January 2024

Plant-Based Protein

Monthly Market Insight

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Key Takeaways

The US Department of Commerce reached a preliminary decision in the anti-dumping investigation.

Sources state the market for pea protein is weak.

Market players are expecting a slight increase in soy protein prices as values have appeared to hit a bottom.

Some participants expect pea protein usage to shift to soy and gluten.

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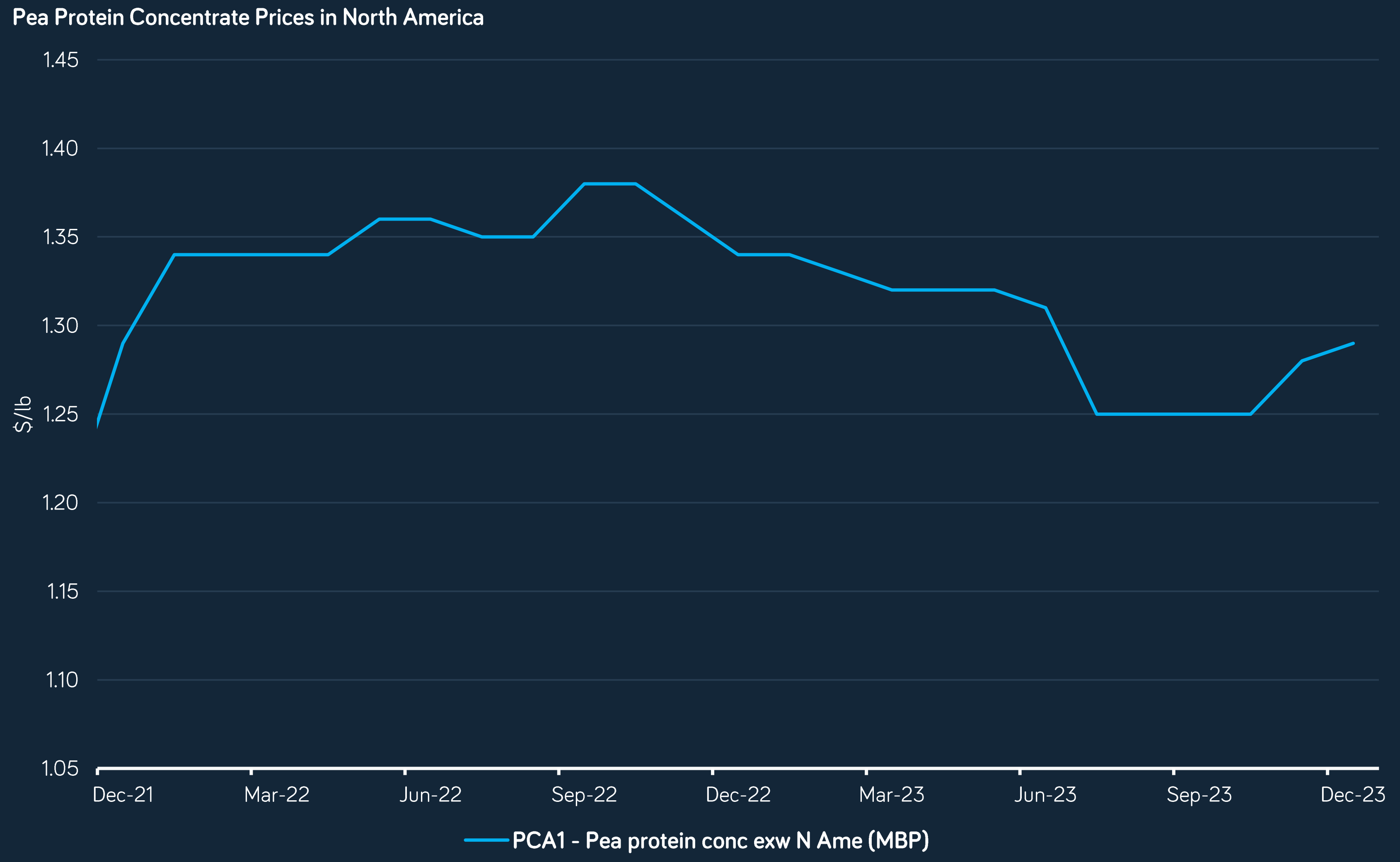
MARKET PRICES, NEWS, AND ANALYSIS

Monthly Price Movements



Source: Mintec Analytics

Pea Protein Concentrate North America

MINTEC BENCHMARK PRICES

$1.29/lb

MONTH-ON-MONTH CHANGE

1%

YEAR-ON-YEAR CHANGE

4%

- In North America, some market participants state that there will not be an immediate increase in US prices once the anti-dumping tariffs are in place
- It appears that inventory is vast in the US, and some sources state there is enough to supply the market for the year. However, market players state that prices are likely to rise in 2024

Monthly Price Movements

PLANT-BASED MINTEC BENCHMARK PRICES	MINTEC CODE	DEC ASSESSMENT	CHANGE	% CHANGE
Soy Concentrate EXW **Europe**	SCE1	€2.63/kg	- €0.02/kg	-1%
Soy Texturized Concentrate EXW **Europe**	SCE2	€3.48/kg	- €0.02/kg	-1%
Soy Isolate EXW **Europe**	SIE1	€5.43/kg	- €0.02/kg	-1%
Soy Concentrate EXW **North America**	SCA1	$0.99/lb	-$0.01/lb	-1%
Soy Texturized Concentrate EXW **North America**	SCA2	$1.62/lb	-$0.01/lb	-1%
Soy Isolate EXW **North America**	SIA1	$2.27/lb	-$0.01/lb	-1%
Soy Concentrate EXW **China**	SCC1	$0.98/lb	$0.00/lb	0%
Soy Isolate EXW **China**	SIC1	$1.99/lb	-$0.01/lb	-1%
Pea Concentrate EXW **North America**	PCA1	$1.29/lb	+$0.01/lb	+1%
Pea Texturized Concentrate EXW **North America**	PCA2	$1.74/lb	+$0.01/lb	+1%
Pea Isolate EXW **North America**	PIA1	$2.94/lb	+$0.01/lb	+1%
Pea Concentrate EXW **Europe**	PCE1	€2.68/kg	€0.00/kg	0%
Pea Texturized Concentrate EXW **Europe**	PCE2	€3.51/kg	€0.00/kg	0%
Pea Isolate EXW **Europe**	PIE1	€5.35/kg	-€0.09/kg	-2%
Pea Isolate EXW **China**	5G91	$1.50/lb	-$0.01/lb	-1%
DAIRY MINTEC BENCHMARK PRICES	**MINTEC CODE**	**DEC ASSESSMENT**	**CHANGE**	**% CHANGE**
Whey Protein Concentrate (instant) **EXW Europe**	WCIEU	€9.95/kg	+€0.87/kg	+10%
Whey Protein Isolate **EXW Europe**	WIEU	€14.97/kg	+€2.84/kg	+23%
Whey Protein Concentrate (instant) **FCA USA**	WCIUS	$9.92/kg	+$1.23/kg	+14%
Whey Protein Isolate **FCA USA**	WIUS	$14.88/kg	+$1.98/kg	+15%

Market Sentiment for the Month Ahead

DOC Reaches Preliminary Decision

- The US Department of Commerce (DOC) has reached a preliminary decision to impose countervailing duties on Chinese imports of pea protein concentrate, ruling in favor of US producers
- The DOC's preliminary determination includes countervailing duties ranging from 15% to 342%. Importers are required to pay cash deposits to cover these amounts, and this extends retroactively to all entries made 90 days earlier
- According to market participants, Chinese producers were selling product in the US at significantly lower values than domestic prices throughout the investigation period, leading to unbalanced competition

Pea Protein Weakness

- Some sources tell Mintec that pea protein usage is likely to collapse with a continuing shift to soy and gluten due to functionality and cost
- Once tariffs are implemented, participants expect some reformulation to occur as buyers will likely need to switch from Chinese product to North American produced pea protein

Soy Protein Demand Increasing

- While there has been no market movement yet based on the DOC's preliminary decision, some participants note aggressive prices y-o-y to push more soy protein into the market
- Producers with excess stock have been looking to move product, and were offering discounts to do so
- Players expect soy protein prices to increase in the months ahead since values have reached a bottom and some participants are looking to reformulate. However, increases are anticipated to be minimal

Supply Uncertainty

- Market players expect the tariffs on Chinese imports to lead to an increase in prices, as volume availability remains uncertain. Sources also state that product origin is less of an issue than in the past, and price has now become the main driver
- Overall, most participants state that it is difficult to predict what trends will occur as the new year begins, and tariffs are likely to impact sourcing options

> "It remains to be seen if China will become more aggressive with offers in other regions like Europe or Mexico to capture market share that they'll likely be losing in the US." - ***Producer***

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MARKET SENTIMENT

Bullish Undertone

While substantial increases in the market are yet to be seen, most participants anticipate a shift in tone once tariffs go into effect.

Supply and Demand

2023 Top Soy Protein Isolate Importers/Exporters YTD

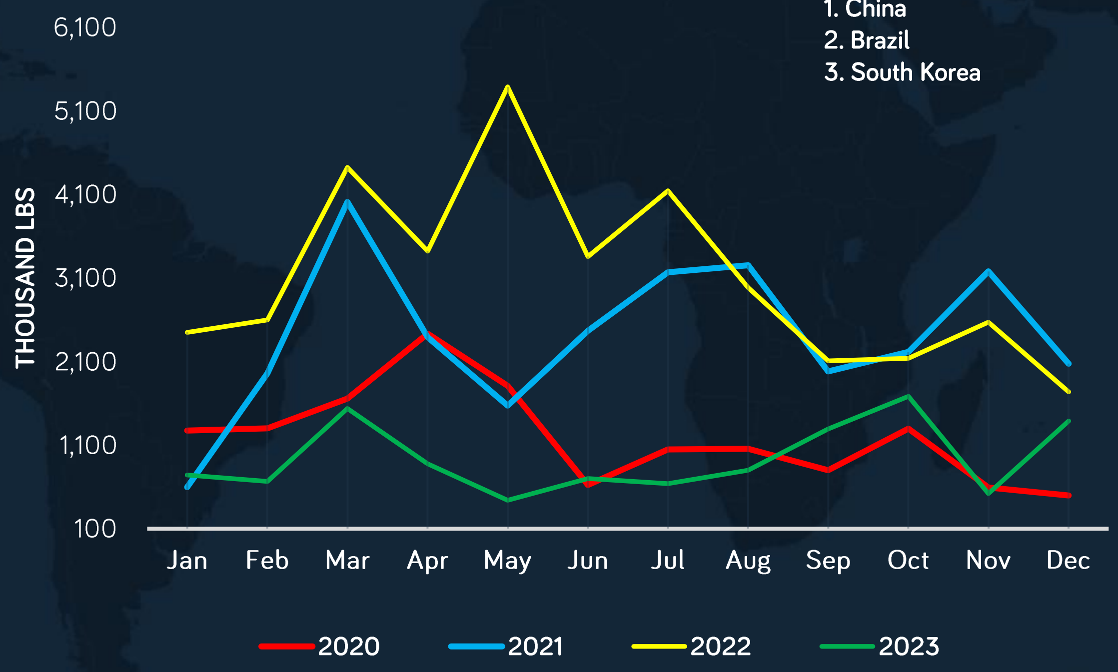
- Customs data does not represent the full scope of trade volume for specified items. Data may exclude large quantities of imported product due to the use of generalized or uneven reporting terms and/or omission of certain company requested records. The import/export figures with the associated importer/exporter 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	3,892,740
2. PGP International	2,721,770
3. Air Tiger Express	844,252
4. T Full North America LLC	812,288
5. Flexport International	693,252
6. The Scoular Company	488,747
7. UPS Supply Chain Solutions	319,889
8. Barentz Canada ULC	142,551
9. International Fastline Forwarding	133,599
10. Phil Patterson Inc	133,599

Exporters	Pounds
1. Order	4,898,740
2. Dezhou Ruikang Bio Technology Co	1,647,681
3. Air Tiger Logistics (HK) Limited	932,202
4. Qingdao Topway International	812,288
5. Flexport International (Shanghai)	586,496
6. Air Tiger Express (China) Co Ltd	444,214
7. Shandong Sinoglory Health Food Co	627,913
8. Ningbo Get-Win International	211,531
9. Qingdao Crown Imp & Exp Corp Ltd	142,551
10. Bunge Asia PTE Ltd	133,017

Soy Protein Isolate Imports
US Customs Waterborne Shipment Volume

Top Shipment Origin Countries
1. China
2. Brazil
3. South Korea



Source: USDOC, Urner Barry

Supply and Demand

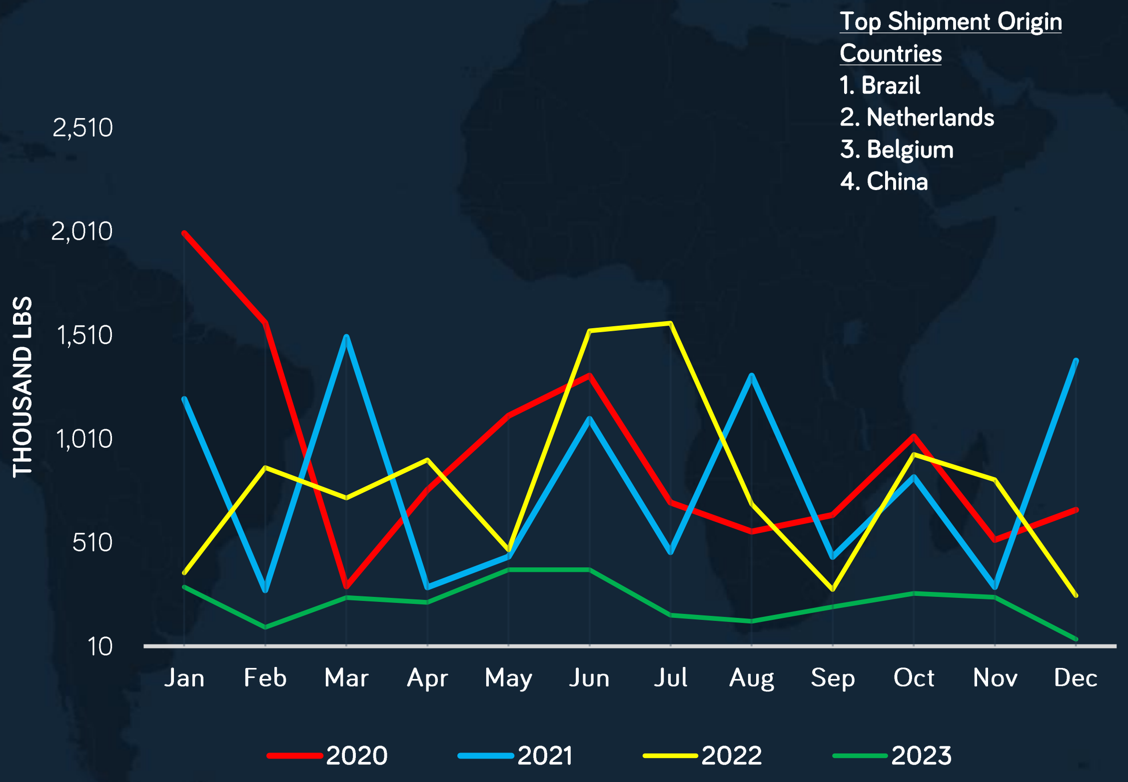
2023 Top Soy Protein Concentrate Importers/Exporters YTD

- 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. Especias 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. K-Apex Logistics (Qingdao) Co Ltd	182,056
7. FedEx International Freight Forward	159,150
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



Source: USDOC, Urner Barry

Supply and Demand

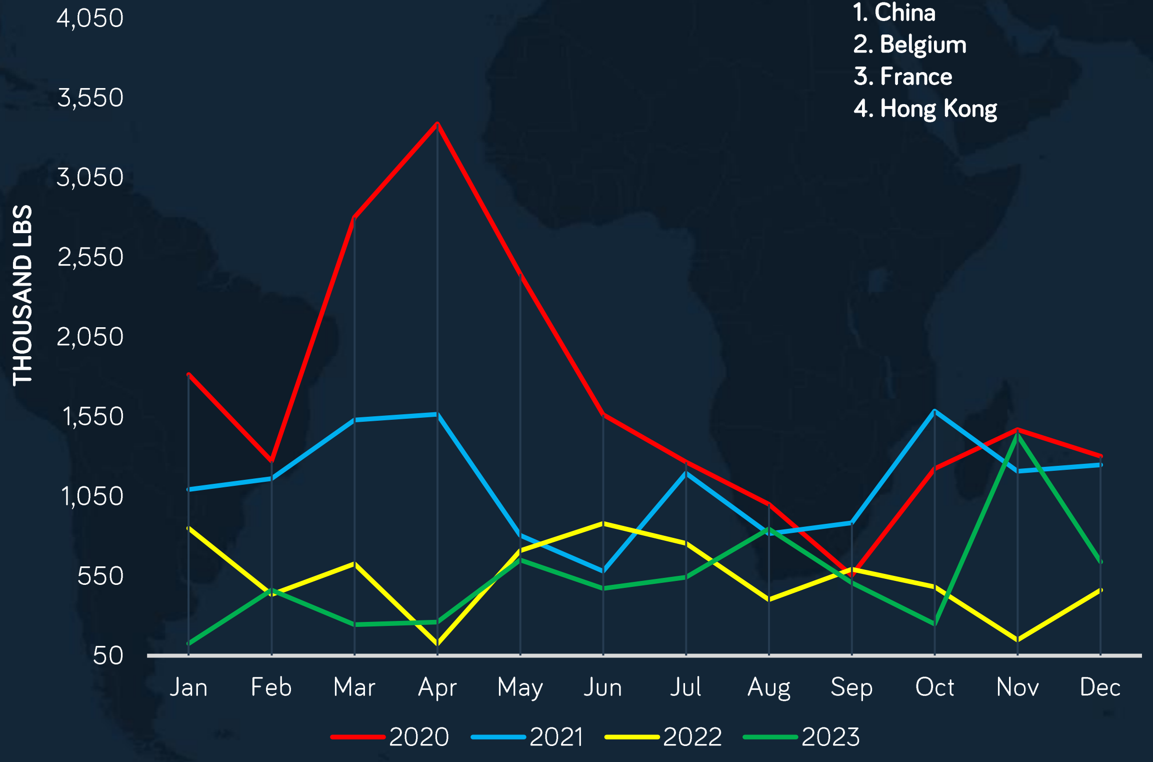
2023 Top Pea Protein Isolate Importers/Exporters YTD

- 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	1,834,740
2. A&B Ingredients Inc	952,962
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	2,183,710
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



Top Shipment Origin Countries
1. China
2. Belgium
3. France
4. Hong Kong

Source: USDOC, Urner Barry

Other Price Drivers

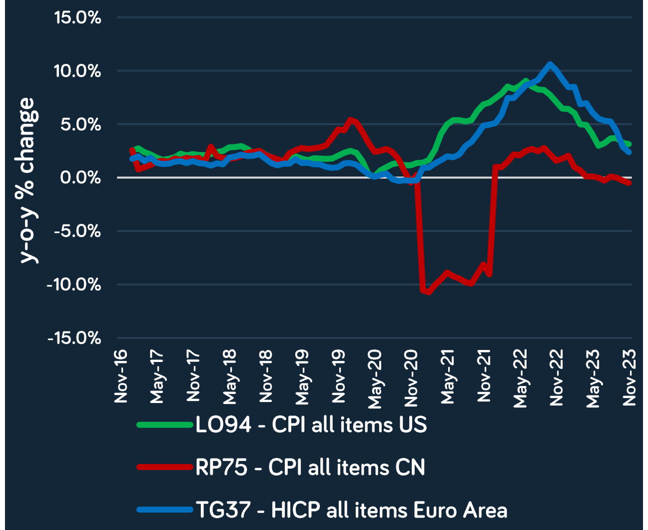
Macroeconomic Environment

- **Inflation in the US was 3.1% y-o-y in November, down from 3.2% in October**. The annualized figure was in line with expectations, and the Federal Reserve continued to pause interest rates against the backdrop of slowing inflation
- **In the Eurozone, inflation fell to 2.4% y-o-y in November, down from 2.9% in October**. The overall figure is approaching the European Central Bank's 2% y-o-y target

Freight Rates

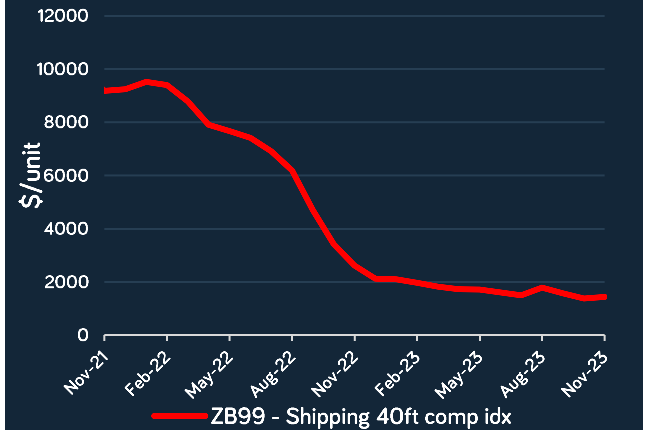
- In October, **the shipping 40ft container index rose by 5% m-o-m to $1,423 per unit in November**, after falling the previous month
- The global shipping market remains in surplus. However, **the local factor of reduced capacity in the Panama Canal is driving shipping upwards**
- Due to low rainfall, Panama's government is reducing the canal's capacity. **By January 1st, the number of reservations for the Neopanamax locks of the canal will be reduced by 30%**

Global CPIs
expressed as y-o-y % change



Source: Mintec Analytics

Shipping 40ft composite index



Source: Mintec Analytics

Currency

- The Mintec Dollar **Index fell by 1.9% for the five weeks to 20th December, settling at 102.31**, representing a 1.9% y-o-y decline
- **The Federal Reserve again paused interest rates at its recent policy meeting in mid-December**. In line with further slowing inflation, Chairman Jerome Powell hinted that the Federal Reserve may begin cutting rates in 2024, with **market players anticipating cuts between 75 and 150 bps throughout the year**

World Trade

- Aggregate imports of goods into the US fell by 7% y-o-y in the first 9 months of 2023, **yet looking at m-o-m dynamics, a weak upward trend has emerged since April 2023**
- **US exports have been relatively stable throughout the year**, with the exception of March when a dynamic surge was recorded
- Chinese exports fell to $275 billion, down 8% m-o-m and 7.8% y-o-y. **The trend reflects the decline in export earnings for China, which negatively effects the country's economy**

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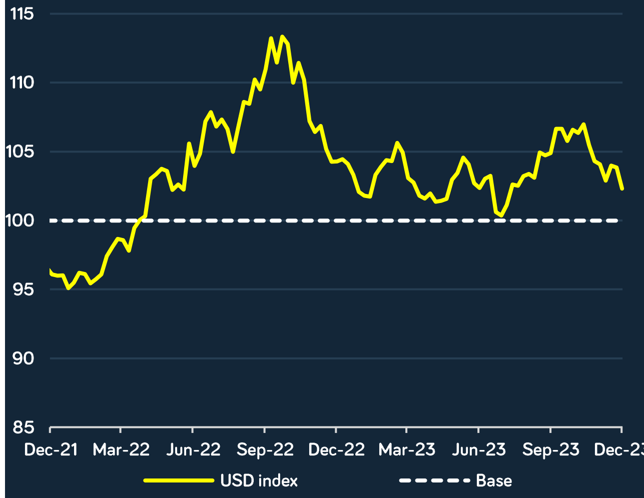

Source: Mintec Analytics

Chinese Trade of Goods

Source: National Bureau Statistics of China

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