



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: tradegroup@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office : +33.9.7044.4881 Mobile : +33.6.8068.4564
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

WEEKLY GRAIN AND PROTEIN REPORT February 08, 2020

Next week is WASDE week – will we be surprised or will all be as expected. There weren't any major changes in US grain and oilseed prices this week – corn prices were about unchanged although the export price did slip a little lower. Soybeans moved about USD 3 m/t higher on the week while soymeal was steady and all wheat prices moved a dollar or two higher.

The trade was quite happy with the corn export figures this week as they were well above expected levels and corn happily put in a slightly higher week for prices. Soybean prices moved a little higher, probably due to continued anticipation of China business. On the futures side of soybeans and soymeal, a number of exports are saying that the market is oversold and that a decent rally could happen --- perhaps the WASDE will set off a soybean price rally.

The change in wheat prices seems to just be speculative activity as not much is happening to US wheat over the winter. Black Sea wheat prices did slip a little lower as US prices move a very little higher. Also with wheat, Algeria approved the import of Russian and this could change the North African wheat business --- Algeria had been the main buyer of French wheat, will they now switch to Russian.

The WASDE report next week should set the next price trend for US grains but I don't think that anyone is expecting anything earth shattering in the report – after all it is the middle of the winter, what can happen in February.

Top 20 US Export Destinations for Grains and Oilseeds – 12 months to December 2019 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	565,900				
Bangladesh				1,136,800	
Brazil	416,400				
Burma					269,200
Cameroon			20,700		
Canada		2,104,900	4,800	520,000	960,900
China		309,500	1,031,100	22,575,900	
Colombia	646,400	3,911,600		637,600	1,251,800
Costa Rica		847,200			
Djibouti			69,100		
Dominican Rep		368,900			544,300
Ecuador	428,700				549,500
El Salvador		587,500			280,200
Egypt	827,900			2,789,900	
Eritrea			60,300		
Ethiopia	304,300		5,800		
Germany				400,600	
Guatemala	590,400	1,001,000			463,200



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Honduras		674,400			291,000
Indonesia	1,232,800			2,420,700	
Iraq	472,500				
Israel		84,800			146,600
Italy	749,100		36,600	406,000	106,100
Jamaica		253,300			
Japan	2,578,900	10,461,600	220,400	2,451,300	339,000
Kenya			18,900		
Madagascar			10,000		
Malaysia	496,400			643,000	
Mexico	3,547,400	14,427,100	665,000	5,145,400	1,758,500
Morocco					308,000
Netherlands				2,381,800	
New Zealand		126,600			
Nigeria	2,113,000				
Nicaragua		287,300		1,131,000	
Panama		503,300			201,000
Peru	466,900	1,029,900		308,600	170,100
Philippines	2,925,500		700		2,137,000
Portugal				408,000	
Saudi Arabia		623,500			
Somalia			103,000		
South Africa			77,000		
South Korea	1,265,900	1,880,100	2,000	1,065,800	
Spain			371,700	1,588,800	
Sri Lanka					216,900
Sudan			110,600		
Taiwan	1,263,600	1,182,400		1,845,000	
Thailand	669,600			1,428,300	142,700
Trinidad		80,100			
Venezuela					150,300
Vietnam				802,900	537,400
Yemen	739,800				
Zimbabwe			4,000		

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15/16.00	Down \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$15/16.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$25/26.00	Down \$3.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$24/25.00	Down \$3.00	X
US Gulf Turkey: 50,000 m/t	\$26/27.00	Down \$3.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$33/34.00	Down \$2.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Down \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$57/58.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$38/39.00	Down \$3.00	X
US Gulf South Africa: 45,000 m/t	\$46/47.00		X
US Gulf Japan: Panamax	\$41/42.00	Down \$4.00	X



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US Gulf China: Panamax	\$40/41.00	Down \$4.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$21/22.00	Down \$3.00	X
US PNW China: Panamax	\$20/21.00	Down \$3.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$53/54.00	Down \$3.00	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
France/Germany to China: 50,000 m/t	\$36/37.00	Down \$1.00	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	Down \$1.00	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		X
France/Germany to Saudi Arabia: 50/60,000	\$32/33.00		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)	\$32/33.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$33/34.00	Down \$3.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$32/33.00	Down \$3.00	X
Argentina to Egypt: 50,000 m/t	\$28/29.00		X
Argentina to Europe: 50/60,000 m/t	\$28/29.00		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		X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$32/33.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$19/20.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$47/48.00		X
Brazil to China: 55,000 m/t	\$29/30.00	Down \$4.00	X
Brazil to Japan: 55,000 m/t	\$29/30.00	Down \$4.00	X
Brazil to Europe: 50,000 m/t	\$31/32.00		X
Brazil to Morocco: 25/30,000 m/t	\$42/43.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00		X
Brazil to Spain: 50,000 m/t	\$31/32.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$33/34.00	Down \$1.00	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	\$35/36.00		X
Ukraine to China: 50,000 m/t	\$36/37.00		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00		X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$20/21.00		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)	\$18/19.00		X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$34/35.00		X



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Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$36/37.00		X
Black Sea to Europe: 50,000 m/t	\$23/24.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$23/24.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$24/25.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$34/35.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$44/45.00		X
Black Sea to Turkey – 30,000 m/t	\$18/19.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$23/24.00		x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	415	Down 72	x
Baltic Capesize Index (100,000 plus DWT)	-234	Down 214	x
Baltic Panamax Index (60,000 to 80,000 DWT)	541	Down 33	X
Baltic Supramax Index (50,000 to 60,000 DWT)	491	Down 33	X
Baltic Handisize Index (25,000 plus DWT)	304	Down 28	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 2020/May 2020

Wheat, USA Soft Red Winter, US Gulf	USD 253/256	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 225/228	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 220/223	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 237/240	X
Wheat, feed, Black Sea	USD 218/221	X
Barley, France, Rouen port	USD 197/199	X
Barley, feed, Argentina, up river	USD 195/198	X
Barley, feed, Black Sea, 30,000+	USD 194/197	X
Corn, 2YC FOB NOLA USA	USD 178/181	X
Corn, 3YC FOB USA Pacific northwest	USD 195/198	X
Corn, FOB Argentina port, upriver	USD 180/183	X
Corn, FOB Brazil port	USD 177/180	X
Corn, FOB France – Atlantic	USD 191/194	X
Corn, FOB Romania	USD 184/187	X
Corn, FOB Russia	USD 202/205	X
Corn, FOB Ukraine, 30,000+ m/t	USD 182/185	X
Sorghum, FOB Argentina port	USD 140/145	X
Sorghum, FOB Texas	USD 181/184	X



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Soymeal, 48% protein, FOB NOLA	USD 340/343	X
Soymeal, 48% protein, USA, Rotterdam	USD 365/368	X
Soymeal, Argentina, Rotterdam	USD 361/364	X
Soymeal, 47% pro, FOB Argentina	USD 329/332	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 358/361	X
Soymeal, 48% protein, FOB Brazil	USD 317/320	X
Soybeans, FOB NOLA	USD 347/350	X
Soybeans, Argentina, FOB	USD 346/349	X
Soybeans, Brazil, FOB	USD 345/348	X
Soybeans, Black Sea	USD 386/389	X
Corn Gluten Meal, USA FOB NOLA	USD 565/570 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 209/214 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 208/213 m/t	X

US corn gluten meal (CGM) prices took about a USD 20 m/t jump higher this week as fishmeal buyers have turned to the highest protein vegetable alternative available. I am sure that they have also geared up their soymeal purchases but, due to the much smaller supply level, it doesn't take much of an increase in CGM demand to push prices higher.

Prices for both corn gluten feed and DDGS in the US were steady this week but we may see some increase in CNF prices and container lines are increasing their rates and there could be a shortage of available containers if business out of China slows down. While there are jillions of shipping containers in the world, the problem today could be that they are mostly in the wrong place and a change in container export logistics out of China could easily create container shortages.

For the time being we could be looking at higher CNF prices for corn by-products.

USA exports of corn by-products – 12 months to December 2019 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS 2019	Corn Gluten Meal 2019	Corn Gluten Feed 2019
Australia		3,100	
Bangladesh	163,700	32,500	
Burma		2,400	600
Canada	609,900	62,400	
Chile		121,300	
China	180,700		
Colombia	206,700	87,200	30,900
Ecuador		3,100	
Egypt	142,600	129,700	15,600
El Salvador		9,000	
Guatemala		4,300	1,800
Honduras		7,600	
Indonesia	915,200	150,800	10,000
Ireland	265,700		342,800
Israel	210,000		226,500



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Japan	522,300	11,700	
Malaysia		42,200	
Mexico	2,030,400	18,100	29,100
Morocco	223,400		41,600
New Zealand	208,600		36,700
Peru		8,800	
Philippines	265,200	2,200	700
Portugal			18,000
South Korea	1,251,300		
Spain	103,400		
Taiwan	244,000	37,600	
Thailand	574,100	32,800	700
Turkey	575,500		125,600
UK	180,600		51,100
Vietnam	1,203,300	22,800	2,700
Other	710,400	6,200	500

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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 440/460 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 650/670 m/t CNF Asia

Animal protein export markets were very quiet this week due to the extended Chinese New Year holidays. Add Chinese New Year to coronavirus and African Swine Fever and throw in some avian flu and there seem to be a good many reasons for the market to be quiet.

There has been a good deal of talk this week about the shortage of fishmeal and how this could easily push up the demand for animal protein – especially poultry meal.

In general, there was little or no change in prices this week, but we could see some upward pressure when China gets back from holidays and major buyers get back into the market.

The US domestic market was also quiet this week – if export demand slips, it will be tough to keep US domestic prices from dropping. We need a couple of weeks to sort out the coronavirus situation.

USA exports of animal protein – 12 months to December 2019 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and	Feather meal
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	pork meal	
Burma	5,200	
Cambodia	1,600	
Canada	49,100	7,100
Chile	39,200	43,400
China	143,200	4,100
Colombia	1,600	
Dominican Rep		300
Ecuador	28,100	500
Guatemala	3,300	
Honduras	7,500	1,500
Indonesia	240,900	28,000
Malaysia	12,000	
Mexico	197,700	
Peru	3,800	1,300
Philippines	37,100	300
Sri Lanka	2,100	
Thailand	32,200	
Vietnam	95,800	3,800
Total exports	902,000 Up 41.0%	90,400 Down 18.0%

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Another quiet week in the fishmeal business in Peru – just waiting for the start of the IMARPE research cruise and the new fishing quota for the south of Peru. Due to both the Chinese New Year holidays and the panic over Chinese coronavirus, there are just no buyers in the market for now.

There has been a great deal of talk about how coronavirus may affect 2020 fishmeal imports by China. It is easier to understand how coronavirus could affect any manufacturing operation that depends on parts supplies from China than it is to see how fishmeal will be affected --- but who knows perhaps the coronavirus panic will bring the Chinese economy to a shuddering halt.

The final China import numbers for fishmeal are out and 2019 has reached 1,418,652 m/t of fishmeal imports. The table below gives you all the details --- Peru represents close to 55% of all fishmeal imports. China's imports are about 3% down on 2018 but Peru's shipments are only down by 1.7%.



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FISHMEAL CHINA IMPORTS JAN / DEC 2019 (ALL ORIGINS)									
Rank #	Origin	Jan/Feb/Mar	Apr/May/Jun	Jul/Aug/Sep	Oct	Nov	Dec	Jan/Dec	Share
		MT	MT	MT	MT	MT	Mt	MT	%
1	Peru	174,406	254,279	215,925	29,200	56,433	40,346	770,589	54.32
2	Vietnam	18,951	35,861	39,742	8,286	11,785	8,115	122,740	8.65
3	Russia	21,811	25,835	14,537	4,301	4,520	1,911	72,915	5.14
4	Mauritania	19,558	18,391	20,583	5,027	1,566	601	65,726	4.63
5	USA	5,269	24,348	19,989	4,750	7,713	2,975	65,044	4.59
6	Chile	12,383	17,234	27,938	1,620	1,316	3,410	63,901	4.50
7	Thailand	13,862	21,969	14,807	1,562	2,703	1,701	56,604	3.99
8	Mexico	8,133	21,881	13,200	2,892	1,190	2,714	50,010	3.53
9	Pakistan	12,487	15,184	2,441	776	2,469	2,735	36,092	2.55
10	Ecuador	1,552	2,448	11,546	1,345	312	434	17,637	1.24
11	Morocco	10,275	5,053	900	-	-	-	16,228	1.14
12	Burma	5,533	5,503	2,399	17	122	2,426	16,000	1.13
13	Panama	225	2,531	8,478	675	1,100	2,507	15,516	1.09
14	Malaysia	1,048	4,280	6,439	1,091	100	663	13,621	0.96
15	Denmark	2,856	2,079	2,129	719	398	356	8,537	0.60
16	N Zealand	2,319	1,499	1,441	791	1,013	723	7,786	0.55
17	India	-	1,403	3,614	400	-	-	5,417	0.38
18	South Africa	-	2,768	2,329	-	-	-	5,097	0.36
19	Namibia	829	989	726	300	100	300	3,244	0.23
20	Mauritius	675	640	798	195	201	120	2,629	0.19
21	Congo	0	0	0	-	-	2,037	2,037	0.14
22	Argentina	665	185	277	-	-	155	1,282	0.09
		312,837	464,360	410,238	63,947	93,041	74,229	1,418,652	100.00

Source: China Customs/JCI

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,630
Danish fishmeal	64% protein	1,365
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,575

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	1350/1370 m/t	
67% protein standard steam	1450/1460 m/t	
67% protein 150 TVN	1500/1510 m/t	1500/1530 m/t



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67% protein 120 TVN	1550/1560 m/t	1550/1560 m/t
67% protein 1000 hist, 120 TVN	1600/1610 m/t	1600/1650 m/t
68% protein 500 hist, 120 TVN	1700/1720 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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