

Adisseo sees growth potential and sets out path to lead methionine production capacities worldwide - INDUSTRY PERSPECTIVES

OCT 2024

In this Industry Perspectives, Hervé Alexandre, SBU Methionine executive director discusses how the business will meet this target and what it is planning beyond this, as well as how it has tackled the logistics issues which have faced all export businesses over the last few years.

With poultry and swine producers having endured their own challenges in recent years, Kun Xing, SBU Methionine global business director, talks about how these sectors are changing and the impact this will have on methionine use. She also discusses the changing dynamics in terms of powdered vs liquid methionine sources and how the industry is adapting to this.

[Feedinfo] New developments are always exciting – can you update us on progress with your powder methionine plant project in China? What impact will this have on your business, and the wider feed and livestock sectors, when it begins production?

[Hervé Alexandre] Adisseo's strategy regarding the methionine market is to reinforce its market position through accelerated liquid penetration, a strengthened powder offer and continuous competitiveness improvement. The start-up of this new powder methionine plant is planned for 2027. All I can say is that the project is progressing well. With this new plant, our target is to become No.1 worldwide in terms in production capacities for all methionine sources.

We will also have two fully integrated and reliable methionine production platforms in two different continents: Europe and Asia, each producing the main two forms of methionine sources, to serve our entire range of customers.

With its new powder methionine plant due to start production in 2027, Adisseo has set a clear target to become the leader in terms of production capacities for all methionine sources.



Hervé Alexandre

SBU Methionine executive director
Adisseo

For the European platform, DL-methionine is produced in one location, Roches-Roussillon in France, after the shutdown of the production line in Commeny last year, and the liquid methionine source is in Burgos, Spain. For the Chinese platform, two production units for our methionine source in liquid form are located in Nanjing and the new powder methionine plant will add DL-methionine production to serve the Chinese and Asian markets mainly.

This will strengthen our powder methionine offer to our customers in all regions.

[Feedinfo] Aside from the Quanzhou plant, are you investing in other areas of the business? Can you update us on other projects you are working on?

[Hervé Alexandre] We strongly believe in our industry assets, in our products and all the services we are able to provide to our customers.

Yes, we are considering additional capacities for methionine sources to serve the growth of our customers; the options being studied cover existing industrial facilities' debottlenecking and a third platform. Over the years, we keep investing to increase continuously the reliability of our platforms, in research and innovation to improve the production process and the quality of our products. We have also carried out different projects on sustainability to decrease the carbon footprint of our production platforms. On new ways to synthesise methionine sources, we have an on-going bio methionine project which was presented in [a previous INDUSTRY PERSPECTIVES](#).

[Feedinfo] For any business, the last few years have been very difficult in terms of supply chain issues and the general global situation. How have you adapted to this?

[Hervé Alexandre] In this more and more fragmented world, a global footprint with different platforms is key to be reliable in the supply to customers worldwide. Our two world-class platforms of liquid OH-methionine located in Europe and China provide a strong background for us to grow our liquid penetration in methionine market. This is why we are studying the option of a third platform.

In recent years, we have faced some crises, but we managed to serve our clients with Rhodimet AT88 and this is an absolute priority for us. Dealing with the logistics disruptions over the last three years, we took various actions to install an efficient global warehouse network to deliver to our customers in more than 80 countries. Our worldwide supply chain teams did a terrific job to ensure Rhodimet AT88 delivery even in difficult times.

[Feedinfo] It has also been a difficult time for anyone involved in the livestock sector, with many challenges, including Avian Influenza among other issues. What is your view of markets just now, and is that having an impact on your business?



Kun Xing
SBU Methionine global business director
Adisseo

[Kun Xing] It's true it has been very tough time for our sector and industry in 2022 and also 2023. The good news is that this year, the poultry market is recovering globally, especially in Europe and the US where it had taken a big hit from AI.

Furthermore, thanks to the decreasing agricultural raw materials prices, feed production cost is reducing, therefore leading to a big improvement in profitability for the poultry sector, especially in Europe, the USA, LATAM and SEA regions. Although the poultry market in China is not experiencing the same dynamics as elsewhere, the low crude protein policy in China is driving higher demand for methionine in feed production, in particular for swine. As a consequence, the global demand for methionine is expected to see better growth than in the last two years, and I think we could have a good hope of 4% growth in 2024. For Adisseo, we do see much better market dynamics for methionine sources, both liquid and powder form.

[Feedinfo] Are these changes having an impact on demand for liquid vs powdered methionine sources – what are you observing?

[Kun Xing] Since the launch of liquid OH-methionine in the 1980s, the market has been using this source with satisfaction and its penetration keeps increasing. In many 'mature markets' which were the first to use liquid OH-methionine in their formula, liquid penetration is greater than 50%. On top of this, when we look at the specific segment of integrators and large feed mills, this penetration is even higher and can often reach 80-90%, even 100%.

We have also seen in recent years some acceleration of liquid OH-methionine penetration in the market. Thanks to the additional capacity brought by our second plant in China in 2022 and the strong efforts from the sales and technical team of Adisseo, our Rhodimet AT88 sales volume showed a significant growth of approximately 30% from 2022 to 2024. Consolidation of the feed market and automation of feed mills are driving the usage preference to liquid form. We saw this trend in China, which explains our phenomenal growth of Rhodimet AT88 there in past two years.

[Feedinfo] With the potential for growth that you have just talked about in the previous answer, what support do you have in place for feed mills who wish to use a liquid methionine source?

[Kun Xing] We are cherishing liquid OH-methionine, as it brings lot of value for customers. With Rhodimet AT88, our customers enjoy the support of more than 200 technical and sales team all over the world and various services both on nutrition and product application.

For the past 35 years, Adisseo has built strong experience around application of Rhodimet AT88. With partners specialised in liquid equipment, Adisseo has developed a range of reliable, safe and accurate liquid spraying systems adapted to customers' needs. We also offer a service called DIM for feed mills to help them switch from powder to liquid OH-methionine with peace of mind. Our technologists and engineers are in the field to

support installation, application of the systems, and tackle other topics such as dosing, maintenance, analysis, good practice, etc.

Our nutrition expertise is also very much appreciated by our customers in the extraction of the full value of our products. Digital platforms like PNE and ADICT are also very powerful tools for nutritionists to leverage the full potential of their raw materials. You can see more details about our approach and our support [on our website](#).

Based on the feedback of our customers, the technical support and services we provide are showing real added value for them and this is motivating us to improve continuously to answer their needs.

Published in association with Adisseo.