



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT January 18, 2020

The week finished with a bit of a bang and pushed prices up on Friday. Corn jumped by about USD 5 on Friday to finish the week up by only about USD 1 m/t. Soybeans didn't have quite a strong a Friday and ended up the week down by about USD 6 m/t. Soymeal wasn't quite as bad and only dropped by about USD 3 m/t. There was very little change in wheat prices, but soft red winter wheat did manage to move up by a couple of dollars m/t.

Corn prices seemed to rally higher on some Chinese corn business being reported and the chance that there will be more. However, some experts feel that most of China's corn business will go to Brazil as soon as they harvest the current crop. With the corn market being down for most of the week it looks like buyer found a price point on Friday, bought some corn and pushed prices higher.

Soybeans were still locked in a US/China trade argument – will there be business, will there not, when will it be – should we be long or short. Overall it looks like the shorts took the best position and soybeans didn't rally much. With the start of any China business still a little in the future, the feeling is that soybean prices will just drift around until something new and exciting happens.

And with wheat, there was not too much to report. Black Sea wheat prices continue strong which is good for US export sales and on the US domestic side there is not much happening to wheat there day to set a new trend in prices. Looks like all quiet for a bit.

Monday is a holiday in the US so the week will start very quietly.

### **Estimated Bulk Grain Freight in USD per m/t, basis heavy grains**

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17/18.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$17/18.00		x
US Gulf Israel: 50,000 m/t	\$29/30.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Up \$1.00	x
US Gulf Turkey: 50,000 m/t	\$30/31.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$35/36.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00		X
US Gulf Nigeria: 30,000 m/t	\$57/58.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$41/42.00		X
US Gulf South Africa: 45,000 m/t	\$45/46.00	Up \$1.00	X
US Gulf Japan: Panamax	\$46/47.00	Up \$1.00	X
US Gulf China: Panamax	\$45/46.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$25/26.00	Up \$1.00	X
US PNW China: Panamax	\$24/25.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$41/42.00		X



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France/Germany to China: 50,000 m/t	\$37/38.00		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		x
France/Germany to India: 50,000 m/t	\$29/30.00		X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00		X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$17/18.00	Up \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$32/33.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$44/45.00		X
France/Germany to Turkey: 35,000 m/t	\$19/20.00		X
France/Germany to Yemen: 30,000 m/t	\$52/53.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$33/34.00		X
Argentina to China: 50,000 m/t, with top-off	\$36/37.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00		X
Argentina to Egypt: 50,000 m/t	\$28/29.00		X
Argentina to Europe: 50/60,000 m/t	\$28/29.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00		X
Argentina to Jordan: 50,000 m/t	\$45/46.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$44/45.00		X
Argentina to South Africa 50,000 m/t	\$44/45.00		X
Argentina to Spain: 50,000 m/t	\$28/29.00	Up\$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$33/34.00		X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$45/46.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$31/32.00		X
Brazil to Morocco: 25/30,000 m/t	\$40/41.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$46/47.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$31/32.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$32/33.00		X
Australia to China: 40-55,000 m/t – round trip	\$20/20.50		x
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50		x
Australia to Saudi Arabia: 40-55,000 m/t	\$34/35.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$35/36.00		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Down \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$23/24.00	Down \$2.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Down \$3.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00	Down \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$37/38.00	Down \$3.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	Down \$2.00	X
Black Sea to Europe: 50,000 m/t	\$24/25.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$24/25.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$29/30.00	Down \$3.00	X
Black Sea to South Africa – 30,000 m/t	\$44/45.00		X
Black Sea to Turkey – 30,000 m/t	\$17/18.00		X



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Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00		X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	754	Down 20	X
Baltic Capesize Index (100,000 plus DWT)	712	Down 354	X
Baltic Panamax Index (60,000 to 80,000 DWT)	870	Up 99	X
Baltic Supramax Index (50,000 to 60,000 DWT)	560	Down 10	X
Baltic Handisize Index (25,000 plus DWT)	379	Down 73	X

FOB port or location specified. Prices in US\$, in metric tons:  
All shipments in bulk grain vessels unless stated otherwise  
(NOLA is New Orleans, Louisiana, USA.)

ALL PRICES ARE FOR February 2020/April 2020

Wheat, USA Soft Red Winter, US Gulf	USD 261/264	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 233/236	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 219/221	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 223/226	X
Wheat, Romania 12.5 pro	USD 220/223	X
Wheat, Superior, France, Rouen	USD 220/222	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 211/214	X
Wheat, feed, Black Sea	USD 216/219	X
Barley, France, Rouen port	USD 189/191	X
Barley, feed, Argentina, up river	USD 184/187	X
Barley, feed, Black Sea, 30,000+	USD 189/192	X
Corn, 2YC FOB NOLA USA	USD 179/181	X
Corn, 3YC FOB USA Pacific northwest	USD 199/201	X
Corn, FOB Argentina port, upriver	USD 185/187	X
Corn, FOB Brazil port	USD 190/193	X
Corn, FOB France – Atlantic	USD 194/196	X
Corn, FOB Romania	USD 177/180	X
Corn, FOB Russia	USD 196/199	X
Corn, FOB Ukraine, 30,000+ m/t	USD 181/184	X
Sorghum, FOB Argentina port	USD 143/146	X
Sorghum, FOB Texas	USD 185/188	X
Soymeal, 48% protein, FOB NOLA	USD 338/341	X
Soymeal, 48% protein, USA, Rotterdam	USD 363/366	X
Soymeal, Argentina, Rotterdam	USD 363/366	X
Soymeal, 47% pro, FOB Argentina	USD 332/335	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 353/356	X
Soymeal, 48% protein, FOB Brazil	USD 323/326	X
Soybeans, FOB NOLA	USD 368/371	X
Soybeans, Argentina, FOB	USD 371/374	X
Soybeans, Brazil, FOB	USD 366/369	X
Soybeans, Black Sea	USD 367/370	X



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Corn Gluten Meal, USA FOB NOLA	USD 545/550 m/t <b>Trade says prices are actually about USD 30 m/t higher</b>	X
Corn Gluten Feed, USA FOB NOLA	USD 210/213 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 215/220 m/t	X

US corn gluten meal prices are reported to have taken a big jump this week due to the end of fishing in Peru and the resulting shortage of high protein products. According to the Jacobsen report the prices seen in the US are up by at least USD 50 m/t – while fishmeal is up by USD 200 m/t. It doesn't look like US CGM will be very affordable for the next few weeks/months.

DDGS prices were a little higher this week as corn prices moved up. The DDGS export business was very quiet, perhaps due to Chinese New Year or perhaps due to the higher prices. Export container prices to Asia are also reported as higher so that too would slow buyer a little.

Corn gluten feed did very little this week with prices remaining about where we were last week but if corn continues higher then CGF will follow.

There was also concern in the US this week with aflatoxin levels in corn and how this might push levels up in Corn Gluten Meal and Corn Gluten Feed – this could mean higher prices for CGM and CGF that can meet the required aflatoxin import levels of some countries.

Also, the US grain crushing report was issued for November and showed total US production for November of corn gluten meal at 90,000 m/t, corn gluten feed at 272,000 m/t and DDGS at 1.88 million m/t.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 340/350 m/t CNF Asia
Australian MBM 50% protein	USD 370/380 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 410/420 m/t CNF Asia
Australian Poultry Meal, pet food	USD 630/640 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 450/460 m/t CNF Asia USD 380/400 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 380/400 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/620 m/t CNF Asia

USA export meat and bone meal prices moved just a little higher this week with some sellers expecting higher prices to come – this on the assumption that Mexico will be back in the beef MBM market. Australian and New Zealand export prices were about unchanged for all animal proteins.

We will have to see if the increase in fishmeal prices has any effect on animal protein export prices. Not being a nutritionist, I don't know if animal proteins can be used easily in place of fishmeal but if they can then this should put some upward pressure on export prices.

The US domestic market was quiet – not much happening at all and experts are saying that it should be like that for a few weeks as there is nothing much new to move market prices.



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## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Well, the fishing season is now over in the North of Peru with the officials cutting off the season. It looks like the total catch is going to be just over 1 million m/t which leaves almost 1.8 mm/t uncaught --- quite a shortfall.

The instant reaction to the end of fishing was a quick spike higher in prices with some saying the prices have jumped by as much as USD 200 m/t. Of course, if there is nothing to sell, then prices can go wherever they like.

The fishing was stopped as the juvenile level recorded by Imarpe was from 79% to 97% -- much too high for "sustainable" fishing. Imarpe is planning their next assessment cruise in mid-February to determine how things look for the fishing season starting in April.

So, looking at the current situation, about 240,000 m/t of fishmeal produced which is not even enough to cover the existing sales on the books. Where will the buyers be able to replace this shortfall and cover continuing needs. Needless to say, there is going to be a run up in fishmeal and similar protein prices for the next few weeks/months.

It was mentioned in the trade that North Atlantic producers have pulled out of the market and are not offering any fishmeal to anyone.

If you don't have your fishmeal needs covered today, then good luck trying to find supply and if you do find anything it will be at a premium price.

## PERU "INDICATION" FISHMEAL PRICES:

### European fishmeal prices – FOB North German port.

**The Europe prices from my normal source do not show the jump in prices yet that are reported in the market – if the trade reported prices are correct then the ones shown below are at least USD 100 m/t too low.**

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,565
Danish fishmeal	64% protein	1,375
Peru fishmeal	64% protein	1,450
Chile fishmeal	67% protein	1,500
Iceland fishmeal	70% protein	1,590

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS  
Minimum shipment of 200 m/t for fishmeal

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1250/1270 m/t	



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67% protein standard steam	1350/1360 m/t	
67% protein 150 TVN	1400/1410 m/t	1500/1530 m/t
67% protein 120 TVN	1450/1460 m/t	1550/1560 m/t
67% protein 1000 hist, 120 TVN	1500/1510 m/t	1600/1650 m/t
68% protein 500 hist, 120 TVN	1600/1620 m/t	1700/1750 m/t
Fish oil, crude bulk	2300/2350	
Fish oil, crude drums	2350/2400	
Fish oil, flexi tank	2450/2500	
Fish oil, Omega 3: 28%EPA/DHA	No prices	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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