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Abstract

Marketing Agency DISCOVERY Research Group has completed a study of the Russian lactic acid market.

The volume of lactic acid market in Russia in 2017 amounted to 8 419.9 tons or $ 9,637. 3 thousands. The volume of the lactic acid market in the first half of 2019 amounted to $ 3,368.1 thousands.

The only manufacturer of lactic acid in Russia was SKiMK LLC located in the Ryazan region. In 2018, lactic acid production amounted to 180.8 tons.

In 2018, the volume of imports amounted up to 8,398. 4 tons. A significant increase in imports of lactic acid to Russia in 2018 is connected with large supply of products manufactured by SHANDONG BAISHENG BIOTECHNOLOGY CO LTD.

The key manufacturer of lactic acid imported to Russia in 2018 was HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD.

The volume of exports of lactic acid from Russia in 2018 amounted up to 159.4 tons. The volume of exports in the first half of 2019 amounted to 61.6 tons, equivalent to $ 90.8 thousand.

The key manufacturer of lactic acid exported from Russia in 2018 was HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD.

According to the forecasts, the volume of the lactic acid market in Russia in the period from 2019 to 2021 will grow.

Chapter 1. Technical features of the study

Object of the study

Lactic acid market in Russia.

Purpose of the study

Current state and prospects of market development.

Objectives of the study

1. Volume, growth rates and dynamics of lactic acid market in Russia.
2. Volume and growth rates of lactic acid production in Russia.
3. The volume of imports to, and exports of lactic acid from Russia.
4. Market shares of manufacturers in the market of lactic acid in Russia.
5. Competitive situation at the lactic acid market in Russia.
6. Forecast of lactic acid market volume in Russia until 2021
7. Key events, trends and prospects of lactic acid market development (for the next few years) in Russia.
8. Financial and economic activity of lactic acid market participants in Russia.

Method of data collection and analysis

The key method of data collection is monitoring of documents.

The key methods of data analysis are the so-called (1) Traditional (qualitative) content analysis of interviews and documents and (2) Quantitative analysis using software packages to which our Agency has access.

Content analysis is performed within the framework of Desk Research. In general, the purpose of the Desk Research is to analyze the situation at the lactic acid market and to obtain (calculate) indicators characterizing its state at present and in future.

Sources of information

1. Databases of the Federal Customs service of the Russian Federation, FSSS RF (Rosstat).
2. Materials given by DataMonitor, EuroMonitor, Eurostat.
3. Printed and electronic business and specialized publications, analytical reviews.
4. Internet resources in Russia and worldwide.
5. Questionnaries of experts.
6. Materials of participants of domestic and world markets.
7. Research results of marketing and consulting agencies.
8. Materials of industrial institutions and databases.
9. Results of price monitoring.
10. Materials and databases of UN statistics (United Nations Statistics Division: Commodity Trade Statistics, Industrial Commodity Statistics, Food and Agricultural Organization, etc.).
11. Materials of the International Monetary Fund.
12. Materials of the World Bank.
13. Materials of the World Trade Organization.
14. Materials of the Organization for Economic Cooperation and Development.
15. Materials of the International Trade Centre.
16. Materials of the Index Mundi.
17. Results of the studies performed by DISCOVERY Research Group.

Scope and structure of selection

The procedure of content analysis of documents does not involve the calculation of the sample size. All documents available to the researcher are subject to processing and analysis.

The report is accompanied by a processed and usable **database with detailed information on imports to, and exports of lactic acid from Russia**. The database includes a large number of different indicators:

1. Manufacturer
2. Brand
3. Year of import/export
4. Month of import/export
5. Companies - recipients and senders of goods
6. Countries - recipients, senders and producers of goods
7. Volume of import and export in real terms
8. Volume of import and export in value terms

The information in the database will allow you to send any required requests that are not included in the report.

Chapter 2. Lactic acid: main features and application

Lactic (2-hydroxypropionic, α-hydroxypropionic) acid is the simplest hydroxyacid having an asymmetric carbon atom.

In the domestic production of lactic acid, the raw material is a mixture of cane raw sugar, refined molasses and beet molasses. The source of the necessary organic and mineral substances are malt sprouts.

Edible lactic acid is produced in the form of an aqueous solution with a concentration of 40%, the quality of which is regulated by ST 490-79. Lactic acid is also obtained by 70% concentration, which is carried out in a secondary evaporation vacuum apparatus, followed by filtration on filter presses. The product is available in liquid form or as a paste, which is obtained by adding a small amount of chalk to the concentrated acid.

Application of the lactic acid

Lactic acid is used in the food industry, in medicine and veterinary medicine and for a variety of technical purposes.

Lactic acid inhibits the development of putrid bacteria, but does not influence on microscopic fungi and yeast. Lactic acid and its salts in presence of water are strong plasticizers of almost all proteins. In baking, lactic acid and lactates increase the volume of crumb and improve the crust of bread.

Lactic acid is added to the mash in brewing to reduce water hardness and achieve a pH value close to optimal for the action of amylolitic and proteolitic enzymes. Lactic acid is used in the production of baking yeast to clean the seed yeast from foreign microflora, including lactobacilli, as well as to clean molasses, stimulating the reproduction of yeast.

Chapter 3. Volume and growth rates of lactic acid market in Russia

In general

According to calculations of analysts of DISCOVERY Research Group, the volume of lactic acid market in Russia in 2016 amounted to 5 881.7 tons, which is 7.9% less than in 2015. In 2017, it was equal to 6 377,5 tons. In 2018, the market volume amounted to 8,419.9 tons.

The volume of the lactic acid market in the first half of 2019 amounted to 2 925.5 tons.

*The market volume is calculated by the formula of apparent consumption (import + production – export = market volume). To calculate the volume of production, official data of the FSSS of the Russian Federation, as well as data of manufacturing companies, were used. To calculate the volume of imports and exports, the databases of the FCS of the Russian Federation were used (with subsequent processing at the level of product categories, groups, manufacturers and producers).*

*Indicators of market volume and production are calculated in prices of manufactures studied in the study periods (year, half-year, quarter or month). All prices are expressed in US dollars.*

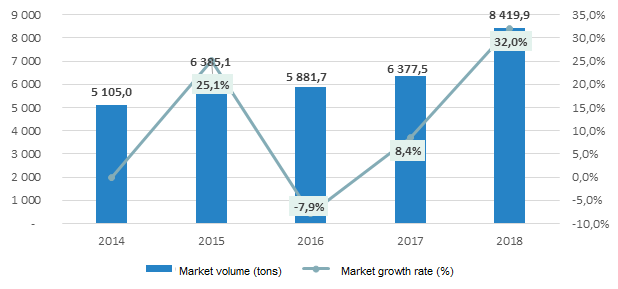
*Indicators of imports and exports are calculated in the prices of the Federal customs service in US dollars (in the prices of goods according to the information in the declarations).*

Table 1. Volume of market, import, export and production of lactic acid in Russia in 2014 - I half. 2019, tn.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| Import | 4 673,4 | 6 193,0 | 5 762,8 | 6 311,0 | 8 398,4 | 2 940,5 |
| Export | 4,7 | 102,7 | 70,2 | 117,0 | 159,4 | 61,6 |
| Production | 436,3 | 294,8 | 189,2 | 183,6 | 180,8 | 46,6 |
| **Market** | **5 105,0** | **6 385,1** | **5 881,7** | **6 377,5** | **8 419,9** | **2 925,5** |

Source: calculations by Discovery Research Group.

Diagram 1. Volume and growth rates of lactic acid market in Russia in 2014-2018, tn. and.%



Source: calculations by Discovery Research Group.

The volume of the lactic acid market in Russia in 2018 increased compared to 2017 and amounted to $ 9,637. 3 thousand.

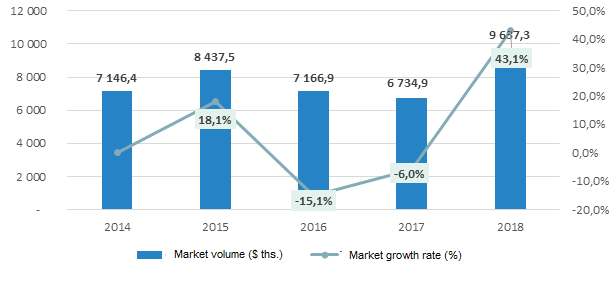
The volume of the lactic acid market in the first half of 2019 amounted to $ 3 368,1 thousand.

Table 2. Volume of market, import, export and production of lactic acid in Russia in 2014 - I half of 2019, $ ths.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Index** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| Import | 6 408,2 | 8 133,2 | 6 999,7 | 6 630,9 | 9 592,2 | 3 378,9 |
| Export | 10,1 | 201,3 | 157,2 | 210,9 | 265,0 | 90,8 |
| Production | 748,3 | 505,7 | 324,4 | 314,9 | 310,1 | 80,0 |
| **Market** | **7 146,4** | **8 437,5** | **7 166,9** | **6 734,9** | **9 637,3** | **3 368,1** |

Source: calculations by Discovery Research Group.

Diagram 2. Volume and growth rates of lactic acid market in Russia in 2014-2018, $ thousand and %.



Source: calculations by Discovery Research Group.

By manufacturers

Table 3. Volume of market, import, export and production of lactic acid in Russia in 2017-I half of 2019 by manufacturers, tn.

| **Manufacturer** | **2017** | | | | **2018** | | | | **I half of 2019** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IM** | **EX** | **MAN** | **Market** | **IM** | **EX** | **MAN** | **Market** | **IM** | **EX** | **MAN** | **Market** |
| AVO-WERKE AUGUST BEISSE GMBH | 2,2 |  |  | **2,2** | 1,1 |  |  | **1,1** | 0,6 |  |  | **0,6** |
| FOODCHEM | 106,0 |  |  | **106,0** |  |  |  | **-** |  |  |  | **-** |
| FOODING GROUP LIMITED | 24,0 |  |  | **24,0** |  |  |  | **-** |  |  |  | **-** |
| GALACTIC | 93,7 | 2,4 |  | **91,3** | 100,1 | 1,2 |  | **98,9** | 82,0 |  |  | **82,0** |
| HENAN HONGHUI BIOTECHNOLOGY CO., LTD | 24,0 |  |  | **24,0** |  |  |  | **-** |  |  |  | **-** |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 4 359,1 | 48,6 |  | **4 310,5** | 4 585,7 | 68,5 |  | **4 517,2** | 2 142,8 | 25,2 |  | **2 117,5** |
| HUGESTONE ENTERPRISE CO LTD |  |  |  | **-** | 155,4 |  |  | **155,4** | 20,0 |  |  | **20,0** |
| MERCK | 1,1 |  |  | **1,1** | 1,7 |  |  | **1,7** | 0,6 |  |  | **0,6** |
| NUBASSA GEWURZWERK GMBH | 5,5 |  |  | **5,5** | 5,1 |  |  | **5,1** | 3,3 |  |  | **3,3** |
| OLEON N.V. | 2,7 |  |  | **2,7** |  |  |  | **-** |  |  |  | **-** |
| PACOVIS AG |  |  |  | **-** | 5,2 |  |  | **5,2** | 3,1 |  |  | **3,1** |
| PURAC | 745,8 | 0,1 |  | **745,7** | 832,4 | 1,8 |  | **830,6** | 377,5 |  |  | **377,5** |
| QINGDAO FOTURE INTERNATIONAL TRADE CO. LTD | 99,9 |  |  | **99,9** | 125,4 |  |  | **125,4** | 30,4 |  |  | **30,4** |
| RAPS & CO GES.MBH |  |  |  | **-** |  | 0,0 |  | **- 0,0** |  |  |  | **-** |
| SHANDONG BAISHENG BIOTECHNOLOGY CO . LTD | 810,1 | 2,0 |  | **808,1** | 2 550,6 | 4,8 |  | **2 545,8** | 273,8 | 7,6 |  | **266,3** |
| TAIXING CHEMICAL CO LTD |  |  |  | **-** | 10,0 |  |  | **10,0** | 6,0 |  |  | **6,0** |
| ZHAOYUAN JUNBANG TRADING CO. LTD |  | 2,1 |  | **- 2,1** |  |  |  | **-** |  |  |  | **-** |
| OJSC DRY STARCH AND LACTIC ACID |  |  | 183,6 | **183,6** |  | 0,01 | 180,8 | **180,8** |  |  | 46,6 | **46,6** |
| Import/Export from/to Belarus | 36,0 | 12,9 |  | **23,1** | 0,1 | 11,1 |  | **- 11,0** | - | 0,3 |  | **- 0,3** |
| Import/Export from/to Kazakhstan | 0,1 | 48,4 |  | **- 48,3** |  | 71,9 |  | **- 71,9** |  | 27,7 |  | **- 27,7** |
| Other | 0,8 | 0,6 |  | **0,2** | 25,8 | 0,1 |  | **25,7** | 0,6 | 0,9 |  | **- 0,3** |
| **Total** | **6 311,0** | **117,0** | **183,6** | **6 377,5** | **8 398,4** | **159,4** | **180,8** | **8 419,9** | **2 940,5** | **61,6** | **46,6** | **2 925,5** |

Source: calculations by Discovery Research Group.

The leader at the lactic acid market in real terms in 2018 was the Chinese manufacturer HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD, whose share at the Russian market was 53.6%.

HENAN HONGHUI BIOTECHNOLOGY CO., LTD takes the second position. The market share of this manufacturer composed 30.2%.

Diagram 3. Share of manufacturers in the total volume of lactic acid market in Russia in 2018, % of the market volume in real terms.

Source: calculations by Discovery Research Group.

Table 4. Volume of market, import, export and production of lactic acid in Russia in 2017-I half of 2019 by manufacturers, $ ths.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2017** | | | | **2018** | | | | **I half of 2019** | | | |
| **IM** | **EX** | **MAN** | **Market** | **IM** | **EX** | **MAN** | **Market** | **IM** | **EX** | **MAN** | **Market** |
| AVO-WERKE AUGUST BEISSE GMBH | 7,0 |  |  | **7,0** | 3,9 |  |  | **3,9** | 2,0 |  |  | **2,0** |
| FOODCHEM | 110,1 |  |  | **110,1** |  |  |  | **-** |  |  |  | **-** |
| FOODING GROUP LIMITED | 27,6 |  |  | **27,6** |  |  |  | **-** |  |  |  | **-** |
| GALACTIC | 106,4 | 3,7 |  | **102,8** | 109,7 | 1,9 |  | **107,8** | 116,5 |  |  | **116,5** |
| HENAN HONGHUI BIOTECHNOLOGY CO., LTD | 20,9 |  |  | **20,9** |  |  |  | **-** |  |  |  | **-** |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 4 155,0 | 86,2 |  | **4 068,8** | 5 011,4 | 113,6 |  | **4 897,8** | 2 368,0 | 42,7 |  | **2 325,3** |
| HUGESTONE ENTERPRISE CO LTD |  |  |  | **-** | 173,1 |  |  | **173,1** | 23,4 |  |  | **23,4** |
| MERCK | 10,4 |  |  | **10,4** | 16,4 |  |  | **16,4** | 6,5 |  |  | **6,5** |
| NUBASSA GEWURZWERK GMBH | 11,4 |  |  | **11,4** | 10,3 |  |  | **10,3** | 6,3 |  |  | **6,3** |
| OLEON N.V. | 8,8 |  |  | **8,8** |  |  |  | **-** |  |  |  | **-** |
| PACOVIS AG |  |  |  | **-** | 17,8 |  |  | **17,8** | 10,5 |  |  | **10,5** |
| PURAC | 1 242,5 | 1,1 |  | **1 241,4** | 1 328,9 | 4,8 |  | **1 324,1** | 529,3 |  |  | **529,3** |
| QINGDAO FOTURE INTERNATIONAL TRADE CO. LTD | 92,6 |  |  | **92,6** | 137,6 |  |  | **137,6** | 33,0 |  |  | **33,0** |
| RAPS & CO GES.MBH |  |  |  | **-** |  | 0,1 |  | **- 0,1** |  |  |  | **-** |
| SHANDONG BAISHENG BIOTECHNOLOGY CO . LTD | 783,6 | 3,3 |  | **780,3** | 2 720,2 | 8,0 |  | **2 712,1** | 269,0 | 11,7 |  | **257,3** |
| TAIXING CHEMICAL CO LTD |  |  |  | **-** | 12,6 |  |  | **12,6** | 7,9 |  |  | **7,9** |
| ZHAOYUAN JUNBANG TRADING CO. LTD |  | 3,3 |  | **- 3,3** |  |  |  | **-** |  |  |  | **-** |
| OJSC DRY STARCH AND LACTIC ACID |  |  | 314,9 | **314,9** |  | 0,01 | 310,1 | **310,1** |  |  | 80,0 | **80,0** |
| Import/Export from/to Belarus | 43,5 | 27,1 |  | **16,4** | 0,5 | 25,3 |  | **- 24,8** | - | 0,6 |  | **- 0,6** |
| Import/Export from/to Kazakhstan | 0,3 | 85,0 |  | **- 84,7** |  | 111,0 |  | **- 111,0** |  | 34,0 |  | **- 34,0** |
| Other | 10,7 | 1,2 |  | **9,6** | 50,0 | 0,3 |  | **49,7** | 6,7 | 1,8 |  | **4,9** |
| **Total** | **6 630,9** | **210,9** | **314,9** | **6 734,9** | **9 592,2** | **265,0** | **310,1** | **9 637,3** | **3 378,9** | **90,8** | **80,0** | **3 368,1** |

Source: calculations by Discovery Research Group.

Leaders at the lactic acid market in value terms in 2018 were HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD and SHANDONG BAISHENG BIOTECHNOLOGY CO LTD. Their market shares were 50.8% and 28.1% respectively.

Diagram 4. Share of manufacturers in the total volume of lactic acid market in Russia in 2018, % of the market volume in value terms.

Source: calculations by Discovery Research Group.

Chapter 4. Production of lactic acid in Russia

The only manufacturer of lactic acid in Russia was SKiMK LLC in Ryazan region. In 2018, lactic acid production amounted to 180.8 tons.

Table 5.. Lactic acid production in Russia in 2014 - I half of 2019 by manufacturers, tn.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| SKIMK LLC | 436,3 | 294,8 | 189,2 | 183,6 | 180,8 | 46,6 |

Source: calculations by Discovery Research Group.

In 2018, the volume of lactic acid production decreased compared to 2017 and amounted to $ 310.1 thousand.

According to the results of the first half of 2019, the volume of production amounted to 46.6 tons, which is equivalent to $ 80.0 thousand.

Table 6. Volume of lactic acid production in Russia in 2014 - I half of 2019 by manufacturers, $ ths.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| SKIMK LLC | 748,3 | 505,7 | 324,4 | 314,9 | 310,1 | 80,0 |

Source: calculations by Discovery Research Group.

Chapter 5. Import to Russia and export from Russia of lactic acid

Import

The volume of lactic acid import to Russia in 2016 amounted to 5 762.8 tons, which is 6.9% less than in 2015. In 2017, it was equal to 6 311.0 tons. In 2018, the volume of import amounted to 8 398.4 tons.

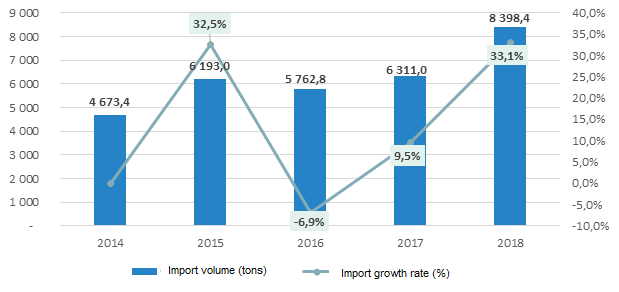
A significant increase in lactic acid import to Russia by the end of 2018 is connected with large supply of products manufactured by SHANDONG BAISHENG BIOTECHNOLOGY CO LTD, which amounted to 2,550.6 tons. For comparison, the import of lactic acid of this manufacturer at the end of 2017 amounted to 810.1 tons.

Table 7. Volume of lactic acid import to Russia in 2014 - I half of 2019, tn.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| 4 673,4 | 6 193,0 | 5 762,8 | 6 311,0 | 8 398,4 | 2 940,5 |

**Source: calculations by DISCOVERY Research Group.**

Diagram 5. Volume and growth rates of lactic acid import to Russia in 2014-2018, tn. and %



Source: calculations by Discovery Research Group.

The volume of lactic acid import to Russia in 2018 increased compared to 2017 and amounted to $ 9,592. 2 thousand.

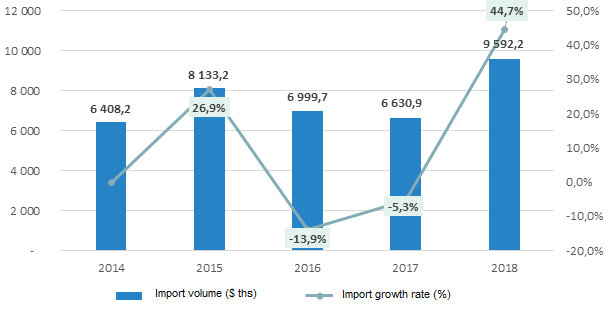
The volume of import in the first half of 2019 amounted to 2 940,5 tons, which is equivalent to $ 3,378,9 thousand.

Table 8. Volume of lactic acid import to Russia in 2014 - I half of 2019, $ ths

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| 6 408,2 | 8 133,2 | 6 999,7 | 6 630,9 | 9 592,2 | 3 378,9 |

**Source: calculations by DISCOVERY Research Group.**

Diagram 6. Volume and growth rates of lactic acid import to Russia in 2014-2018, $ thousand and %.



Source: calculations by Discovery Research Group.

By manufacturers

The key manufacturer of lactic acid exported to Russia in 2018 was HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD. The share of lactic acid Import of this manufacturer was 54.6%.

Table 9. Volume of lactic acid Import to Russia in 2014 - I half of 2019 by manufacturers, tn.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| AVO-WERKE AUGUST BEISSE GMBH |  | 0,9 | 1,1 | 2,2 | 1,1 | 0,6 |
| CRODA EUROPE LIMITED | 0,4 | 0,4 |  |  |  |  |
| FOODCHEM |  |  | 88,4 | 106,0 |  |  |
| FOODING GROUP LIMITED |  |  |  | 24,0 |  |  |
| FRUTAROM PRODUCTION GMBH |  |  | 0,8 |  |  |  |
| GALACTIC | 62,9 | 43,4 | 241,2 | 93,7 | 100,1 | 82,0 |
| HENAN HONGHUI BIOTECHNOLOGY CO., LTD |  |  | 84,0 | 24,0 |  |  |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 3 460,3 | 5 124,2 | 4 147,3 | 4 359,1 | 4 585,7 | 2 142,8 |
| HUGESTONE ENTERPRISE CO LTD |  | 47,0 | 72,0 |  | 155,4 | 20,0 |
| MERCK | 0,7 | 1,5 | 2,0 | 1,1 | 1,7 | 0,6 |
| NUBASSA GEWURZWERK GMBH | 14,1 | 6,3 | 7,6 | 5,5 | 5,1 | 3,3 |
| OLEON N.V. |  |  |  | 2,7 |  |  |
| PACOVIS AG |  |  |  |  | 5,2 | 3,1 |
| PURAC | 1 104,7 | 929,0 | 722,6 | 745,8 | 832,4 | 377,5 |
| QINGDAO FOTURE INTERNATIONAL TRADE CO. LTD |  |  |  | 99,9 | 125,4 | 30,4 |
| SHANDONG BAISHENG BIOTECHNOLOGY CO . LTD |  |  | 332,7 | 810,1 | 2 550,6 | 273,8 |
| SHANGHAI TRUSTIN CHEMICAL CO., LTD. |  |  | 12,0 |  |  |  |
| TAIXING CHEMICAL CO LTD |  | 20,0 | 13,0 |  | 10,0 | 6,0 |
| TIANJIN CHENGYI INTERNATIONAL TRADING CO.,LTD | 24,0 |  |  |  |  |  |
| WENDA CO |  | 4,9 |  |  |  |  |
| Import from Belarus |  | 6,7 | 36,9 | 36,0 | 0,1 | - |
| Import from Kazakhstan |  | - | - | 0,1 | - | - |
| Other | 6,3 | 8,8 | 1,2 | 0,8 | 25,8 | 0,6 |
| **Total** | **4 673,4** | **6 193,0** | **5 762,8** | **6 311,0** | **8 398,4** | **2 940,5** |

Source: calculations by Discovery Research Group.

Diagram 7. Share of manufacturers in the volume of lactic acid import to Russia in 2018, % of the volume of Import in real terms.

Source: calculations by Discovery Research Group.

The key manufacturers of lactic acid exported to Russia in 2018 in value terms were HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD, SHANDONG BAISHENG BIOTECHNOLOGY CO LTD and PURAC. The share of import products of these manufacturers amounted to 52.2%, 28.4% and 13.9%, respectively.

Table 10. Volume of lactic acid import to Russia in 2014 - I half of 2019 by manufacturers, $ ths.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| AVO-WERKE AUGUST BEISSE GMBH |  | 1,9 | 2,6 | 7,0 | 3,9 | 2,0 |
| CRODA EUROPE LIMITED | 1,2 | 0,8 |  |  |  |  |
| FOODCHEM |  |  | 93,3 | 110,1 |  |  |
| FOODING GROUP LIMITED |  |  |  | 27,6 |  |  |
| FRUTAROM PRODUCTION GMBH |  |  | 2,2 |  |  |  |
| GALACTIC | 102,2 | 78,6 | 317,3 | 106,4 | 109,7 | 116,5 |
| HENAN HONGHUI BIOTECHNOLOGY CO., LTD |  |  | 90,7 | 20,9 |  |  |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 3 995,3 | 6 386,3 | 4 839,9 | 4 155,0 | 5 011,4 | 2 368,0 |
| HUGESTONE ENTERPRISE CO LTD |  | 56,2 | 83,8 |  | 173,1 | 23,4 |
| MERCK | 9,8 | 15,2 | 17,4 | 10,4 | 16,4 | 6,5 |
| NUBASSA GEWURZWERK GMBH | 37,0 | 14,1 | 15,5 | 11,4 | 10,3 | 6,3 |
| OLEON N.V. |  |  |  | 8,8 |  |  |
| PACOVIS AG |  |  |  |  | 17,8 | 10,5 |
| PURAC | 2 219,4 | 1 497,5 | 1 119,9 | 1 242,5 | 1 328,9 | 529,3 |
| QINGDAO FOTURE INTERNATIONAL TRADE CO. LTD |  |  |  | 92,6 | 137,6 | 33,0 |
| SHANDONG BAISHENG BIOTECHNOLOGY CO . LTD |  |  | 326,8 | 783,6 | 2 720,2 | 269,0 |
| SHANGHAI TRUSTIN CHEMICAL CO., LTD. |  |  | 13,5 |  |  |  |
| TAIXING CHEMICAL CO LTD |  | 25,8 | 16,4 |  | 12,6 | 7,9 |
| TIANJIN CHENGYI INTERNATIONAL TRADING CO.,LTD | 23,0 |  |  |  |  |  |
| WENDA CO |  | 13,3 |  |  |  |  |
| Import from Belarus |  | 10,0 | 51,4 | 43,5 | 0,5 | - |
| Import from Kazakhstan |  | - | - | 0,3 | - | - |
| Other | 20,3 | 33,4 | 9,0 | 10,7 | 50,0 | 6,7 |
| **Total** | **6 408,2** | **8 133,2** | **6 999,7** | **6 630,9** | **9 592,2** | **3 378,9** |

Source: calculations by Discovery Research Group.

Diagram 8. Share of manufacturers in the volume of lactic acid import to Russia in 2018, % of the volume of import in value terms.

Source: calculations by Discovery Research Group.

By the countries of origin

The bulk of lactic acid exported to Russia in 2018 was produced in China. The volume of import from China in 2018 amounted to 7 451.1 tons or $ 8 084,6 thousand.

Table 11. Volume of lactic acid import to Russia in 2014 - I half of 2019 by country of origin, tn.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country of origin** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| BELGIUM | 56,0 | 21,4 | 232,9 | 96,4 | 100,1 | 82,0 |
| BELARUS |  | 6,7 | 36,9 | 36,0 | 0,1 |  |
| BRAZIL | 122,4 | 71,4 | 11,2 | 20,4 | 0,5 |  |
| GREAT BRITAIN | 0,4 | 3,8 |  | 0,0 | 0,0 |  |
| HUNGARY |  | 0,0 |  |  |  |  |
| GERMANY | 25,8 | 27,2 | 20,1 | 8,6 | 6,3 | 4,0 |
| EUROPEAN UNION |  |  |  | 41,9 | 83,5 |  |
| ISRAEL |  | 0,0 |  |  |  |  |
| INDIA |  |  |  | 0,0 |  |  |
| SPAIN | 66,5 | 109,5 | 21,3 | 36,3 | 22,6 | 10,0 |
| ITALY | 0,1 |  | 0,0 |  | 0,0 |  |
| KAZAKHSTAN |  |  |  | 0,1 |  |  |
| CHINA | 3 469,0 | 5 129,1 | 4 659,3 | 5 422,9 | 7 451,1 | 2 472,9 |
| LATVIA |  |  | 0,0 |  |  |  |
| LITHUANIA | 3,9 | 0,7 | 7,7 |  |  |  |
| THE NETHERLANDS | 894,4 | 722,8 | 670,5 | 519,0 | 671,4 | 301,3 |
| POLAND | 30,2 | 93,5 | 102,2 |  |  |  |
| THE USA |  |  | 0,0 | 0,0 | 0,0 | 0,0 |
| THAILAND |  |  |  | 108,5 | 57,6 | 67,2 |
| UKRAINE |  |  |  | 0,7 |  |  |
| FINLAND | 4,7 | 1,7 |  |  |  |  |
| FRANCE | 0,0 | 2,1 | 0,5 | 0,0 | 0,1 |  |
| SWITZERLAND |  |  |  | 0,0 | 5,2 | 3,1 |
| ESTONIA |  | 3,0 |  |  |  |  |
| JAPAN |  |  |  | 0,0 | 0,0 | 0,0 |
| Other |  |  |  | 20,2 |  |  |
| **Total** | **4 673,4** | **6 193,0** | **5 762,8** | **6 311,0** | **8 398,4** | **2 940,5** |

Source: calculations by Discovery Research Group.

Diagram 9. Share of countries of origin in the volume of lactic acid import to Russia in 2018, % of the volume of import in real term.

Source: calculations by Discovery Research Group.

Table 12. Volume of lactic acid import to Russia in 2014 - I half of 2019 by the country of origin, $ ths.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country of origin** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| BELGIUM | 87,9 | 32,9 | 300,4 | 116,1 | 110,7 | 116,5 |
| BELARUS |  | 10,0 | 51,4 | 43,5 | 0,5 |  |
| BRAZIL | 319,6 | 145,0 | 22,5 | 46,2 | 1,5 |  |
| GREAT BRITAIN | 1,6 | 8,1 |  | 0,0 | 0,4 |  |
| HUNGARY |  | 0,0 |  |  |  |  |
| GERMANY | 108,3 | 99,5 | 67,5 | 22,4 | 17,3 | 11,3 |
| EUROPEAN UNION |  |  |  | 60,7 | 150,0 |  |
| ISRAEL |  | 0,0 |  |  |  |  |
| INDIA |  |  |  | 0,0 |  |  |
| SPAIN | 125,3 | 138,8 | 26,0 | 121,7 | 78,9 | 28,4 |
| ITALY | 0,9 |  | 0,0 |  | 0,3 |  |
| KAZAKHSTAN |  |  |  | 0,3 |  |  |
| CHINA | 3 996,8 | 6 394,2 | 5 350,9 | 5 192,4 | 8 084,6 | 2 701,4 |
| LATVIA |  |  | 0,6 |  |  |  |
| LITHUANIA | 8,1 | 1,4 | 16,1 |  |  |  |
| THE NETHERLANDS | 1 695,7 | 1 146,6 | 1 027,0 | 862,7 | 1 060,5 | 433,9 |
| POLAND | 53,1 | 139,1 | 136,0 |  |  |  |
| USA |  |  | 0,0 | 0,3 | 0,4 | 0,3 |
| THAILAND |  |  |  | 124,1 | 66,6 | 76,7 |
| UKRAINE |  |  |  | 1,8 |  |  |
| FINLAND | 10,7 | 8,2 |  |  |  |  |
| FRANCE | 0,1 | 3,3 | 1,1 | 0,2 | 1,4 |  |
| SWITZERLAND |  |  |  | 0,0 | 18,5 | 10,5 |
| ESTONIA |  | 6,0 |  |  |  |  |
| JAPAN |  |  |  | 0,4 | 0,7 | 0,0 |
| Other |  |  |  | 38,0 |  |  |
| **Total** | **6 408,2** | **8 133,2** | **6 999,7** | **6 630,9** | **9 592,2** | **3 378,9** |

Source: calculations by Discovery Research Group.

Diagram 10. Share of countries of origin in the volume of lactic acid import to Russia in 2018, % of the volume of Import in value terms.

Source: calculations by Discovery Research Group.

Average import prices

The average price of imported lactic acid in 2018 decreased compared to 2017 by 8.7% and amounted to $ 1.14 per kg.

MERCK became the manufacturer of the most expensive lactic acid exported to Russia. The average price of lactic acid of this manufacturer was $ 9.9 per kg.

The lowest average price per kilogram of the lactic acid manufacturers SHANDONG BAISHENG BIOTECHNOLOGY CO LTD and HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD - $ 1.07 and $ 1.09 per kg.

Table 13. Average prices of manufacturers for lactic acid exported to Russia in 2014 - I half of 2019 by manufacturers, $ per kg.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| AVO-WERKE AUGUST BEISSE GMBH |  | 2,10 | 2,26 | 3,24 | 3,41 | 3,45 |
| CRODA EUROPE LIMITED | 2,93 | 2,10 |  |  |  |  |
| FOODCHEM |  |  | 1,06 | 1,04 |  |  |
| FOODING GROUP LIMITED |  |  |  | 1,15 |  |  |
| FRUTAROM PRODUCTION GMBH |  |  | 2,70 |  |  |  |
| GALACTIC | 1,62 | 1,81 | 1,32 | 1,14 | 1,10 | 1,42 |
| HENAN HONGHUI BIOTECHNOLOGY CO., LTD |  |  | 1,08 | 0,87 |  |  |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 1,15 | 1,25 | 1,17 | 0,95 | 1,09 | 1,11 |
| HUGESTONE ENTERPRISE CO LTD |  | 1,20 | 1,16 |  | 1,11 | 1,17 |
| MERCK | 13,88 | 10,36 | 8,89 | 9,12 | 9,89 | 10,95 |
| NUBASSA GEWURZWERK GMBH | 2,63 | 2,24 | 2,03 | 2,07 | 2,02 | 1,92 |
| OLEON N.V. |  |  |  | 3,29 |  |  |
| PACOVIS AG |  |  |  |  | 3,41 | 3,35 |
| PURAC | 2,01 | 1,61 | 1,55 | 1,67 | 1,60 | 1,40 |
| QINGDAO FOTURE INTERNATIONAL TRADE CO. LTD |  |  |  | 0,93 | 1,10 | 1,09 |
| SHANDONG BAISHENG BIOTECHNOLOGY CO . LTD |  |  | 0,98 | 0,97 | 1,07 | 0,98 |
| SHANGHAI TRUSTIN CHEMICAL CO., LTD. |  |  | 1,13 |  |  |  |
| TAIXING CHEMICAL CO LTD |  | 1,29 | 1,26 |  | 1,26 | 1,32 |
| TIANJIN CHENGYI INTERNATIONAL TRADING CO.,LTD | 0,96 |  |  |  |  |  |
| WENDA CO |  | 2,72 |  |  |  |  |
| Import from Belarus |  | 1,50 | 1,39 | 1,21 | 5,38 |  |
| Import from Kazakhstan |  |  |  | 6,42 |  |  |
| Other | 3,21 | 3,81 | 7,53 | 13,63 | 1,94 | 11,57 |
| **Total** | **1,37** | **1,31** | **1,21** | **1,05** | **1,14** | **1,15** |

Source: calculations by Discovery Research Group.

Importers

The largest volume of imported lactic acid by the end of 2018 falls on KHIMVNESHTORG LLC. The share of this company in the volume of import was 22.1%. This company occupies a leading position throughout the period under review.

One of the leaders is also the company "Biemsi-Food Ingredients". The company, ranked 2-3 in terms of Import in the period from 2014 to 2017, at the end of 2018 it took the fifth position with a share of 7.6%.

Table 14. The volume of imported lactic acid to Russia in 2014 - I half of 2019 by Importers, tn.

| **Importer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| --- | --- | --- | --- | --- | --- | --- |
| JSC Stock no. 1 of chemical reagents |  | 24,8 | 37,0 | 21,0 | 49,4 |  |
| JSC KUPAVNAREAKTIV | 4,0 | 68,3 | 15,0 | 3,5 | 10,5 | 3,5 |
| JSC OMIA ALGOL RUS | 24,0 | 9,6 | 15,7 | 5,9 | 3,2 | 0,004 |
| CJSC BALTIC GROUP | 40,0 | 8,0 |  |  |  |  |
| CJSC Ruskhimset | 30,2 | 89,2 | 223,8 | 339,1 | 655,3 | 22,1 |
| CJSC PHILIP MORRIS IZHORA | 122,4 | 71,4 | 11,2 | 20,4 | 0,5 |  |
| IE Silivonchik Evgeniy Vladimirovich |  |  |  | 46,0 | 22,6 |  |
| IE STAROV KONSTANTIN VLADIMIROVICH |  | 120,0 | 96,0 |  | 48,0 |  |
| LLC ALMA-TEKH |  |  |  | 72,0 |  |  |
| LLC ALLIANCE |  | 216,0 | 772,8 |  |  |  |
| LLC ARENATRADE | 22,0 | 66,0 | 120,0 |  |  |  |
| LLC Arian | 8,7 | 6,3 | 7,6 | 5,5 | 5,1 | 3,3 |
| LLC BANG AND BONSOMER | 262,7 | 140,6 | 163,0 | 21,7 |  |  |
| LLC BELPHARMACOM | 46,0 | 91,0 | 44,0 |  |  | 10,0 |
| LLC BIOAMIN | 48,0 |  |  |  |  |  |
| LLC Biemsi-Food Ingredients | 801,2 | 722,4 | 650,0 | 543,5 | 638,1 | 247,9 |
| LLC BRENNTAG | 116,1 | 74,2 | 32,5 | 52,3 | 109,9 | 39,5 |
| LLC VINSOLD |  | 24,0 | 121,4 | 99,9 | 150,7 | 25,4 |
| LLC VOSTOK IMPORT |  |  | 24,0 | 96,0 | 48,0 |  |
| LLC PTI COMPANY GROUP | 50,5 | 24,9 |  |  |  |  |
| LLC DELER NATURAL FOOD AND BEVERAGE INGREDIENTS |  | 44,8 |  |  |  |  |
| LLC EUROSNAB | 6,7 | 25,2 | 14,4 |  |  |  |
| LLC ЕТS – CHEMICAL MATERIALS | 87,9 | 164,3 | 186,7 | 328,9 | 336,3 | 48,0 |
| LLC IMSD RUS | 23,2 | 161,6 | 58,0 |  |  |  |
| LLC Ingredients. Development |  |  |  | 46,0 | 120,0 |  |
| LLC INTERLINE | 48,0 |  |  |  |  |  |
| LLC Katrina |  |  |  |  | 64,7 |  |
| LLC Kemdel |  |  |  | 144,0 | 456,0 | 144,0 |
| LLC KEMIN INDUSTRIES (LIPETSK) |  |  |  | 108,2 | 57,6 | 67,2 |
| LLC Klio |  | 23,0 |  |  | 48,0 | 24,0 |
| LLC К-LOGISTIC |  | 46,0 | 23,0 |  |  |  |
| LLC KOLVI |  |  |  | 24,0 | 72,0 |  |
| LLC LIRA | 92,0 |  |  |  |  |  |
| LLC Logosib | 23,0 | 69,0 | 69,0 | 46,0 | 92,0 | 42,5 |
| LLC Mas Albion |  |  | 202,7 |  | 432,0 | 48,0 |
| LLC Msd Food Additives |  |  | 316,4 |  |  |  |
| LLC Neo Chemical |  | 0,0 | 96,0 | 116,0 | 710,6 | 16,0 |
| LLC Neftegaskhimkomplekt |  |  |  | 96,0 | 48,0 | 48,0 |
| LLC Neftekhimeks |  |  | 144,0 |  | 144,0 |  |
| LLC NORD PLUS |  | 138,0 |  |  |  |  |
| LLC OIL TRADE |  |  |  | 22,0 | 72,0 | 20,0 |
| LLC ОМKIRMET-PLUS |  |  | 24,0 | 48,0 | 720,0 | 72,0 |
| LLC ORION PRODUCT |  |  | 84,0 |  | 22,0 | 22,0 |
| LLC PK AKIV | 24,0 | 48,0 |  |  |  |  |
| LLC PLASTKHIMSERVIS |  | 48,0 | 24,0 | 120,0 | 264,0 |  |
| LLC Revada | 14,1 | 11,1 | 4,4 | 2,4 | 3,1 | 3,3 |
| LLC REGION-TORG | 7,1 | 4,1 | 10,0 | 5,0 | 13,5 |  |
| LLC ROSTORG | 10,3 | 14,4 | 9,3 |  |  |  |
| LLC SUN LOGISTIC |  |  | 24,0 | 75,1 | 24,0 | 24,0 |
| LLC SLR CHEMICAL |  | 23,0 | 10,2 | 30,1 | 48,1 | 0,0 |
| LLC Soyuzopttorg | 40,0 | 64,0 | 85,0 | 86,0 | 80,0 | 59,0 |
| LLC SOYUZPRODOPT | 240,0 | 24,0 |  |  |  |  |
| LLC Sfera | 48,0 | 144,0 | 430,0 | 137,0 | 448,0 | 596,2 |
| LLC ТК AKTIV |  |  | 96,0 |  |  |  |
| LLC Telko |  |  |  |  | 23,9 | 70,6 |
| LLC UDE KHEMI | 0,2 | 0,6 | 200,5 | 63,9 |  | 59,9 |
| LLC Uliss |  |  |  | 50,9 | 1,5 | 25,6 |
| LLC FELICATA HOLDING | 39,2 | 44,8 | 19,2 | 15,2 | 21,6 | 17,6 |
| LLC FIRMA YAVENTA-PLUS | 16,0 | 20,0 | 21,0 |  | 10,0 | 6,0 |
| LLC KHIMVNESHTORG | 2 201,0 | 3 141,3 | 1 005,0 | 2 945,6 | 1 857,2 | 986,8 |
| LLC Shturman |  |  |  |  | 24,0 | 48,0 |
| LLC Yugagro |  |  |  |  | 24,0 | 24,0 |
| LLC U-PITER |  |  | 70,0 | 211,0 | 72,0 | 24,0 |
| JC LLC SINGLE TRADE SYSTEM | 30,0 | 70,0 | 37,0 | 81,0 | 192,0 | 40,8 |
| LLC FOODIMP | 66,0 | 44,0 |  |  |  |  |
| Other | 81,0 | 63,0 | 164,9 | 182,0 | 155,1 | 51,5 |
| **Total** | **4 673,4** | **6 193,0** | **5 762,8** | **6 311,0** | **8 398,4** | **2 940,5** |

Source: calculations by Discovery Research Group.

Diagram 11. Shares of importers in the volume of lactic acid import to Russia in 2018, % of the volume of import in real terms.

Source: calculations by Discovery Research Group.

The leaders in value terms at the end of 2018 were KHIMVNESHTORG LLC, Biemsi-Food Ingredients LLC, and NEO CHEMICAL LLC. The shares of these companies in the volume of lactic acid import were 20.9%, 11.0% and 8.1%, respectively.

Table 15. Volume of lactic acid import to Russia in 2014 - I half of 2019 by Importer, $ ths.

| **Importer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| --- | --- | --- | --- | --- | --- | --- |
| Stock no. 1 of chemical reagents JSC |  | 33,5 | 46,9 | 25,3 | 58,0 |  |
| KUPAVNAREAKTIV JSC | 5,5 | 84,4 | 18,8 | 4,2 | 12,5 | 4,1 |
| OMIA ALGOL RUS LLC | 37,7 | 14,5 | 29,4 | 7,4 | 4,4 | 0,02 |
| BALTIC GROUP CJSC | 65,0 | 10,3 |  |  |  |  |
| Ruskhimset CJSC | 36,7 | 105,0 | 247,4 | 332,9 | 718,9 | 23,1 |
| PHILIP MORRIS IZHORA CJSC | 319,6 | 145,0 | 22,5 | 46,2 | 1,5 |  |
| Evgeniy Vladimirovich Silivonchik IE |  |  |  | 50,9 | 25,6 |  |
| KONSTANTIN VLADIMIROVICH STAROV IE |  | 138,2 | 112,5 |  | 52,8 |  |
| LMA-TEKH LLC |  |  |  | 72,0 |  |  |
| ALLIANCE LLC |  | 283,0 | 878,3 |  |  |  |
| ARENATRADE LLC | 26,0 | 77,9 | 143,9 |  |  |  |
| Arian LLC | 25,0 | 14,1 | 15,5 | 11,4 | 10,3 | 6,3 |
| BANG AND BONSOMER LLC | 315,0 | 169,7 | 191,2 | 21,2 |  |  |
| BELPHARMACOM LLC | 54,3 | 105,4 | 51,1 |  |  | 11,8 |
| BIOAMIN LLC | 55,7 |  |  |  |  |  |
| Biemsi-Food Ingredients LLC | 1 541,7 | 1 136,5 | 988,5 | 954,0 | 1 053,3 | 352,1 |
| BRENNTAG LLC | 187,0 | 98,3 | 48,3 | 77,4 | 159,6 | 62,2 |
| VINSOLD LLC |  | 28,8 | 131,9 | 92,6 | 163,4 | 27,4 |
| VOSTOK IMPORT LLC |  |  | 26,5 | 95,5 | 55,6 |  |
| COMPANY GROUP PTI LLC | 74,7 | 37,3 |  |  |  |  |
| DELER NATURAL FOOD AND BEVERAGE INGREDIENTS LLC |  | 52,9 |  |  |  |  |
| EUROSNAB LLC | 14,0 | 52,9 | 30,1 |  |  |  |
| ETS – CHEMICAL MATERIALS LLC | 105,5 | 196,7 | 210,4 | 308,2 | 365,7 | 51,2 |
| IMSD RUS LLC | 27,8 | 194,1 | 67,2 |  |  |  |
| Ingredients. Development LLC |  |  |  | 46,0 | 136,9 |  |
| INTERLINE LLC | 57,1 |  |  |  |  |  |
| Katrina LLC |  |  |  |  | 70,7 |  |
| Kemdel LLC |  |  |  | 138,8 | 503,2 | 162,0 |
| KEMIN INDUSTRIES LLC (LIPETSK) |  |  |  | 121,2 | 66,3 | 76,6 |
| Klio LLC |  | 28,3 |  |  | 54,0 | 24,5 |
| К-LOGISTIC LLC |  | 53,8 | 26,6 |  |  |  |
| KOLVI LLC |  |  |  | 23,5 | 80,2 |  |
| LIRA LLC | 108,1 |  |  |  |  |  |
| Logosib LLC | 26,8 | 79,3 | 78,4 | 43,7 | 102,6 | 48,1 |
| Mas Albion LLC |  |  | 192,0 |  | 449,8 | 31,5 |
| Msd Food Additives LLC |  |  | 379,7 |  |  |  |
| NEO CHEMICAL LLC |  | 0,0 | 103,9 | 110,9 | 777,3 | 10,6 |
| Neftegaskhimkomplekt LLC |  |  |  | 107,7 | 53,1 | 54,7 |
| Neftekhimeks LLC |  |  | 158,9 |  | 143,0 |  |
| NORD PLUS LLC |  | 167,2 |  |  |  |  |
| OIL TRADE LLC |  |  |  | 24,8 | 81,7 | 23,4 |
| OMKIRMET PLUS LLC |  |  | 26,6 | 44,7 | 775,9 | 76,8 |
| ORION PRODUCT LLC |  |  | 90,7 |  | 25,3 | 24,9 |
| PK AKTIV LLC | 28,5 | 56,1 |  |  |  |  |
| PLASTKHIMSERVIS LLC |  | 54,2 | 27,0 | 112,3 | 248,7 |  |
| Revada LLC | 82,3 | 52,8 | 20,1 | 11,3 | 13,3 | 9,4 |
| REGION-TORG LLC | 10,7 | 5,5 | 12,8 | 6,7 | 17,0 |  |
| ROSTORG LLC | 14,4 | 18,0 | 11,6 |  |  |  |
| SUN LOGISTIC LLC |  |  | 26,7 | 71,6 | 26,6 | 25,6 |
| SLR CHEMICAL LLC |  | 27,4 | 12,8 | 28,8 | 56,3 | 0,0 |
| Soyuzopttorg LLC | 49,5 | 78,1 | 97,7 | 92,6 | 90,4 | 66,6 |
| SOYUZPRODOPT LLC | 278,4 | 27,0 |  |  |  |  |
| Sfera LLC | 57,1 | 168,5 | 494,6 | 134,8 | 488,7 | 643,0 |
| TK AKTIV LLC |  |  | 110,8 |  |  |  |
| Telko LLC |  |  |  |  | 26,7 | 80,0 |
| UDE KHEMI LLC | 0,4 | 0,9 | 245,2 | 73,5 |  | 93,3 |
| Uliss LLC |  |  |  | 46,8 | 2,0 | 27,4 |
| FELICATA HOLDING LLC | 65,6 | 60,3 | 26,8 | 22,3 | 31,3 | 24,7 |
| FIRMA YAVENTA-PLUS LLC | 21,6 | 25,8 | 26,5 |  | 12,6 | 7,9 |
| KHIMVNESHTORG LLC | 2 491,0 | 4 004,0 | 1 211,1 | 2 727,9 | 2 003,3 | 1 098,3 |
| Shturman LLC |  |  |  |  | 26,9 | 54,5 |
| Yugagro LLC |  |  |  |  | 27,4 | 26,4 |
| U-PITER LLC |  |  | 72,9 | 209,8 | 77,2 | 27,0 |
| JC LLC SINGLE TRADE SYSTEM | 36,8 | 84,9 | 43,8 | 81,9 | 207,3 | 43,9 |
| FOODIMP LLC | 73,3 | 48,8 |  |  |  |  |
| Other | 115,7 | 113,6 | 242,2 | 250,0 | 234,7 | 79,7 |
| **Total** | **6 408,2** | **8 133,2** | **6 999,7** | **6 630,9** | **9 592,2** | **3 378,9** |

Source: calculations by Discovery Research Group.

Diagram 12. Share of Importers in the volume of lactic acid import to Russia in 2018, % of the volume of Import in value terms.

Source: calculations by Discovery Research Group.

KHIMVNESHTORG LLC

The company is registered in St. Petersburg. The main activity of the company is "activity of agents in wholesale trade of industrial and technical chemical substances, fertilizers and agrochemicals".

Throughout the analyzed period from 2014 to I half of 2019 the company purchased lactic acid from Chinese manufacturer HENAN JINDAN LACTIC ACID TECHNOLOGY CO., LTD. The average price at the end of 2018 was $ 1.08 per kg (in Import prices).

NEO CHEMICAL LLC

The company is registered in Dzerzhinsk. The main activity of the company is "wholesale trade of industrial chemicals".

The main profile-delivery of chemical products manufactured in Europe, Asia, America for various industries: metallurgical, oil, gas, paint and varnish, polymer, construction, etc.

Assortment of products includes more than 150 varieties of raw materials and more than 1000 names of goods.

The company has 8 offices and warehouses in Russia (Dzerzhinsk, Moscow, St. Petersburg, Yekaterinburg, Novosibirsk, Krasnoyarsk, Irkutsk, Rostov-on-Don), as well as 4 representative offices abroad (Germany, Ukraine, Kazakhstan, China).

In the analyzed period from 2014 to I half of 2019 the company purchased lactic acid from HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD and SHANDONG BAISHENG BIOTECHNOLOGY CO., LTD. The average price at the end of 2018 was $ 1.09 per kg (in Import prices)

Ruskhimset CJSC

The company is registered in Moscow. The main activity of the company is "wholesale of chemical products".

The company offers 80% aqueous solution of lactic acid as an ingredient for the food industry: it is used in manufacture of soft drinks and some beers, confectionery.

Lactic acid is imported from GALACTIC, HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD and SHANDONG BAISHENG BIOTECHNOLOGY CO LTD. The largest share in import at the same time takes HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD - 60.7% or 397.6 tons (at the end of 2018).

The average price at the end of 2018 was $ 1.10 per kg (in import prices).

Biemsi-Food Ingredients LLC

The company is registered in Moscow. The main activity of the company is "wholesale of other food products". The company supplies additives for use in perfumery, food, pharmaceutical and other spheres of manufacture.

Biemsi-Food Ingredients LLC buys lactic acid from PURAC. Currently, the main products of PURAC are lactic acid, lactic acid salts (so-called lactates), gluconates, gluconic acid, biomaterials based on lactic acid, polyols.

The average price at the end of 2018 was $ 1.65 per kg (in Import prices).

CG «ЕТS»

GC "ETS” is one of the leaders at the market of distribution of chemical products.

Currently, the company supplies chemical products and raw materials from more than 250 foreign manufacturers. It is the official distributor of a large number of foreign suppliers and has exclusive rights to supply to Russia and CIS countries many of the manufactured chemical products. Offices and warehouses are located in many cities of Russia, Ukraine, Kazakhstan, Belarus, Sweden, China and India. The head office and management of the company are located in St. Petersburg.

Here are the main areas of the company activity:

* Paints, varnishes and coating
* Chemical products for construction
* Chemicals for plastic and rubber
* Paper package, print and manufacture
* Textile and fibers
* Household chemicals and washing products
* Cosmetics and care
* Oil and gas
* Special chemistry and chemicals
* Food products
* Pharmacy
* Composites and articles for their manufacture

According to the main indicators — volumes, product range, recognition, service —ETS SC is one of the leaders among Russian suppliers of chemical products and construction materials. According to the rating of the world's leading distributors of chemistry from ICIS 2017 and 2018, "ETS" takes 37th place in Europe and 75th in the world.

Lactic acid is imported from HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD and SHANDONG BAISHENG BIOTECHNOLOGY CO., LTD. The average price at the end of 2018 was $ 1.09 per kg (in Import prices).

Consumers

Lactic acid has antiseptic effect, prevents fermentation of products and is used in the food industry as a preservative or acidity regulator. Other applications: in the cosmetic industry, in the mordant dyeing, in the leather industry, in fermentation shops as a bactericidal agent, for manufacture of drugs, plasticizers.

According to import supplies of lactic acid directly this product is purchased by such large manufacturing enterprises as Unilever Rus LLC and PHARMSTANDARD LLC.

Table 16. Volume of lactic acid Import to Russia in 2014 - I half of 2019 by Unilever Rus LLC and PHARMSTANDARD LLC, tn.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Importer** | **Manufacturer of lactic acid** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| **PHARMSTANDARD LLC** | GLOBAL CALCIUM PVT LTD | 63,0 | 82,8 | 235,8 | 216,0 | 153,0 | 27,0 |
| Moehs Cantabra S.L |  |  | 15,8 |  |  |  |
| **Total** | **63,0** | **82,8** | **251,6** | **216,0** | **153,0** | **27,0** |
| **Unilever Rus** LLC | ASHLAND | 1,1 | 1,6 | 1,5 | 1,5 | 1,0 |  |
| SYMRISE | 0,1 | 0,5 | 0,4 | 0,4 | 0,5 |  |
| **Total** | **1,2** | **2,1** | **1,9** | **1,9** | **1,4** |  |

Source: calculations by Discovery Research Group.

PHARMSTANDART LLC manufactures medicines of various pharmacotherapeutic groups, including preparations for treatment of cardiovascular diseases, diabetes mellitus, deficiency of growth hormone, gastroenterological, neurological, infectious diseases, metabolic disorders, oncological and other diseases.

Unilever is one of the world leaders in the field of food and household chemicals. The Russian branch of the company was opened in 1992. Production of Unilever Rus LLC first of all is popular with such brands as Knorr and Hellmann's. The first plant of the company began its work in Tula. Many people know Becel spreads and mayonnaise, sauces, ketchup and mayonnaise Calve, tea "Conversation", Brooke Bond and Lipton, vegetable-curd cream Crème Bonjour, margarine "Crumpet", cleaning products Cif and Domestos, shampoos Clear vita ABE and Sunsilk, Dove and Timotei.

Table 17. Volume of lactic acid import to Russia in 2014 - I half of 2019 by Unilever Rus LLC and PHARMSTANDARD LLC, $ ths.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Importer** | **Manufacturer of lactic acid** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| **PHARMSTANDARD** LLC | GLOBAL CALCIUM PVT LTD | 393,8 | 480,6 | 1 414,4 | 1 134,0 | 803,3 | 141,8 |
| Moehs Cantabra S.L |  |  | 99,8 |  |  |  |
| **Total** | **393,8** | **480,6** | **1 514,1** | **1 134,0** | **803,3** | **141,8** |
| **Unilever Rus LLC** | ASHLAND | 13,2 | 17,1 | 15,9 | 16,2 | 11,4 |  |
| SYMRISE | 5,2 | 30,6 | 21,8 | 17,3 | 22,0 |  |
| **Total** | **18,4** | **47,8** | **37,7** | **33,5** | **33,4** |  |

Source: calculations by Discovery Research Group.

In Russia, lactic acid is primarily used in the food industry. It is the implementation of lactic acid among the enterprises of food industry, on which the importers of these products are focused.

Especially popular as a regulator of acidity lactic acid is used in the manufacture of the entire line of dairy products-yogurt, sour cream, cottage cheese, kefir, cheese, fermented baked milk, acidophilus, as well as mayonnaise and sauces. Lactic acid bacteria are found in these products by default; however, in order to reach the optimum level of acidity and maintain it, an additional additive is needed.

Lactic acid is also added to sweets, candies, marmalades, souffles, desserts, bakery and meat products, marinades, canned food, semi-finished products, beverages (alcohol-containing and non-alcoholic), as well as baby food (including infants).

Lactic acid as a preservative is applied due to its expressed antiseptic properties, which prevents the proliferation of pathogenic bacteria. Due to the fact that dairy products are those ones of the most perishable, it is important to extend the implementation period to the utmost degree. This contributes to include the acid in the list of ingredients. It is used in the preparation of the entire range of dairy products, as well as other products that require additional preservative — cakes, pastries, cookies, fish, vegetables, canned meat, dried fruits. It is interesting that in the cosmetic industry lactic acid performs a similar task - it increases the shelf life of masks, creams, emulsions, gels, providing disinfection, revitalizing the skin and preventing the appearance of pathogens.

In addition to these two functions (acidity regulator and preservative), the acid can also be a flavor and taste enhancer. The ingredient is put in salted products for a soft and natural expansion of the flavor range, giving it preference because of its natural origin.

For these food purposes, lactic acid is purchased in large quantities. As a rule, it is supplied in liquid form. On packages, it appears under the code E270.

Thus, the main consumers are the enterprises of the following branches of the food industry:

* Confectionery industry: the enterprises of this industry include various confectionery factories, such as KC Merletto LLC, Sladonezh JSC, Confectionery factory n.a. N. K. Krupskaya JSC, Confectionery factory n.a. K. Samoilova JSC, Confectionery Factory "Sorceress LLC, Confectionery factory "Red star" JSC, Confectionery concern Babaevsky JSC, Azov confectionery factory JSC, Confectionery factory "AKKOND" JSC.
* Dairy industry: Danone Russia JSC, Pskov city dairy plant JSC, Gatchina dairy plant JSC, Pyatigorsk dairy plant LLC, Meleuzovsky dairy plant JSC.
* Meat industry: Mikoyan meat processing Plant JSC, Ostankino meat processing plant JSC, Moscow meat processing plant "Kolomenskoye" LLC, Siberian sausages LLC, Omsk bacon" JSC.
* Drinks: BC "Baltika JSC, United Breweries "Heineken LLC, Sab InBev", CJSC "MPK" JSC, MPBK" Ochakovo JSC, Decaliter JSC, Russian Alcohol SC, Alcoholic Siberian Group LLC, Abrau-Durso PJSC, L[iqueur and spirits/vodka](https://www.multitran.com/m.exe?s=liqueur%20and%20spirits/vodka&l1=1&l2=2) factory “Saranskiy PJSC, Syktyvkar L[iqueur and spirits/vodka](https://www.multitran.com/m.exe?s=liqueur%20and%20spirits/vodka&l1=1&l2=2) factory JSC.

Export

The volume of lactic acid export from Russia in 2016 amounted to 70.2 tons. In 2017, it was equal to 117.0 tons. In 2018, the volume of export amounted to159.4 tons.

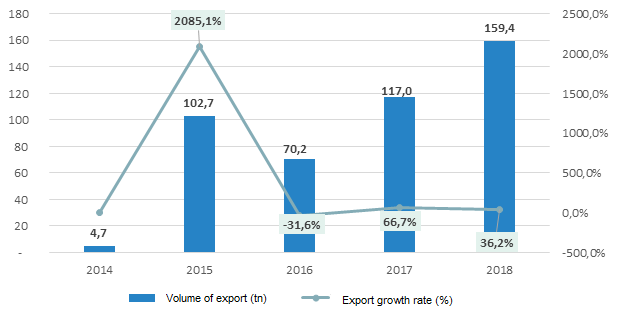
The volume of export in the first half of 2019 amounted to 61.6 tons, which is equivalent to $ 90.8 thousand.

Table 18. Volume of lactic acid Export from Russia in 2014 - I half of 2019, tn.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| 4,7 | 102,7 | 70,2 | 117,0 | 159,4 | 61,6 |

**Source: calculations by DISCOVERY Research Group.**

Diagram 13. Volume and growth rates of lactic acid export from Russia in 2014-2018, tn. and.%



Source: calculations by Discovery Research Group.

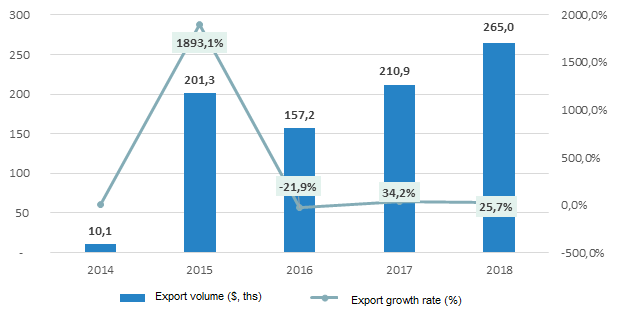
The volume of export of lactic acid from Russia in 2018 increased compared to 2017 and amounted to $ 265.0 thousand.

Table 19. Volume of lactic acid export from Russia in 2014 - I half of 2019, $ ths.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| 10,1 | 201,3 | 157,2 | 210,9 | 265,0 | 90,8 |

**Source: calculations by DISCOVERY Research Group.**

Diagram 14. Volume and growth rates of lactic acid export from Russia in 2014-2018, $ thousand and %.



Source: calculations by Discovery Research Group.

By manufacturers

The main manufacturer of lactic acid exported from Russia in 2018 was HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD. The volume of export of products of this manufacturer amounted to 68.5 tons, which is equivalent to $ 113.6 thousand.

Table 20. Volume of lactic acid export from Russia in 2014 - I half of 2019 by manufacturers, tn.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| GALACTIC |  |  | 3,8 | 2,4 | 1,2 |  |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 4,7 | 38,0 | 28,7 | 48,6 | 68,5 | 25,2 |
| PURAC |  | 0,2 | 0,1 | 0,1 | 1,8 |  |
| RAPS & CO GES.MBH |  |  |  |  | 0,0 |  |
| SHANDONG BAISHENG BIOTECHNOLOGY CO. LTD |  |  |  | 2,0 | 4,8 | 7,6 |
| ZHAOYUAN JUNBANG TRADING CO. LTD |  |  |  | 2,1 |  |  |
| OJSC DRY STARCH AND LACTIC ACID |  |  |  |  | 0,0 |  |
| Export to Belarus |  | 42,6 | 7,4 | 12,9 | 11,1 | 0,3 |
| Export to Kazakhstan |  | 20,2 | 30,1 | 48,4 | 71,9 | 27,7 |
| Other | 0,1 | 1,7 | 0,2 | 0,6 | 0,1 | 0,9 |
| **Total** | **4,7** | **102,7** | **70,2** | **117,0** | **159,4** | **61,6** |

Source: calculations by Discovery Research Group.

Table 21. Volume of lactic acid export from Russia in 2014 - I half of 2019 by manufacturers, $ ths

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Manufacturer** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| GALACTIC |  |  | 8,0 | 3,7 | 1,9 |  |
| HENAN JINDAN LACTIC ACID TECHNOLOGY CO LTD | 9,9 | 57,7 | 69,0 | 86,2 | 113,6 | 42,7 |
| PURAC |  | 0,8 | 1,1 | 1,1 | 4,8 |  |
| RAPS & CO GES.MBH |  |  |  |  | 0,1 |  |
| SHANDONG BAISHENG BIOTECHNOLOGY CO . LTD |  |  |  | 3,3 | 8,0 | 11,7 |
| ZHAOYUAN JUNBANG TRADING CO. LTD |  |  |  | 3,3 |  |  |
| OJSC DRY STARCH AND LACTIC ACID |  |  |  |  | 0,0 |  |
| Export to Belarus |  | 103,8 | 20,6 | 27,1 | 25,3 | 0,6 |
| Export to Kazakhstan |  | 33,4 | 57,6 | 85,0 | 111,0 | 34,0 |
| Other | 0,2 | 5,5 | 0,9 | 1,2 | 0,3 | 1,8 |
| **Total** | **10,1** | **201,3** | **157,2** | **210,9** | **265,0** | **90,8** |

Source: calculations by Discovery Research Group.

By countries of destination

According to the results of 2018, the most part of lactic acid from Russia was exported to Kazakhstan and Ukraine. The shares of lactic acid export in these spheres were 45.1% and 38.9% respectively.

Table 22. Volume of lactic acid export from Russia in 2014 - I half of 2019 by countries of destination, tn.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country of destination** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| ABKHAZIA |  |  |  | 1,5 | 1,2 | 1,3 |
| AZERBAIJAN |  |  |  |  | 0,1 |  |
| BELARUS | - | 42,6 | 7,4 | 12,9 | 11,7 | 1,8 |
| GERMANY | 0,0 |  |  |  | 0,0 |  |
| ITALY |  |  |  | 0,0 |  |  |
| KAZAKHSTAN |  | 20,2 | 30,1 | 48,4 | 71,9 | 27,7 |
| KYRGYZSTAN | 0,0 |  |  |  |  |  |
| LATVIA |  |  | 3,8 |  |  |  |
| MONGOLIA | 0,1 |  |  |  |  | 0,1 |
| RUSSIA |  |  |  | 1,2 |  |  |
| TAJIKISTAN |  |  | 0,5 |  |  |  |
| TURKMENISTAN | 4,6 |  | 4,0 |  |  |  |
| UZBEKISTAN |  | 1,6 | 0,1 | 2,6 | 11,0 | 7,5 |
| UKRAINE |  | 15,3 | 24,4 | 44,3 | 62,0 | 23,3 |
| FINLAND |  | 23,0 |  |  |  |  |
| ESTONIA |  | 0,0 |  |  |  |  |
| Other |  |  |  | 6,2 | 1,5 |  |
| **Total** | **4,7** | **102,7** | **70,2** | **117,0** | **159,4** | **61,6** |

Source: calculations by Discovery Research Group.

Diagram 15. Share of countries of destination in the volume of lactic acid exports from Russia in 2018, % of the volume of exports in real terms.

Source: calculations by Discovery Research Group.

Table 23. Volume of lactic acid export from Russia in 2014 - I half of 2019 by countries of destination, $ ths.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country of destination** | **2014** | **2015** | **2016** | **2017** | **2018** | **I half of 2019** |
| ABKHAZIA |  |  |  | 4,2 | 2,8 | 2,5 |
| AZERBAIJAN |  |  |  |  | 0,1 |  |
| BELARUS | - | 103,8 | 20,6 | 27,1 | 26,1 | 3,2 |
| GERMANY | 0,1 |  |  |  | 0,0 |  |
| ITALY |  |  |  | 0,0 |  |  |
| KAZAKHSTAN |  | 33,4 | 57,6 | 85,0 | 111,0 | 34,0 |
| KYRGYSTAN | 0,1 |  |  |  |  |  |
| LATVIA |  |  | 8,0 |  |  |  |
| MONGOLIA | 0,2 |  |  |  |  | 0,1 |
| RUSSIA |  |  |  | 1,7 |  |  |
| TAJIKISTAN |  |  | 0,8 |  |  |  |
| TURKMENISTAN | 9,8 |  | 8,8 |  |  |  |
| UZBEKISTAN |  | 4,6 | 0,1 | 5,5 | 20,3 | 13,3 |
| UKRAINE |  | 31,7 | 61,3 | 76,2 | 102,2 | 37,7 |
| FINLAND |  | 27,6 |  |  |  |  |
| ESTONIA |  | 0,1 |  |  |  |  |
| Other |  |  |  | 11,1 | 2,6 |  |
| **Total** | **10,1** | **201,3** | **157,2** | **210,9** | **265,0** | **90,8** |

Source: calculations by Discovery Research Group.

Diagram 16. Share of countries of destination in the volume of lactic acid exports from Russia in 2018, % of the volume of exports in value terms.

Source: calculations by Discovery Research Group.

Chapter 6. Forecast of lactic acid market development in Russia by 2021

According to the forecasts, the volume of the lactic acid market in Russia in 2019 will be 8 756.7 tons. It is expected that during the forecast period the market volume will gradually grow and by the end of 2021 will amount to 9 199.8 tons.

Table Forecast of market size of lactic acid in Russia in the years 2019-2021, tn.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Index** | **2018** | **2019** | **2020** | **2021** |
| **Market** | 8 419,9 | 8 756,7 | 8 931,8 | 9 199,8 |

Source: calculations by DISCOVERY Research Group

Diagram 17. Forecast of volume and growth rates of lactic acid market in Russia in 2019-2021, tn.

Source: calculations by DISCOVERY Research Group

The volume of lactic acid market in Russia in 2019 is expected to be $ 10 032,9 thousand, and by the end of 2021 will increase to $ 10 561,6 thousand.

Table 25. Forecast of lactic acid market volume in Russia in 2019-2021, $ ths.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Index** | **2018** | **2019** | **2020** | **2021** |
| **Market** | 9 637,3 | 10 032,9 | 10 243,8 | 10 561,6 |

**Source: calculations by DISCOVERY Research Group**

Diagram 18. Forecast of volume and growth rates of lactic acid market in Russia in 2019-2021, $ thousand,%.

**Source: calculations by DISCOVERY Research Group**

Chapter 7. Main events, trends and prospects of lactic acid market development in Russia

The demand for lactic acid is growing mainly in the food industry, where the additive is used as a preservative, acidity regulator, as a buffer substance and to impart a sour taste, improve the taste, smell and structure of products, enhancing microbiological quality by manufacture of a wide range of products.

Lactic acid market seems to be quite promising in the next few years. In addition to the market development through the use of lactic acid in the food industry, there is also a tendency to increase the use of acid also for technical purposes.

According to experts, lactic acid market will also grow due to its use by manufacturers of biopolymers. However, the food and beverage industry will continue to significantly stimulate the development of the market. Another field of development is use of lactic acid by manufacturers of pharmaceutical and hygiene products and food additives.

Global Market

The volume of the global lactic acid market was valued at $ 2.64 billion in 2018 and is expected to grow at an estimated average annual growth rate of 18.7% from 2019 to 2025. The global lactic acid market is expected to reach $ 8.77 billion by 2025.

The rapid expansion of the pharmaceutical industry due to the growing need for creams and medicines is expected to increase the demand in lactic acid during the forecast period.

The limiting factor of the market growth is the changeable unstable cost of raw materials. The cost of raw materials varies depending on the source of raw materials, their availability and production.

Lactic acid products are used for the manufacture of hygienic and cosmetic products in the field of personal hygiene and oral care due to their moisturizing, rejuvenating and antimicrobial properties. Some of the latest developments are production of solvents, biodegradable and biocompatible polymers and oxygen-containing chemicals.

The demand for lactic acid is expected to show a positive trend in the food and beverage industry due to its use as a flavoring and preservative.

The growth of the pharmaceutical industry in the US as a result of increased drug expenses is expected to have a positive impact on the growth of the lactic acid market.

Dry starch and lactic acid LLC

Today the only manufacturer of food lactic acid in Russia is SKiMK LLC (Zadubrovsky Plant of Dry Starch and Lactic Acid) which is located in the village of Zadubrovye of the Shilovsky district of the Ryazan region.

Lactic acid at a concentration of 40%, 50% and 80% is manufactured in Zadubrovye since 1958. It is used in the food industry, medicine, and cosmetology.