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Chinese Vitamin C supply to face turmoil soon says DSM

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Environmental regulation policy in a region of China responsible for a vast percentage of vitamin C production has led to a crippling of supply and a subsequent surge in prices.

Dennis Rijnders from DSM during VitaFoods 2017 who explained that there is a lot of turbulence in the vitamin C market. “We see continued growth in vitamin C demand and a lot of new market introductions with vitamin C claims. We see a lot of new research coming out showing that vitamin c would help a lot of people if they take 200mg a day – instead of 100mg that is currently being advised.”

“The long term outlook for this is very healthy,” he notes. “On the other hand, on the supply side there are big dynamics happening. In China we see changes in regulatory and environmental compliance and control which is having a huge impact on the supply side. Air pollution control measures is having a huge influence, the government in the greater Beijing area have announced draft air pollution plans. This is an area of which almost 60 percent of global vitamin C producers are based, as a result of this it would be constraining production.”

“The government needs to do something about this pollution,” he claims. “This air pollution is very unhealthy for the people of China, and something that they would like to improve. If that happens we are potentially talking about 50 percent reduction on 60 percent of the words capacity.” He adds: “That’s a tremendous impact.”

“We do hope that the Chinese government continues with these environmental measures as this will raise the bar in China on the sustainability side. DSM would be investing on the sustainability side but also in vitamin C plans in Scotland,” Rijnders explains.

“Market prices have got up from $3.5 dollars to $9 or $10,” Rijnders notes. “In longer terms outlook will not dramatically change, market prices are what they are.” “One of the recent things we have seen during this supply crunch is that not all suppliers honor their commitments. That is key for us at DSM; people can trust DSM as a supplier to keep their commitments as part of its overall quality promises.”