How to read Tridge market data: a case study for the Chinese mung bean market

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Introduction

Ethnic inflow and income growth across the globe has created new opportunities in global mungbean trade. However, exporters face fierce competition for these opportunities from key exporters like Myanmar, Ethiopia, Australia and the center of the mung bean trade, China.

Our exporters will need to seek out markets that offer premium returns and then out-compete exporters from other countries in the market. Understanding the market dynamics in the local country is essential to succeeding.

The case study below will showcase how to utilize our market data (domestic wholesale price data, import/export value, production volume, etc) to find key trends in the industry and discover relationships between markets.

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Key Takeaways

Mung bean price in the Chinese wholesale market is likely to remain high throughout the second half of 2021, prompting China to import more volume from other major exporters for its domestic market and maintaining their mung bean export industry.

- From 2020 to 2021, the wholesale price of mung beans in different regions of China increased. In Ya'an, Sichuan it increased by more than 13%, while in Jiangmen, Guangdong it increased by more than 33%
- Increasing domestic demand but rising domestic prices has caused China to increase its imports from other major exporters. At the same time, China continues to export large volumes to other countries
- One of the factors that pushed the price of mung beans rising was abnormal weather while China was experiencing more rain than normal
- Despite month to month demand from Hong Kong and Vietnam falling, China still remains their unrivaled largest supplier

Tridge's trade and domestic price data can give a full view of the market landscape and key regions to prioritize.

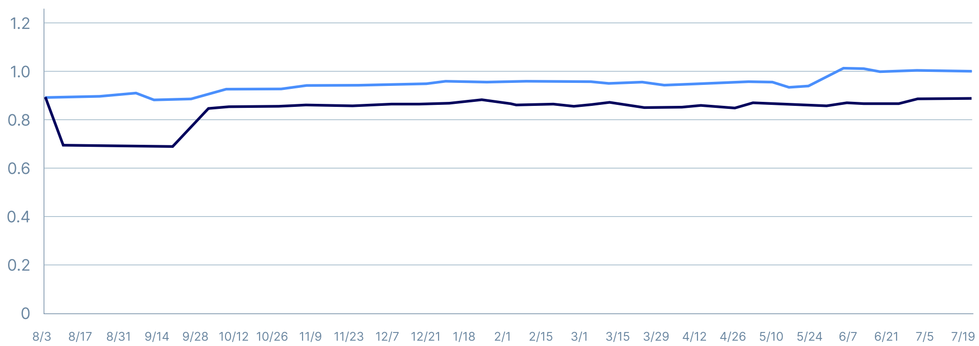
China’s export-import is driven by mung bean’s rising prices

The price of mung beans in China has been increasing since last year. In the Ya’an, Sichuan wholesale market, the price of mung beans have fluctuated slightly but overall have been quite stable. In the first quarter of 2021, prices remained in the range of 0.95 - 0.96 USD/KG, rising to 1.02USD/KG in the first week of June and staying pretty steady around the 1 USD/KG. The 2021 prices show an average 13.23% increase from last year, 0.89 USD/KG in August 2020 vs 1.01 USD/KG in August 2021.

In other markets, there was a more dramatic YoY price increase. For example, in Jiangmen, Guangdong, there was a 33.46% YoY increase in price, translating to a difference of more that 0.58 USD. This price increase was gradual, rising from 2.23 USD/KG in early March to 2.29USD/KG in late April, and peaking in mid June at 2.45 USD/KG. The price difference between 2020 and 2021 in the same months was most extreme from March to July, but still showed a difference of 2.33 USD/KG for the month of August.

Weekly price trends compared to the same period in the previous year

Type: **Weekly Price** · Period: **Past 12 months from Aug 02, 2021(W32), Aug 02, 2020(W32)**



PRICE ENTRY	AUG W1, 2021	AUG W3, 2020	% OF YOY PRICE CHANCE
Mung Bean China (Ya’an, Sichuan) / Wholesale	**$1,01** USD / kg, Aug 02, 2021 Aug 02, 2021 - Aug 09, 2021 (W32)	**$≈0.89** USD / kg, Aug 03, 2020 Aug 09, 2020 - Aug 16, 2020 (W33)	**+13.23%** ≈ 0.12USD

Chart 1. Mung Bean Prices in China (Ya’an, Sichuan) Wholesale Market

Weekly price trends compared to the same period in the previous year

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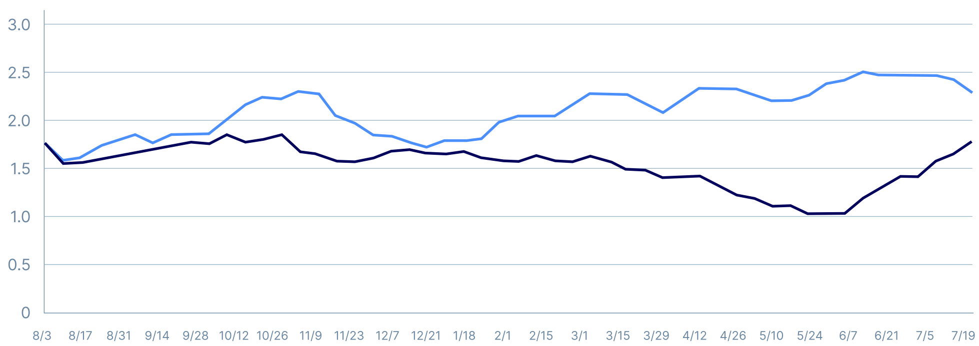

PRICE ENTRY	AUG W1, 2021	AUG W3, 2020	% OF YOY PRICE CHANCE
Mung Bean China (Jiangmen, Guangdong) / Wholesale	**$2.31** USD / kg, Aug 02, 2021 Aug 02, 2021 - Aug 09, 2021 (W32)	**$1.74** USD / kg, Aug 03, 2020 Aug 09, 2020 - Aug 16, 2020 (W33)	**+32.27%** ≈ 0.12USD

Chart 2. Mung Bean Prices in China (Jiangmen, Guangdong) Wholesale Market

In 2020, Japan was the 5th largest importer, responsible for 6.11% of the global market. Japanese demand for Chinese mung beans has been increasing in the first quarter of 2021, a total value of 36.9M USD for the first quarter vs 32.5M USD for the same period in 2020. In April 2021, Japan accounted for more than 42% of China's exports, or 36.9M USD. The US mirrored Japan's demand and has had their highest demand to date, importing 3.0M USD worth in March 2021, more than double the amount the same time last year. Exports to South Korea also grew with the export value in April 2021 exceeding the export value in April 2020 by over 60%. However, with the increased demand from other countries came Vietnam's decreased demand. The accumulated value in the first quarter of 2020 sat higher than 2021 by 7.2M USD.

Despite being the second largest exporter in the world, China is actually a net importer that relies on Uzbekistan, Ethiopia, and Myanmar for its domestic supply. Uzbekistan has shipped 46.9M USD YTD April 2021, Ethiopia 20.3M YTD April 2021, and Myanmar 15.6M YTD April 2021. It is worth noting that Myanmar experienced a sharp decrease in 2021 - around 85% from 15.6M in April 2020 to 1.8M USD in April 2021.

Monthly Mung Bean Exports from China Trends

Flow: **Export** · Dimension: **Value** · Exporter: **China** · Importer: **All** · Year: **2020-2021** · Unit: **USD thousands**

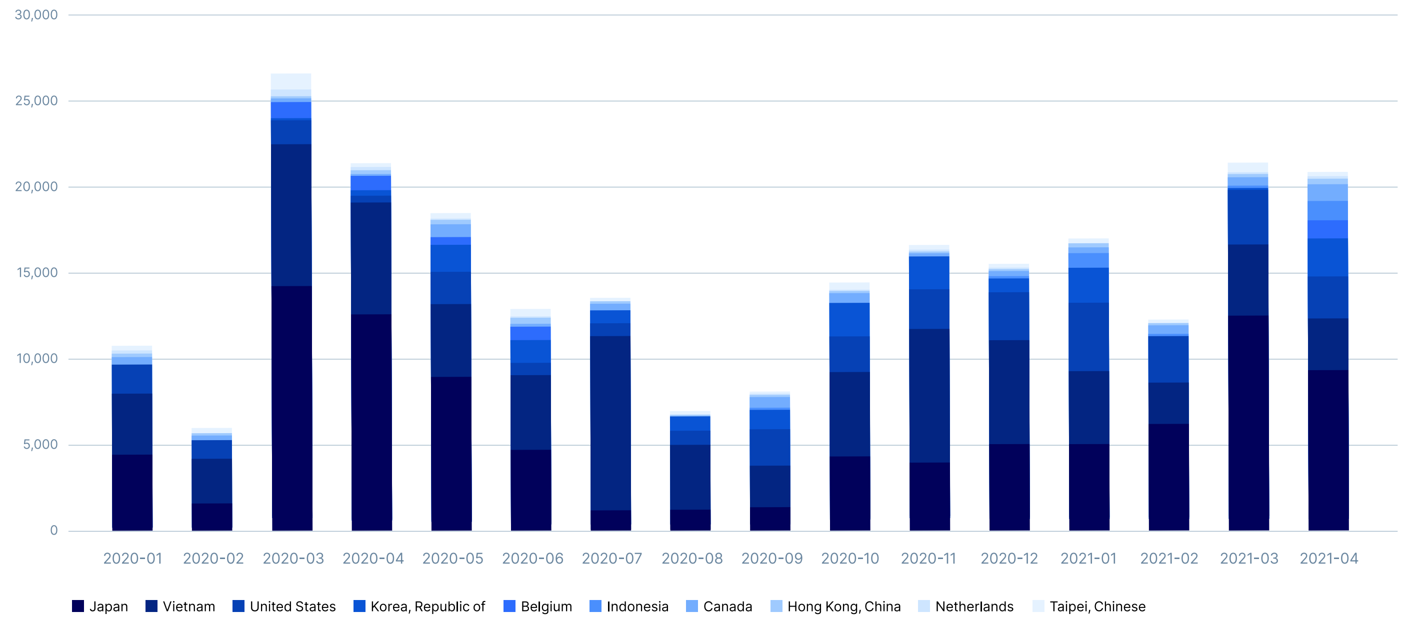

Chart 3. List of supplying markets for a product exported by China (Dried Shelled Beans, include mung beans) USD thousands

Source: ITC Trade Map

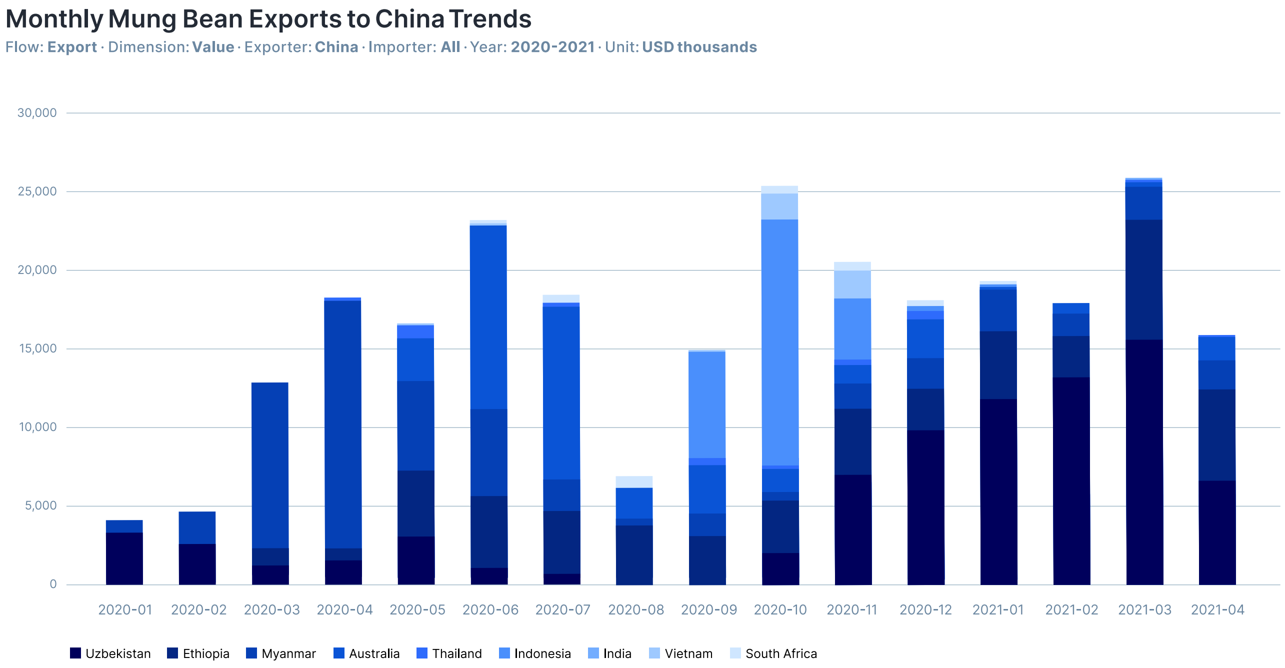

Chart 4. List of supplying markets for a product imported by China (Dried Shelled Beans, include mung beans) USD thousands

Source: ITC Trade Map

Meanwhile, Hong Kong, which relies heavily on China to meet domestic demands, shows lower import values towards April 2021 (242K USD). Hong Kong's demand has been highly inconsistent, reaching 419K USD in December 2020 and then dropping to 196K USD the next month. It is worth noting that although Hong Kong is known to re-export to countries like the US and Canada, the re-export of mung beans is too small to be of any significance.

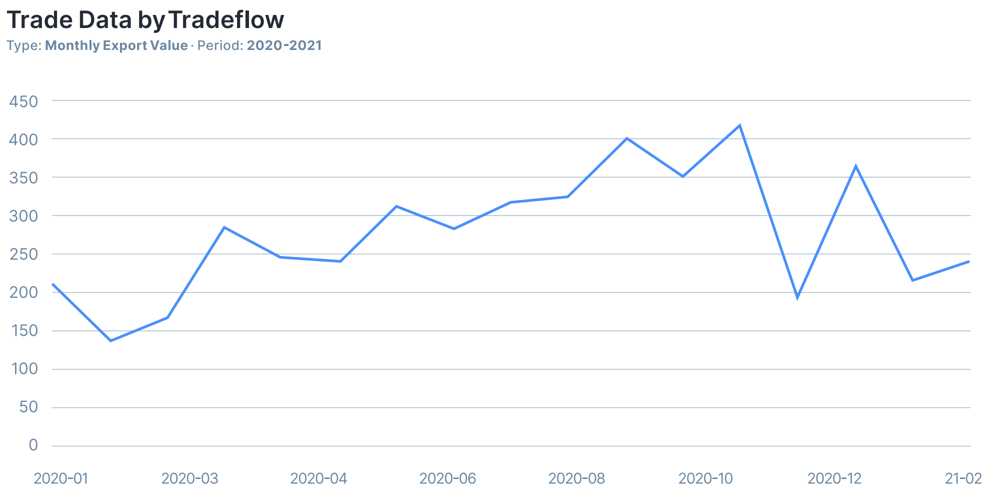

Chart 5. Trade Flow of China Export to Hong Kong (Product: 071331 Dried, shelled beans)

What happened to China's mung bean trade in mid-2021?

Domestic weather was one of the main factors that influenced mung bean production and price. There was more than average rainfall in the 3 month period ending June 20,2021 and increased to 109% of the average by August 10, 2021. With the increased rainfall decreasing harvested volumes, prices remained strong through the third quarter of the year.

Along with rising prices, overall global demand for Chinese mung beans increased but Vietnam, China's 2nd largest importer and the 3rd largest importer overall, has decreased their demand for Chinese mung beans, increasing their demand from other countries.

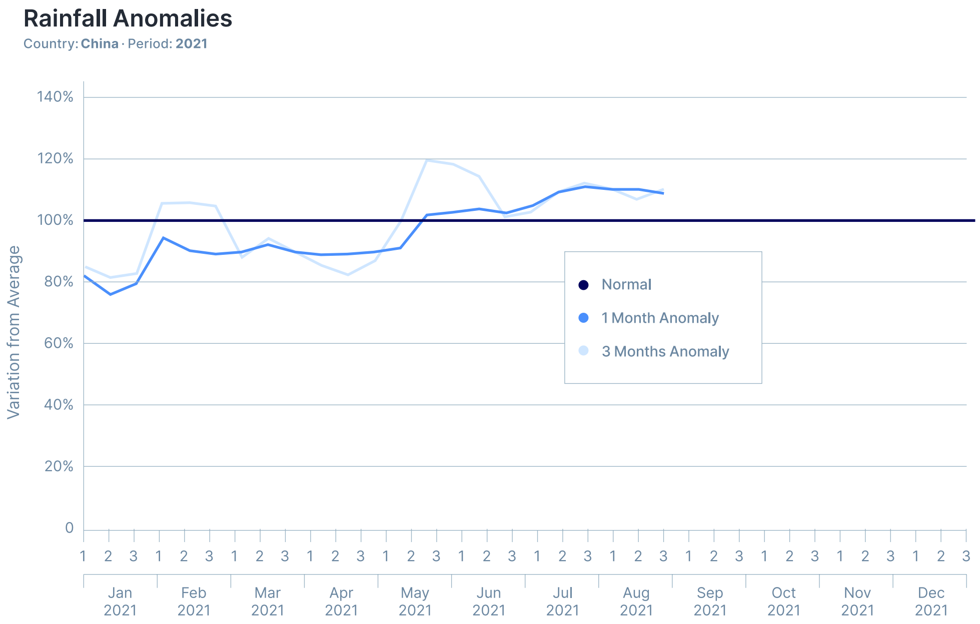

Chart 6. Rainfall Anomalies in China

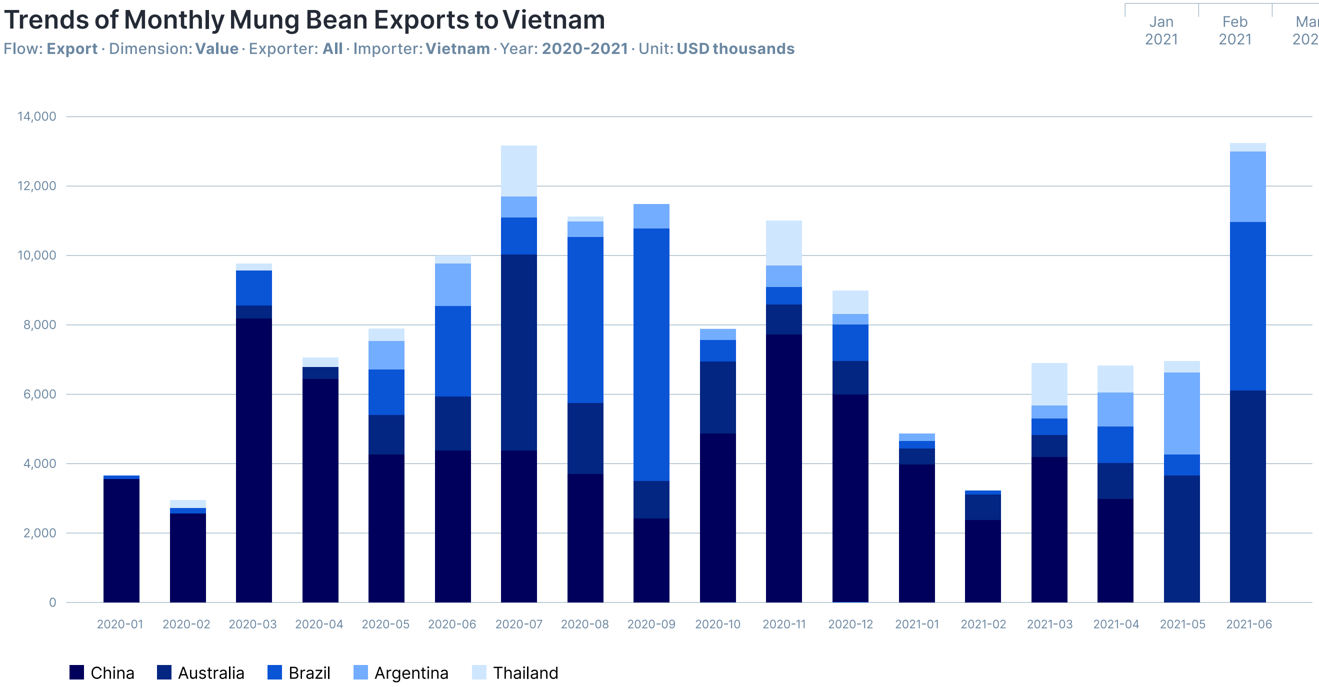

Chart 7. List of supplying markets for a product imported by Viet Nam (Dried Shelled Beans, include mung beans) USD thousands

Source: ITC Trade Map

Regardless of the decreased demand, China still holds the lion's share of the Vietnamese market. Australia and Brazil both increased their export to Vietnam in April 2021, but their export values are still nowhere near China's.

The Tridge market data is viewed from the following components:

1. Tridge's Domestic Wholesale Price YoY Change
2. Tridge's Monthly Export Price (Source: UN Comtrade)
3. Datasets from USDA which include Monthly Export Volume YoY Comparison and Recent Months
4. Recent News Crop-Production, Supply and End market consumption

Tridge provides market movement news and in-depth analysis of the landscape and key drivers of price fluctuations to ensure a full understanding of what affects the market and why.

- Tridge Data Analysis provides a snapshot of the market and provides updates on major price trends, helping you understand the landscape.
- More international coverage not only for the producing markets but also for the key importing markets of the commodity
- Real-time market-moving news of the industry including production updates, industry news, and trade news for local markets
- Premium data plan enables you to analyze the historical datasets and access all available market data.
- With a full package of datasets, you can analyze
  - Price volatility comparison
  - YoY price analysis
  - Price / Trade / Production: affecting each other and understanding key drivers of the notable market change