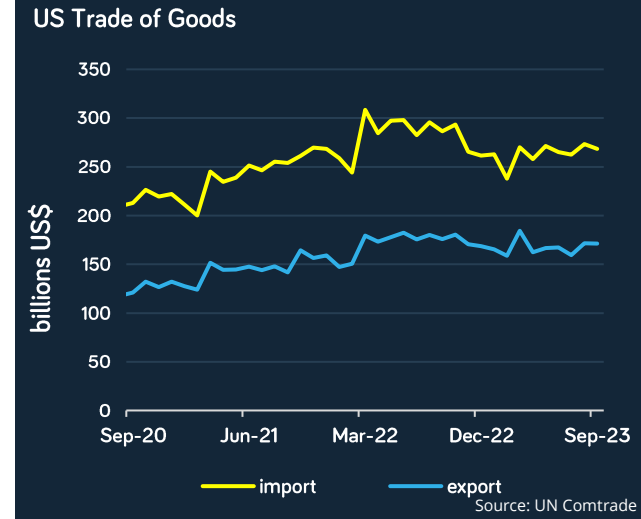
Currency

- The Mintec Dollar Index fell by 2.1% for the four weeks to 15th November, settling at 104.31, representing a 2.7% y-o-y decline
- The Federal Reserve again paused interest rates at its recent policy meeting at the end of October. Some market sources anticipated another 25 bp increase at the December meeting
- However, with US inflation continuing to slow, there are now widespread expectations of another rate pause at the next meeting in December



World Trade

- The volume of world trade in goods looks relatively stable over the last six months. As the largest importer since the beginning of the year, the US has maintained a weak upward trend with an average growth rate of 0.5% m-o-m. Nevertheless, imports fell by 7% y-o-y to \$2.37 billion over the three quarters
- Chinese exports grew significantly in the spring, but demand conditions were very poor at the beginning of the year and during the summer months, which resulted in a drop in the three-quarter total, down 5% y-o-y, to \$2.55 billion



Abbreviations and Acronyms

Commodity Market Insight

CPI	Consumer Price Index
USDA	United States Department of Agriculture
KG	Kilograms
LB	Pounds
USD	US Dollar

Calculation methodology

Recent price movements

Y-O-Y The average price of the current period (quarter, six months, or year) compared to the average price of the same period in the previous year

Q-O-Q The average price of the current quarter compared to the average price of the previous quarter

M-O-M The average price in a month compared to the average price of the previous month