



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT February 22, 2020

Most of the grain prices didn't do anything exciting this week --- corn prices did nothing, soybeans moved down by about USD 2 m/t, soymeal also down by about USD 2 m/t. Only soft red winter wheat was able to do much with a jump of about USD 4 m/t.

Here in the middle of winter, there is not too much that can have a major effect on US grain prices except perhaps USDA reports and China actions. Only winter wheat has been planted and concerns over the wheat crop and supplies are about the only things adding excitement to the US grain markets.

The USDA Outlook Forum was held this week and every little comment from the Forum was able to push the market a little – shows how much the market is looking for some excitement. USDA expectations on ending corn stocks are higher which makes corn look a little top heavy, but prices only dropped a little as good export sales kept the market happy.

There was not much to get soybean/soymeal prices moving --- there were not any major new sales to China and soybean exports were lower than had been expected. It is pretty hard to justify price changes based on a weekly export number – but the futures traders are looking for any reason to make prices move a little.

The USDA Outlook Forum was a little bullish on wheat which seems to be the reason behind this week's small what rally. The USDA is looking for "tighter supply and lower ending stocks". Winter wheat production is seen to be lower but there is also come concern of wet weather and spring wheat.

### **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		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$15/16.00		X
US Gulf Israel: 50,000 m/t	\$26/27.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$25/26.00		X
US Gulf Turkey: 50,000 m/t	\$27/28.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$34/35.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00		X
US Gulf Nigeria: 30,000 m/t	\$58/59.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00		X
US Gulf South Africa: 45,000 m/t	\$47/48.00		X
US Gulf Japan: Panamax	\$43/44.00		X
US Gulf China: Panamax	\$42/43.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$23/24.00	up \$1.00	X
US PNW China: Panamax	\$22/23.00	up \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00		x
US Lakes – Europe – 30,000 m/t	\$40/41.00	New	x

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US Lakes – Morocco – 30,000 m/t	\$42/43.00	New	
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$21/22.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$41/42.00		X
France/Germany to China: 50,000 m/t	\$37/38.00	Up \$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		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)	\$18/19.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$33/34.00	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	Up \$1.00	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	\$34/35.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$33/34.00	Up \$1.00	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	\$45/46.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$46/47.00	Up \$1.00	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	No info		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$47/48.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$30/31.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$30/31.00	Up \$1.00	x
Brazil to Europe: 50,000 m/t	\$31/32.00		X
Brazil to Morocco: 25/30,000 m/t	\$43/44.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$48/49.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$31/32.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$33/34.00		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	\$36/37.00		x
Ukraine to China: 50,000 m/t	\$38/39.00	Up \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$19/20.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$34/35.00		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$17/18.00		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
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$24/25.00	Up \$1.00	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)	\$24/25.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00		X



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Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$36/37.00		X
Black Sea to South Africa – 30,000 m/t	\$45/46.00		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)	497	Up 72	X
Baltic Capesize Index (100,000 plus DWT)	-226	Up 68	x
Baltic Panamax Index (60,000 to 80,000 DWT)	787	Up 151	x
Baltic Supramax Index (50,000 to 60,000 DWT)	524	Up 54	X
Baltic Handisize Index (25,000 plus DWT)	291	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 March 2020/May 2020

Wheat, USA Soft Red Winter, US Gulf	USD 252/255	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 225/228	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 216/219	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 220/223	X
Wheat, Romania 12.5 pro	USD 219/222	X
Wheat, Superior, France, Rouen	USD 216/218	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 232/235	X
Wheat, feed, Black Sea	USD 213/216	X
Barley, France, Rouen port	USD 187/189	X
Barley, feed, Argentina, up river	USD 193/196	X
Barley, feed, Black Sea, 30,000+	USD 192/195	X
Corn, 2YC FOB NOLA USA	USD 177/180	X
Corn, 3YC FOB USA Pacific northwest	USD 191/194	X
Corn, FOB Argentina port, upriver	USD 174/177	X
Corn, FOB Brazil port	USD 166/169	X
Corn, FOB France – Atlantic	USD 188/191	X
Corn, FOB Romania	USD 181/184	X
Corn, FOB Russia	USD 204/207	X
Corn, FOB Ukraine, 30,000+ m/t	USD 180/183	X
Sorghum, FOB Argentina port	USD 145/148	X
Sorghum, FOB Texas	USD 180/182	X
Soymeal, 48% protein, FOB NOLA	USD 338/341	X
Soymeal, 48% protein, USA, Rotterdam	USD 363/366	X
Soymeal, Argentina, Rotterdam	USD 360/363	X
Soymeal, 47% pro, FOB Argentina	USD 334/337	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 358/361	X



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Soymeal, 48% protein, FOB Brazil	USD 326/329	X
Soybeans, FOB NOLA	USD 354/357	X
Soybeans, Argentina, FOB	USD 349/352	X
Soybeans, Brazil, FOB	USD 346/349	X
Soybeans, Black Sea	USD 384/387	X
Corn Gluten Meal, USA FOB NOLA	USD 585/590 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 200/204 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 219/222 m/t	X

It was interesting to read the daily production numbers for corn byproducts that was published this week by the Jacobsen Report. A total of about 110,000 m/t of byproducts are produced everyday from ethanol production --- about 100,000 m/t of DDGS, 10,000 m/t of corn gluten feed and close to 2,000 m/t of corn gluten meal – all of this from 15 to 16 million bushels of corn (440,000 m/t) processed into ethanol each week.

Both DDGS and corn gluten meal prices moved higher this week with reports saying that much of the higher price was due to export demand. While the FOB USA prices did move higher, the CNF destination prices in container were even higher as most container lines have been increasing their rates --- increases of as much as USD 200 per 20 foot container have been seen – this is about USD 8 m/t in additional container freight.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 350/360 m/t CNF Asia
Australian MBM 50% protein	USD 390/400 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 430/450 m/t CNF Asia
Australian Poultry Meal, pet food	USD 670/680 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 440/460 m/t CNF Asia
	USD 400/420 to Indonesia
USA Feathermeal, 80% protein	USD 430/450 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 680/700 m/t CNF Asia

Animal protein prices into Asia have all moved a little higher this week although business to China is still very quiet. There are some reports of shortages of containers for export shipments from Australia and New Zealand and there are reports from China that some feed facilities are closing down due to a lack of raw materials. Coronavirus is kind of throwing a wrench into the logistics for supply in Asia.

Prices out of Australia are higher as supply is getting tighter with the same being seen from New Zealand.

USA export prices also moved higher – mainly on good demand from Asia. In the US domestic market, meat and bone meal prices moved higher as did feathermeal and poultry meal. It is expected that prices could continue the uptrend for the next few weeks as US supply is seen to be dropping while demand remains good.

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

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Still all quiet in Peru as we all wait for the results of the initial IMARPE research cruise. Of course, the cruise that was expected to begin on February 15 had been rescheduled to February 20 and is expected to run until mid-March or later. It is going to be a while before we do hear any results.

The MSI Ceres report this week was saying that fishmeal demand in non-Peru markets is very good but then these markets don't have much fishmeal to offer.

There are no new next season sales to report from Peru as all is very, very, very quiet. No one seems to be doing much, except sweeping their warehouses and hosing down all the equipment – just getting ready for the next season.

Official fishmeal exports numbers for Peru for January 2020 show about 84,000 m/t exported with almost 55,000 m/t going to China with Germany, Vietnam and Japan taking 7 to 8,000 m/t each.

It is also reported that a couple of trade shows in Asia: Global Grain Asia and JCI Spring Raw Materials Market – have been delayed due to concerns over coronavirus.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,590
Danish fishmeal	64% protein	1,345
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,560

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
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	2500/2600	

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



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