



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT January 23, 2021

So, how did the futures markets react this week: corn prices down by USD 12 to 14 m/t, soybean prices down by USD 38 to 40 m/t, soymeal down by USD 40 m/t, spring wheat down by about USD 11 m/t with winter wheat down by USD 15 for soft winter and USD 11 for hard winter. That is an impressively down week.

Much of the talk about the futures collapse centers on the upcoming huge crops in South America and the over exposure of investment funds to long positions. Prices started the day weaker in Europe and that got the CBOT all geared up for a drop. Once the longs started to sell out then it was like dominos and prices just moved lower and lower. There were some comments in the trade that the bull market in grain could be ending and that we may see a period of prices drifting lower.

Looking at the new crop South American corn prices it is easy to see why the rally in the US could be coming to an end. Once we get some South American corn in the mix prices will be lower and the export business that the US has picked up as usual this time of year will just go back to Brazil and Argentina.

Much better weather in South America is making its soybean crop look even better with record production levels, that may have been in question, now seeming quite likely. US soybean exports were good again this week and year to date exports are well above targeted levels.

Wheat prices followed other grains lower but there were export worries with US wheat as it seemed to have gotten a little too expensive to compete in some areas. The drop in prices for wheat may not continue as the Russian wheat export tax may help to keep world prices firm.

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

Price change is based on a two week period due to the missing report last week.

US Gulf to Europe: Panamax (10,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf Israel: Panamax m/t	\$33/34.00	Up \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$33/34.00	Up \$2.00	X
US Gulf Turkey: Panamax m/t	\$34/35.00	Up \$2.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$44/45.00	Up \$3.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$43/44.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$43/44.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$43/44.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$35/36.00	Steady	X
US Gulf Japan: Panamax	\$46/47.00	Up \$3.00	X
US Gulf China: Panamax	\$45/46.00	Up \$3.00	X
US PNW South Africa – 40,000 m/t	\$35/36.00	Steady	X
US PNW Japan: Panamax	\$27/28.00	Up \$2.00	X
US PNW China: Panamax	\$26/27.00	Up \$2.00	X
US East Coast Egypt: Panamax	\$28/29.00	Steady	X



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US East Coast Nigeria: Handisize	\$43/44.00	Up \$2.00	X
US Lakes – Europe – 30,000 m/t	Closed		X
US Lakes – Morocco – 30,000 m/t	Closed		X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$20/21.00	Steady	X
France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	Steady	X
France/Germany to China: Panamax	\$40/41.00	Steady	X
France/Germany to Egypt: Panamax (10,000 dis)	\$18/19.00	Steady	X
France/Germany to India: Panamax	\$35/36.00	Steady	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$40/41.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$23/24.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$39/40.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$41/42.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$24/25.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$55/56.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Steady	X
Argentina to China: Panamax, with top-off	\$42/43.00	Up \$4.00	X
Argentina to Japan: Panamax, with top-off	\$41/42.00	Up \$4.00	X
Argentina to Egypt: Panamax	\$29/30.00	Steady	X
Argentina to Europe: Panamax	\$20/21.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$28/29.00	Steady	X
Argentina to Libya: 25/30,000 m/t	\$33/34.00	Steady	X
Argentina to Jordan: Panamax	\$40/41.00	Steady	X
Argentina to Saudi Arabia: Panamax	\$40/41.00	Steady	X
Argentina to South Africa: Panamax	\$27/28.00	Steady	X
Argentina to Spain: Panamax	\$20/21.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$35/36.00	Up \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	Steady	X
Brazil to China: Panamax	\$36/37.00	Up \$4.00	X
Brazil to Japan: Panamax	\$37/38.00	Up \$4.00	X
Brazil to Europe: Panamax	\$26/27.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$32/33.00	Up \$1.00	X
Brazil to Iran: Panamax	\$41/42.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00	Up \$1.00	X
Brazil to Spain: Panamax	\$26/27.00	Steady	X
Brazil to Turkey/Egypt: Panamax	\$31/32.00	Steady	X
Australia to China: Panamax – round trip	\$16/17.00	Steady	X
Australia to Japan: Panamax – round trip	\$35/35.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$39/40.00	Up \$2.00	X
Ukraine to China: Panamax	\$30/31.00	Steady	X
Ukraine to Bangladesh, Panamax	\$45/46.00	Up \$1.00	X
Ukraine to India, Panamax	\$37/38.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$32/33.00	Up \$9.00	X
Ukraine to Turkey: coaster (1,000 disch)	\$24/25.00	Up \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/33.00	Up \$6.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$18/19.00	Up \$3.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$19/20.00	Up \$2.00	x



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Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Up \$9.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$47/48.00	Up \$5.00	X
Black Sea to Iraq: Panamax (4,000 disch)	\$45/46.00	Up \$1.00	X
Black Sea to Iran: Panamax	\$34/35.00	Steady	X
Black Sea to Europe: Panamax (8,000 disch)	\$21/22.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$22/23.00	Up \$1.00	X
Black Sea to Spain: Panamax (8,000 disch)	\$21/22.00	Steady	X
Black Sea to Jordan: Panamax (5,000 disch)	\$24/25.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$28/29.00	Down \$4.00	X
Black Sea to Turkey – 30,000 m/t	\$17/18.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$30/31.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Steady	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1810	Up 56	x
Baltic Capesize Index (100,000 plus DWT)	2970	Up 77	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1659	Up 43	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1142	Up 56	X
Baltic Handisize Index (25,000 plus DWT)	670	No info	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 January 2021/March 2021

Wheat, USA Soft Red Winter, US Gulf	USD 283>>273	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 280/283	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 294/297	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 296/299	X
Wheat, Romania 12.5 pro	USD 293/296	X
Wheat, Superior, France, Rouen	USD 286/288	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 281/284	X
Wheat, feed, Black Sea	USD 293/296	X
Barley, France, Rouen port	USD 268/270	X
Barley, feed, Argentina, up river	USD 229/232	X
Barley, feed, Black Sea, 30,000+	USD 247/250	X
Corn, 2YC FOB NOLA USA	USD 233>>229	X
Corn, 3YC FOB USA Pacific northwest	USD 253>>246	X
Corn, FOB Argentina port, upriver	USD 238>>225 new crop	X
Corn, FOB Brazil port	USD 261>>231 new crop	X
Corn, FOB France – Atlantic	USD 278/280	X
Corn, FOB Romania	USD 268/271	X
Corn, FOB Russia	USD 267/270	X
Corn, FOB Ukraine, 30,000+ m/t	USD 261/264	X
Sorghum, FOB Argentina port	USD 224>>201 new crop	X
Sorghum, FOB Texas	USD 326/329	X



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Soymeal, 48% protein, FOB NOLA	USD 511>>503	X
Soymeal, 48% protein, USA, Rotterdam	USD 536>>528	X
Soymeal, Argentina, Rotterdam – spot	USD 560/563 spot	X
Soymeal, 47% pro, FOB Argentina	USD 494>>464 new crop	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 565/568 spot	X
Soymeal, 48% protein, FOB Brazil	USD 506>>468 new crop	X
Soybeans, FOB NOLA	USD 525>>518	X
Soybeans, Argentina, FOB	USD 532>>500 new crop	X
Soybeans, Brazil, FOB	USD 520>>508 new crop	X
Soybeans, Black Sea	USD no prices	
Corn Gluten Meal, USA FOB NOLA	USD 790/810 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 260/265 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 320>>310 m/t	X

Corn byproduct prices are crazy these days as lower ethanol production and strong buyer demand keeps prices very firm.

It is expected that prices could ease off a little next week due to the drop in soymeal prices this week but there doesn't much look to be any seriously lower prices over the next couple of months. The US Grains Council Report this week mentioned that DDGS prices have increased by 47% during the 2020/21 marketing year. The USGC also highlighted how difficult it is to obtain any container freight for corn by products from the US with container lines not willing to book any further than 4 weeks out. Needless to say, export shippers are having to build a chunk of risk premium into any prices indicated after February.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 500/520 m/t CNF Asia
Australian MBM 50% protein	USD 550/570 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 570/580 m/t CNF Asia
Australian Poultry Meal, pet food	USD 950/970 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 540/550 m/t CNF China
	USD 560/720 to Indonesia
USA Feathermeal, 80% protein	USD 680/700 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 500/510 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 980/1,000 m/t CNF Asia

The Jacobsen Report this week notes that beef meat and bone meal to Indonesia has priced as high as USD 745 m/t CNF. Mixed animal MBM is running about USD 200 m/t lower. Lower production of animal protein in Australia is also helping to move prices higher.

For the US market, all prices are firm as the protein market moves higher everywhere. However, the slip in soymeal prices this week could lead to a drop in US animal protein prices next week.

Demand seems to be good for all animal protein items and there doesn't look to be any reason – for now – to expect a change to a softer price trend.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru has fallen off due to fishing bans and to the fish seeming to move area a little. That is the problems with fish – they can swim to wherever they like. The total catch now is up to about 2.4 million m/t which leaves about 340,000 m/t to go to full quota. With only a few days left to go it is not expected that the full quota will be landed --- perhaps 250,000 m/t or so less.

Trade reports say that business has been very good with demand pushing prices up by as much as about USD 90 m/t. The trade reports also say that Peru may now be 100% sold on this quota's production with some producers said to be oversold a little.

With demand good and little left to sell it is expected that fishmeal export prices will remain firm. They may pull back a little from this week's new high, but no one is expecting any major drop in Peru or Chile fishmeal prices.

It is also reported that around 120,000 m/t of fishmeal has been presold for the next fishing season in April.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,670
Danish fishmeal	64% protein	1,500
Peru fishmeal	64% protein	1,490
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,750

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS

Minimum shipment of 200 m/t for fishmeal

Specification	Price per m/t FOB vessel Peru port	Price per m/t Chile port
65/66 protein	1320/1340 m/t	
67% protein standard steam	1400/1420 m/t	
67% protein 150 TVN	1470/1490 m/t	1450/1470 m/t
67% protein 120 TVN	1520/1540 m/t	1500/1520 m/t
67% protein 1000 hist, 120 TVN	1570/1590 m/t	1550/1570 m/t
68% protein 500 hist, 120 TVN	1620/1650 m/t	1580/1600 m/t
Fish oil, crude bulk	1650/1750	
Fish oil, crude drums	1700/1800	
Fish oil, flexi tank	1750/1850	
Fish oil, Omega 3: 28%EPA/DHA	1900/2000	

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



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