FOOD AND NUTRITIONAL

Supply Chain Outlook 2026

JULY - ISSUE 49













- Economic Outlook
- Vitamins & Minerals
- Premixes
- Granulations
- Microencapsulations

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A Wright Group Company

DISCOVER WHAT'S NEXT IN PROTEIN INNOVATION

Sample Our Product Concepts
BOOTH 2819
AT IFT FIRST

Formulated with:
WRIGHTPRO®
Custom Protein Blends





ECONOMY

- **UNITED STATES: GROWTH SLOWS AS COSTS PERSIST**
- **CHINA: EXPORTS OFFSET WEAK DOMESTIC DEMAND**

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Pricing Trends Key

- Price Increase
- Price Increase Due to Current Events
- Price Stable
- Price Decrease

United States

The United States economy remained on stable footing entering July, supported by 2.1% annualized GDP growth in the first quarter and continued strength in business investment, particularly in equipment, intellectual property, and AI-related infrastructure. While demand remains resilient, tariff-related cost pressures and elevated operating expenses continue to weigh on corporate margins.

Trade policy remains a key consideration for manufacturers and importers. Higher input costs continue to challenge profitability, reinforcing the need for sourcing diversification, procurement flexibility, and disciplined cost management across supply chains.

Hiring slowed during June, with the U.S. adding 57,000 jobs while the unemployment rate remained at 4.2%. Labor force participation also declined to 61.5%, its lowest level in more than five years, suggesting the labor market continues to cool. Businesses may see hiring become less competitive, while softer employment conditions could influence consumer spending in the months ahead.

Consumer purchasing power also remains under pressure, with wage growth of 3.5% continuing to trail inflation. Slower real wage growth is likely to encourage more value-conscious spending, particularly across discretionary categories, creating additional uncertainty for demand planning.

The U.S. economy continues to show resilience but is shifting toward a more moderate pace of growth. Labor market conditions, trade policy developments, and business investment will remain key factors shaping sourcing decisions, operating costs, and demand planning through the second half of 2026.

China

China's economy continues to slow through 2026, with GDP growth near 5.0% in Q1 and full-year projections of 4.5%–4.8%, slightly below 2025 levels. Growth remains heavily supported by exports, up approximately 14%–15% year-over-year, driven by high-tech manufacturing, electronics, and AI-related products, while consumer demand remains weak. Retail sales have softened, reflecting continued weakness in household spending and confidence. Business investment also remains subdued as fixed asset investment weakens amid cautious corporate spending and continued contraction in real estate.

Industrial production remains resilient, supported by export-oriented and high-tech manufacturing, with growth in the mid-single digits and manufacturing PMI readings near 50. However, production continues to outpace demand in many traditional industries, creating excess capacity, aggressive pricing, and rising trade tensions. China's elevated trade surplus continues to support overall growth.

The property market remains a major drag, with falling housing prices and construction activity weighing on household wealth, consumer confidence, and private investment. Policymakers continue encouraging lending and maintaining accommodative monetary policy, though demand for new credit remains weak. Inflation is very low, with deflationary pressures reflecting soft domestic demand, while unemployment is near 5.1%.

China continues to maintain a proactive fiscal stance alongside relatively loose monetary policy, though large-scale stimulus remains measured. Geopolitical tensions and higher energy costs are increasing manufacturing input costs and pressuring margins despite strong exports.

Demographic challenges persist, with continued population decline and no meaningful recovery in birth rates, reinforcing long-term concerns around labor supply, productivity, and economic sustainability..

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ECONOMY cont.

- **EUROZONE: SLOWER GROWTH, STABLE INFLATION OUTLOOK**
- **JAPAN: INVESTMENT AND WAGES DRIVE RECOVERY**

Eurozone

The Eurozone entered the second half of 2026 with slower economic growth, as first-quarter GDP contracted 0.2% quarter over quarter. The European Central Bank (ECB) projects 0.8% GDP growth for 2026, reflecting weaker manufacturing, softer business confidence, and ongoing geopolitical uncertainty. For supply chain operators, this points to a more subdued demand environment across the region.

Germany remains the Eurozone's primary industrial engine, but elevated energy costs and weaker manufacturing activity continue to slow the pace of recovery. While increased fiscal investment is expected to support long-term industrial growth, the benefits are likely to emerge gradually as projects move into execution.

Inflation eased during June, with headline HICP inflation declining to 2.8% and core inflation to 2.4%. Although price pressures are moderating, energy costs remain elevated compared with historical levels, keeping transportation, manufacturing, and logistics expenses under pressure. The ECB continues to take a cautious, data-dependent approach to monetary policy as it balances moderating inflation with weaker economic growth.

Geopolitical tensions in the Middle East continue to disrupt global energy markets and shipping routes through the Strait of Hormuz, contributing to freight volatility and higher input costs across food, agriculture, and industrial supply chains.

The Eurozone enters the second half of 2026 facing slower growth and continued geopolitical uncertainty. Energy prices, ECB policy decisions, and Germany's industrial recovery will remain key factors influencing sourcing costs, logistics networks, and supplier capacity in the months ahead.

Japan

Japan's economy is showing modest expansion in 2026, recovering from the 2.3% contraction in 2025. Growth remains subdued, but business investment has begun to stabilize through corporate capital spending and government initiatives supporting domestic production and supply chain resilience. Consumer spending is also improving gradually, though households remain cautious amid elevated prices and global uncertainty.

Inflation has moderated but remains near the Bank of Japan's 2% target, allowing the BOJ to continue gradually normalizing monetary policy. Additional rate increases are expected to remain measured and dependent on inflation and wage growth.

Wage growth continues to strengthen following solid annual negotiations, supporting household incomes and consumer spending. Energy-related inflation has eased compared to 2025, reducing pressure on businesses and consumers, though higher food prices continue to contribute to inflation.

Employment remains strong, with unemployment near 2.5%. A tight labor market, rising participation, and persistent workforce shortages support wage growth while creating long-term challenges for employers. External pressures remain, including slower demand from China, regional manufacturing overcapacity, and shifting trade policies affecting Japan's export-driven manufacturing and automotive sectors. Yen volatility continues to influence import costs, export competitiveness, and pricing.

Targeted fiscal support remains in place for households, businesses, and strategic industries, while policymakers increasingly emphasize sustainable private sector-led growth. Investment in semiconductors, advanced technologies, and supply chain resilience remains central to Japan's long-term competitiveness.

Global Growth Slows as Regional Pressures and Policy Challenges Diverge

Market movement YTD as of 7/9/2026:

- DJIA: 9.20%
- S&P 500: 10.20%
- NASDAQ: 12.76%

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GLOBAL

CURRENT EVENTS

- OIL SUPPLY CONCERNS DECLINE ACROSS KEY ROUTES
- VITAMIN PRICING RISES AMID SUPPLY CONSTRAINTS

Oil Markets Stabilize

- **Shipping activity through the Strait of Hormuz has largely resumed,** helping restore crude oil flows and reduce supply concerns. Brent crude prices have returned to near pre-conflict levels as OPEC+ members continue increasing production and global inventories recover.

- While geopolitical risks remain, moderating energy prices are helping ease inflationary pressures and improve cost outlooks for transportation, manufacturing, and logistics.

Global Supply Chain Pressures Continue to Ease

- **The Federal Reserve Bank of New York reported a notable improvement in global supply chain conditions during June.** The Global Supply Chain Pressure Index declined significantly as shipping disruptions related to recent Middle East conflict subsided and transportation networks normalized.

- Shorter delivery times, improved logistics performance, and easing freight constraints suggest supply chains are becoming more resilient heading into the second half of the year, although conditions remain above long-term historical averages.

China–U.S. Trade Tensions Persist

- **Economic tensions between the United States and China continue to shape global supply chains.** China has expanded enforcement of its Anti-Foreign Sanctions Law in response to U.S. sanctions targeting Chinese companies involved in Iranian oil trade, creating increasingly complex compliance requirements for multinational businesses.

- Ongoing trade restrictions, export controls, and competing regulatory frameworks continue to encourage supply chain diversification and accelerate efforts to reduce dependence on a single manufacturing region.

G7 Launches Critical Minerals Initiative

- **G7 leaders have introduced a new Critical Minerals Action Plan aimed at strengthening supply chains** for materials essential to semiconductors, electric vehicles, batteries, clean energy technologies, and defense manufacturing. The initiative focuses on diversifying sourcing, increasing investment among allied nations, and establishing coordinated responses to future supply disruptions. .

Vitamins:

- **Vitamin markets continue to experience upward pricing pressure,** particularly across Vitamins A, E, B1, B3, B5, and B9, as tighter supply, strong demand, and higher raw material and energy costs drive increases. Vitamin C pricing is also trending upward, though existing inventory continues to keep current market prices relatively low. Demand from the personal care, food, beverage, and supplement industries remains strong, supporting elevated activity across several key vitamin categories.

- **Vitamin D, B2, B6, B7, B12, and K remain generally stable,** supported by adequate supply and softer demand in select markets. While pricing has stabilized across several categories, manufacturers continue monitoring supply availability, production capacity, and raw material costs as market conditions evolve.

Supply Chain Pressures Influence Global Nutrient Pricing

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FAT SOLUBLE

VITAMINS

Trending Vitamins:

- **VITAMIN K**
- **VITAMIN D**
- **VITAMIN B**
- **VITAMIN C**

Vitamin A: Producers have pulled back, creating tightness in supply and pushing pricing upwards.

Vitamin D: Pricing remains stable amid weak demand.

Vitamin E: Pricing for both synthetic and natural versions are on the rise. Increases in raw material costs and energy prices are major contributing factors.

Vitamin K: Current pricing for vitamin K1 is stable.

Pricing Trends Key

- Price Increase
- Price Increase Due to Current Events
- Price Stable
- Price Decrease
- Price Stable to Rising
- Price Stable to Decrease

Vitamin Pricing Pressures **Continue Rising** Amid Supply Constraints





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WATER SOLUBLE

VITAMINS CONT.

Trending Vitamins:

- VITAMIN K
- VITAMIN B
- VITAMIN D
- VITAMIN C

Vitamin C: Pricing is on the rise and expected to continue increasing. Many suppliers have been selling at a loss due to overcapacity for a significant period of time so pricing is on the rise but prices for existing inventory remain at low levels.

Vitamin B1 (Thiamine): Both Mono and HCL versions are experiencing some increase in pricing and supply is currently tight.

Vitamin B2 (Riboflavin): Riboflavin USP and food grade pricing remains stable.

Vitamin B3 (Niacin/ Niacinamide): Niacin/ Niacinamide pricing has increased over the past few months. Demand remains strong amid continued growth in the personal care space. Additional capacity coming online should help stabilize pricing but in the short terms prices are inlfated.

Vitamin B5 (Calcium Pantothenate): B5 pricing has increased but still at very low levels. Historically prices tend to be volatile with this ingredient..

Vitamin B6 (Pyridoxine): B6 pricing remains stable at low levels.

Vitamin B7 (Biotin): Prices have stabilized amid weak demand.

Vitamin B9 (Folic Acid): Pricing has been increasing amid tight supply.

Vitamin B12 (Cyanocobalamin) The B12 market remains stable with ample supply.

Pricing Trends Key

- Price Increase
- Price Increase Due to Current Events
- Price Stable
- Price Decrease
- Price Stable to Rising
- Price Decrease to Stable



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MINERALS

- MOST MINERALS REMAIN STABLE
- STABLE PRICING, BUT SLOWER AVAILABILITY

Trending Minerals

- Copper
- Magnesium Citrate
- Calcium Carbonate
- Zinc Citrate

Calcium Carbonate: Visit the Granulations section on page 11 for more information about our directly compressible version of SuperTab® oyster shell calcium carbonate.

- SuperTab® Oyster Shell Granulation (OSG) 2000 AM
- SuperTab® Oyster Shell Granulation 2100 Malto
- SuperTab® Oyster Shell Granulation 2300 Acacia

Copper: Despite tight supply, prices have stabilized amid weak demand.

Iron: Iron prices are stable, and supply is available.

Electrolytes

Calcium: Calcium prices are stable.

Magnesium: Magnesium market price and supply are stable.

Potassium: Potassium prices and availability are stable.

Phosphorus: Pricing is stable.

Sodium: Sodium prices have stabilized.

Zinc

Zinc prices and availability remains stable.

Zinc Gluconate: The price of Zinc Gluconate is stable however, lead times remain long.

Zinc Oxide: Prices for Zinc Oxide is stable.

Zinc Sulfate: Zinc Sulfate prices remain stable; however, lead times remain long.

Zinc Ascorbate: The price of Zinc Ascorbate is stable.

Zinc Citrate: Prices have stabilized.

Pricing Trends Key

- Price Increase
- Price Increase Due to Current Events
- Price Stable
- Price Decrease
- Price Stable to Rising
- Price Decrease to Stable

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MINERALS CONT.

- MOST MINERAL PRICES REMAIN STABLE
- SOME MINERAL LEAD TIMES AFFECTING AVAILABILITY

Chelates

Zinc Amino Acid Chelate: Prices are stable.

Zinc Bisglycinate Chelate: Prices for zinc bisglycinate are stable.

Zinc Glycinate Chelate: Zinc Glycinate is experiencing longer than average lead times, but prices remain stable.

Copper Glycinate Chelate: Copper Glycinate prices are stabilizing amid weak demand.

Manganese Amino Acid Chelate: Manganese Amino Acid prices are starting to increase from strong demand.

Trace Minerals

Chromium: Chromium prices remain stable.

Molybdenum: The Molybdenum market is experiencing longer than normal lead times, but prices are remaining stable.

Selenium: Prices are stable.

Pricing Trends Key

- Price Increase
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- Price Stable
- Price Decrease
- Price Stable to Rising



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PREMIXES

- MANUFACTURERS ARE SWITCHING TO PREMIXES
- CUSTOM PREMIXES SIMPLIFY NUTRIENT PROCUREMENT

Custom Nutrient Premixes

More and more manufacturers are switching to vitamin and mineral premixes. Premixes consolidate multiple nutrients into a quality-assured, single-step ingredient and deliver economies of scale by simplifying ingredient procurement from a single source.

SUPERBLEND®
Custom Nutrient Premixes

TWG SuperBlend®

Our value-added SuperBlend® custom nutrient premixes deliver performance and stability in high temperature and shear processes in a variety of food and beverage products, including:

- Extruded bars
- Gummy supplements
- Breakfast cereals
- Ready to drink beverages
- Beverage mixes



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MICROENCAPSULATION

- AN EFFECTIVE METHOD OF MASKING UNWANTED FEATURES
- DELIVER A WIDE-RANGE OF FUNCTIONAL INGREDIENTS



Microencapsulation Technology

Vitamins, minerals, and other nutrients possess unique characteristics that can affect the appearance, color, and odor of the final product. Microencapsulation is an effective method of masking unwanted sensory characteristics while maximizing nutrient function.

SuperCoat®, our most recent innovation using our proprietary SMART™ process, envelops particles at the microscopic level in a protective shell. This value-added coating technology delivers superior performance and stability of essential nutrients for a wide range of multi-functional ingredients.



Trending Microencapsulated Nutrients:

- Vitamin C
- Vitamin B5 (Calcium Pantothenate)
- Vitamin B9 (Folic Acid)

With a diverse portfolio of products, **TWG Health + Nutrition** is one of only a select group of manufacturers with the technology and resources to deliver independent manufacturing of custom premixes, microencapsulated nutrients, and granulations.

Our comprehensive supply chain and extensive list of pre-qualified ingredients allows us to react quickly to changing market trends and help you keep up with consumer demand. We also understand that superior service is just as important as technology and expertise. That's why we provide you with prompt quotations, technical assistance, and support documentation to help you efficiently deliver your products on time. Contact us today to talk to one of our experts about your project needs or ask about any ingredients not listed here.

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GRANULATIONS

- DELIVER ESSENTIAL NUTRIENTS IN GRANULAR POWDERS IDEAL FOR HIGH SPEED TABLETING
- CAN BE INCORPORATED INTO DRUM-TO-HOPPER TABLET BLENDS



Granulations

Rather than outsource granulations from a third-party manufacturer, TWG Health + Nutrition has committed to developing technologies and processes in-house to effectively and efficiently manufacture **SuperTab® direct compressible granulations**.

SuperTab® granulations deliver essential nutrients in uniform, free-flowing, granular powders ideal for high speed tableting processes. As usual TWG Health + Nutrition combines quality, innovation and superior knowledge to make sure your product is the best it can be. Ask about our granulation capabilities today!



Trending Granulations:

- Glucosamine
- Chondroitin
- Vitamin C

Oyster Shell Granulation

SuperTab® Oyster Shell calcium carbonate is sourced from an above sea level deposit, characterized as fossilized oyster shell beds. These oyster shell beds have been thoroughly vetted over the past ten years with testing of the material both analytically and physically to insure consistency and purity. TWG Health + Nutrition sources the high purity genuine shells exclusively from a domestic supplier.

Contact us today to get started on your next dietary supplement product containing calcium carbonate granulations. Insist on SuperTab® Oyster Shell authenticity in your formulation.

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Custom protein formulations
to address specific
functional needs.



POWERING YOUR NEXT FORMULATION

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