



Hammersmith Reports

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WEEKLY USA GRAIN AND PROTEIN REPORT January 28, 2023

Looking at the numbers, it looked like a quieter week in the grain/oilseed business in the US. Corn prices managed to remain close to unchanged for the week, as did soybeans, while soymeal did move USD 7 to 10 m/t higher and wheat prices all moved up with Hard Red Winter (HRW) leading the way by increasing about USD 8 m/t.

US wheat prices led the market due to continued concern over drought conditions in the main wheat growing areas of the US. Some trade reports suggested that the drought may be coming to an end as good rains are said to be in the future – due to a La Nina event – that will bring rain in February and March.

Soymeal prices just keep going higher as concern over the Argentina soybean crop and an expected drop in soymeal production keep prices very firm. No one seems to be forecasting a drop in soymeal prices for now. However, trading in soymeal futures has dropped with volume levels lower every day – perhaps the bull market is ending or at least slowing.

Trade reports at the end of the week seem to be leaning toward higher prices for corn due to the drought situation in Brazil. Also, the lower crop estimates for the Ukraine will help to keep corn prices steady if not higher.

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

US Gulf to Europe: Panamax	\$27/28.00	Steady	X
US Gulf to Spain: Panamax m/t	\$27/28.00	Steady	X
US Gulf Israel: Panamax m/t	\$39/40.00	Down \$2.00	X
US Gulf to Egypt: Panamax	\$39/40.00	Down \$2.00	X
US Gulf Turkey: Panamax m/t	\$40/41.00	Down \$2.00	X
US Gulf Morocco: Handi	\$41/42.00	Steady	X
US Gulf Algeria/Tunisia: Handi	\$42/43.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$47/48.00	Steady	X
US Gulf other Med: Handi	\$44/45.00	Steady	X
US Gulf South Africa: Handi	\$41/42.00	Steady	X
US Gulf to India: Panamax	\$47/48.00	Steady	X
US Gulf to Philippines: Panamax	\$56/57.00	Down \$1.00	X
US Gulf Japan: Panamax	\$52/53.00	Steady	X
US Gulf China: Panamax	\$51/52.00	Steady	X
US PNW South Africa – 40,000 m/t	\$65/66.00	Steady	X
US PNW Egypt: Panamax	\$40/41.00	Down \$2.00	X
US PNW Philippines: Panamax	\$39/40.00	Steady	X
US PNW Japan: Panamax	\$28/29.00	Steady	X
US PNW China: Panamax	\$28/29.00	Steady	X

US East Coast Nigeria: Handisize	\$46/47.00	Steady	X
US Lakes – Europe – 30,000 m/t	Closed	Steady	X
US Lakes – Morocco – 30,000 m/t	Closed	Steady	X
France/Germany to Algeria: Handi	\$31/32.00	Steady	X
France/Germany to Bangladesh	\$83/84.00	Steady	X
France/Germany to China: Panamax	\$80/81.00	Steady	X
France/Germany to Egypt: Panamax	\$30/31.00	Steady	X
France/Germany to India: Panamax	\$56/57.00	Down \$3.00	X
France/Germany to Iran: Panamax	\$45/46.00	Steady	X
France/Germany to Jordan	\$37/38.00	Steady	X
France/Germany to Morocco: Handi	\$30/31.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$62/63.00	Steady	X
France/Germany to South Africa: Handi	\$46/47.00	Steady	X
France/Germany to Turkey: Handi	\$33/34.00	Steady	X
France/Germany to Yemen: Handi	\$63/64.00	Steady	X
Argentina to Algeria: Handi	\$62/63.00	Up \$1.00	X
Argentina to China: Panamax	\$43/44.00	Steady	X
Argentina to Japan: Panamax	\$44/45.00	Steady	X
Argentina to Egypt: Panamax	\$68/69.00	Up \$1.00	X
Argentina to Europe: Panamax	\$57/58.00	Up \$1.00	X
Argentina to Morocco: Handi	\$61/62.00	Up \$1.00	X
Argentina to Libya: Handi	\$63/64.00	Steady	X
Argentina to Jordan: Panamax	\$54/55.00	Steady	X
Argentina to Saudi Arabia: Panamax	\$60/61.00	Corrected	X
Argentina to Iran: Panamax	\$61/62.00	Steady	X
Argentina to India: Panamax	\$62/63.00	Steady	X
Argentina to Bangladesh: Panamax	\$66/67.00	Steady	X
Argentina to Indonesia: Panamax	\$60/61.00	Steady	X
Argentina to South Africa: Panamax	\$34/35.00	Steady	X
Argentina to Kenya: Handi	\$45/46.00	Corrected	X
Argentina to Spain: Panamax	\$57/58.00	Up \$1.00	X
Argentina to Tunisia: Handi	\$62/63.00	Up \$1.00	X
Brazil to Algeria/Tunisia: Handi	\$65/66.00	Up \$1.00	X
Brazil to China: Panamax	\$38/39.00	Steady	X
Brazil to Japan: Panamax	\$39/40.00	Steady	X
Brazil to South Korea: Panamax	\$49/50.00	Steady	X
Brazil to Europe: Panamax	\$58/59.00	Up \$1.00	X
Brazil to Morocco: Handi	\$64/65.00	Up \$1.00	X
Brazil to Iran: Panamax	\$61/62.00	Steady	X
Brazil to Bangladesh: Panamax	N/A		X
Brazil to Saudi Arabia 30/40,000 m/t	\$75/76.00	Up \$1.00	X
Brazil to Spain: Panamax	\$58/59.00	Up \$1.00	X
Brazil to Turkey/Egypt: Panamax	\$72/73.00	Up \$1.00	X
Australia to Saudi: Panamax	\$40/41.00	Steady	x
Australia to Europe: Panamax	\$50/51.00	Down \$1.00	X
Black Sea freight – Romania and Russia			
Black Sea to China: Panamax	\$67/68.00	Steady	X

Black Sea to Indonesia: Panamax	\$60/61.00	Steady	X
Black Sea to Egypt: 40/50,000	\$23 Russia \$18 Romania	Steady	X
Black Sea to Egypt: 30,000	\$26 Russia \$21 Romania	Steady	X
Black Sea to Iran: Panamax	\$61/62.00	Steady	X
Black Sea to Europe: Panamax	\$30/31.00	Steady	X
Black Sea to Morocco – Handi	\$31/32.00	Steady	X
Black Sea to Tunisia/Algeria – Handi	\$30/31.00	Steady	X
Black Sea to Jordan: Panamax	\$39/40.00	Steady	X
Black Sea to Libya – Handi	\$32/33.00	Steady	X
Black Sea to Saudi: Panamax	\$62/63.00	Steady	X
Black Sea to Turkey – Handi	\$25/26.00	Down \$2.00	X
Black Sea to South Africa – Handi	\$57/58.00	Steady	X
Baltic Dry Index	676	Down 87	X
Baltic Capesize Index	534	Down 253	x
Baltic Panamax Index	1054	Down 6	X
Baltic Supramax Index	650	Down 2	X
Baltic Handysize Index	431	Down 10	X
Global Container Index - Freightos	2214	Up 36	x

All shipments in bulk grain vessels unless stated otherwise.

(NOLA is New Orleans, Louisiana, USA.)

FOB port or location specified. Prices in US\$, in metric tons:

ALL PRICES ARE FOR February 2023/April 2023

Wheat, USA Soft Red Winter, US Gulf	USD 327>>314 June	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 385>>370 June	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 275/280	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 305/310	X
Wheat, Romania 12.5 pro	USD 300/305	X
Wheat, Superior, France, Rouen	USD 322/325	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 340>>350 April	X
Wheat, feed, Black Sea	USD 265/270	X
Barley, France, Rouen port	USD 298/301	X
Barley, feed, Argentina, upriver	USD 345/350	X
Barley, feed, Black Sea, 30,000+	USD 275/280	X
Barley, feed, Australia	USD 275/280	X
Corn, 2YC FOB NOLA USA	USD 310>>305 May	X
Corn, 3YC FOB USA Pacific northwest	USD 350>>330 May	X
Corn, FOB Argentina port, upriver	USD 305>>275 June	X
Corn, FOB Brazil port	USD 310>>300 June	X
Corn, FOB France – Atlantic	USD 317/320	X
Corn, FOB Romania	USD 270/275	X
Corn, FOB Russia	USD 260/265	X
Corn, FOB Ukraine, 30,000+ m/t	USD 255/260	X
Sorghum, FOB Argentina port	USD 290/295	X

Sorghum, FOB Texas	USD 365/370	X
Soymeal, 48% protein, FOB NOLA	USD 600>>540 June	X
Soymeal, 48% protein, USA, Rotterdam	USD 635>>575 June	X
Soymeal, 47% pro, FOB Argentina	USD 580>>520 June	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 605/610	X
Soymeal, 48% protein, FOB Brazil	USD 560>>510 June	X
Soybeans, FOB NOLA	USD 600>>585 June	X
Soybeans, Argentina, FOB	USD 610>>570 June	X
Soybeans, Brazil, FOB	USD 580>>570 June	X
Soybeans, Black Sea	No prices	
Corn Gluten Meal, USA FOB NOLA	USD 825/830 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 300/305 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 340>>325 m/t June	X

It was quiet in the corn byproduct business this week, or so it seemed. DDGS supply in the US is back up to normal levels as ethanol production has picked up. All the corn byproduct prices were steady on the week as there was not much happening to push prices in any direction.

Corn gluten meal buyers have been hoping for lower prices but that doesn't seem to be going to happen for now as there is just too much domestic demand in the USA, mainly from pet food, to allow prices to slip.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Up to January 26 the catch is reported as 1.814 million m/t which leaves 468,000 m/t to go to full quota --- but only 5 days. The next 5 days could land just less than 100,000 m/t which would still leave a shortfall on the quota of 368,000 m/t or more – about 83,000 m/t of fishmeal and close to 3,000 m/t of fishoil.

The catch in the south of Peru is at 4,600 m/t against the quota of 337,000 m/t. The south quota is until June 30, 2023.

Trade reports say that super prime and prime prices are up by about USD 50 m/t due to a lack of supply while other grades are steady for now.

Due to the Chinese New Year celebrations, buying interest for fishmeal has been limited but everyone will be back next week and buying interest should pick up --- also prices have a good chance of moving higher as fishing comes to an end.

MSI Ceres estimates that the container freight price from Peru to China is now down to about USD 35 m/t or about USD 1,000 per 40 foot box.

The latest numbers for Peru's fishmeal exports for 2022 show 1.07 million m/t shipped with 836,000 m/t (78.2%) going to China. Ecuador was the second largest buyer at 65,000 m/t followed by Germany at 59,000 m/t, Japan at 39,000 m/t, Taiwan at 20,700 m/t and Vietnam at 17,900.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	2,200
Danish fishmeal	64% protein	1,795
Peru fishmeal	64% protein	1,775
Chile fishmeal	67% protein	1,805
Iceland fishmeal	70% protein	2,155

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
67% protein standard steam	1640/1650 m/t	
67% protein 150 TVN	1690/1700 m/t	
67% protein 120 TVN	1740/1750 m/t	1740/1750
67% protein 1000 hist, 120 TVN	1840/1800 m/t	1790/1800
68% protein 500 hist, 100 TVN	1890/1850 m/t	1840/1850
Fish oil, crude bulk	No prices	
Fish oil, crude drums	No prices	
Fish oil, flexi tank	No prices	
Fish oil, Omega 3: 28%EPA/DHA	No prices	

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

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