



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT February 06, 2021

With the USDA WASDE numbers coming out next week most grain and oilseed markets – except wheat – had a very quiet week.

Corn futures are close to contract highs and, even though prices didn't do much this week, market experts still see corn being in a bull market with the potential to move higher. Tuesday's WASDE report should set the price trend for the next few weeks with the pre-report comments that ending stocks of corn could be lower which, if correct, should keep prices steady or help them move higher. There was also a private report out this week that says the 2021 corn plantings will be up by 4% -- the third largest on record. The time is coming when USA corn will have to compete with new crop South American corn in export markets – weaker South American prices should limit any bull run of USA prices.

Soybeans and soymeal both had quiet weeks this week with much of the USA market sitting and waiting to see what the USDA says on Tuesday. There have been some private estimates that 2021 could see the second highest level of US soybean production on record. However, like corn, US soybeans/soymeal are going to have to face very tough competition from South America.

US wheat prices were lower on the week as the effect of lower international prices for wheat was felt in the US market. There was also quite a bit of talk this week about how much wheat there actually is available in the world and if the current very high wheat prices can be supported. Private reports tend to say that wheat should stay steady to higher.

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

US Gulf to Europe: Panamax (10,000 disch)	\$18/19.00	Steady	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$18/19.00	Steady	X
US Gulf Israel: Panamax m/t	\$34/35.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$34/35.00	Steady	X
US Gulf Turkey: Panamax m/t	\$35/36.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$45/46.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$44/45.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$45/47.00	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	\$37/38.00	Up \$2.00	X
US Gulf Japan: Panamax	\$47/48.00	Steady	X
US Gulf China: Panamax	\$46/47.00	Steady	X
US PNW South Africa – 40,000 m/t	\$35/36.00	Steady	X
US PNW Japan: Panamax	\$27/28.00	Steady	X
US PNW China: Panamax	\$26/27.00	Steady	X
US East Coast Egypt: Panamax	\$28/29.00	Steady	X
US East Coast Nigeria: Handisize	\$42/43.00	Down \$1.00	X
US Lakes – Europe – 30,000 m/t	Closed		X
US Lakes – Morocco – 30,000 m/t	Closed		X



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France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$22/23.00	Up \$2.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	Steady	X
France/Germany to China: Panamax	\$41/42.00	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	\$41/42.00	Up \$1.00	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	Steady	X
Argentina to Japan: Panamax, with top-off	\$42/43.00	Up \$1.00	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	\$42/43.00	Up \$1.00	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	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	Steady	X
Brazil to China: Panamax	\$36/37.00	Steady	X
Brazil to Japan: Panamax	\$37/38.00	Steady	X
Brazil to Europe: Panamax	\$26/27.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Iran: Panamax	\$47/48.00	Up \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$48/49.00	Steady	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	\$39/39.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$43/44.00	Up \$2.00	X
Ukraine to China: Panamax	\$30/31.00	Steady	X
Ukraine to Bangladesh, Panamax	\$44/45.00	Down \$1.00	X
Ukraine to India, Panamax	\$37/38.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$32/33.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$24/25.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/33.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$18/19.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00	Steady	x
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$47/48.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$45/46.00	Steady	X



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Black Sea to Iran: Panamax	\$37/38.00	Down \$4.00	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)	\$21/22.00	Down \$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	\$30/31.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$17/18.00	Steady	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)	1333	Down 119	X
Baltic Capesize Index (100,000 plus DWT)	1527	Down 363	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1662	Up 29	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1144	Down 21	x
Baltic Handisize Index (25,000 plus DWT)	719	Up 18	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 March 2021/May 2021

Wheat, USA Soft Red Winter, US Gulf	USD 285>>273 new crop	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 285/287	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 286/289	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 290/293	X
Wheat, Romania 12.5 pro	USD 291/294	X
Wheat, Superior, France, Rouen	USD 280/282	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 271/274	X
Wheat, feed, Black Sea	USD 285/288	X
Barley, France, Rouen port	USD 261/263	X
Barley, feed, Argentina, up river	USD 232/235	X
Barley, feed, Black Sea, 30,000+	USD 250/253	X
Corn, 2YC FOB NOLA USA	USD 251/254	X
Corn, 3YC FOB USA Pacific northwest	USD 273/276	X
Corn, FOB Argentina port, upriver	USD 243>>230 new crop	X
Corn, FOB Brazil port	USD 277>>232 new crop	X
Corn, FOB France – Atlantic	USD 272/274	X
Corn, FOB Romania	USD 267/270	X
Corn, FOB Russia	USD 270/273	X
Corn, FOB Ukraine, 30,000+ m/t	USD 261/264	X
Sorghum, FOB Argentina port	USD 235>>214 new crop	X
Sorghum, FOB Texas	USD 341/344	X
Soymeal, 48% protein, FOB NOLA	USD 512/515	X
Soymeal, 48% protein, USA, Rotterdam	USD 537/540	X
Soymeal, Argentina, Rotterdam – spot	USD 560/563 spot	X



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Soymeal, 47% pro, FOB Argentina	USD 484>>468 new crop	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 555/558 spot	X
Soymeal, 48% protein, FOB Brazil	USD 494>>465 new crop	X
Soybeans, FOB NOLA	USD 541>>534	X
Soybeans, Argentina, FOB	USD 543>>511 new crop	X
Soybeans, Brazil, FOB	USD 520/523 new crop	X
Soybeans, Black Sea	USD 562/565	X
Corn Gluten Meal, USA FOB NOLA	USD 800/820 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 265/270 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 325>>315 m/t	x

The corn byproduct market was steady this week with not too much exciting happening. FOB USA export ports for all were steady on the week although higher container rates are said to have pushed CNF prices up to most destinations. DDGS CNF prices in containers are said to be about USD 8 to 10 m/t higher while corn gluten meal may be as much as USD 20 m/t higher for CNF.

However, prices do look to be a little softer for export shipments after May 2021.

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

Just for your information, much of the animal protein information and comment comes from the Jacobsen Report and last week Jacobsen was sold to the Euromoney folks. Euromoney had also recently purchased AgriCensus --- not too many smaller independent information sources left in the industry.

With Chinese buyers out of the market as we get close to Chinese New Year, there was very little happening in Asia this week. It has been reported that the premium being paid for prompt shipment to Asia is dropping as shipment availability has been seen to be improving and there seems to be more container lots available from the USA.

Prices for animal proteins in the US domestic market were steady this week but the Jacobsen folks were saying that feathermeal prices could move higher due to limited production and steady demand.

Depending upon what happens with soymeal prices, there could still be room for animal proteins to move higher – especially for Australia and New Zealand product where production is tight.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

All the talk this week seems to have moved to estimating what the next fishing quota will be --- most



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trade guesses are between 2.5 million m/t and 3.0 mm/t of catch. Looking at the quotas for the past few years the 2.5 mm/t number is close to the average with 3.0 mm/t only seen twice in the last 10 years. However, it all depends on the biomass and what the government decides. Looking back at the biomass for 15 years, as provided by MSI Ceres, the total ranged from a low of 7.0 mm/t to a high of 12.7 mm/t with the average being at about 9.3 mm/t.

Presales on the next fishmeal season are said to be as high as 200,000 m/t and are expected to go higher in coming days.

Looking at Peru's fishmeal exports for 2020, the total is at 836,000 m/t with 755,000 m/t (90%) going to Asia – 647,000 m/t to China (77.46%). Only 81,000 m/t was shipped to the rest of the world with 43,000 m/t to Europe, 27,000 m/t to the Americas and 10,000 m/t to Australia. As you can see, fishmeal is an Asia business.

Prices in Peru were steady this week and are expected to remain steady until after the Chinese New Year period when there could be more buying interest in the next season. For the old season there is almost nothing available with just the odd small lot coming to market.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,690
Danish fishmeal	64% protein	1,450
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,520
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

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1350/1370 m/t	
67% protein standard steam	1430/1450 m/t	
67% protein 150 TVN	1500/1520 m/t	1470/1490 m/t
67% protein 120 TVN	1550/1570 m/t	1520/1540 m/t
67% protein 1000 hist, 120 TVN	1600/1620 m/t	1570/1590 m/t
68% protein 500 hist, 120 TVN	1650/1670 m/t	1600/1620 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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