



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT February 27, 2021

US soybeans were up in price again this week -- by about USD 8 to 10 m/t – but the last two days of the week were very up and down in prices with the range on some days being USD 10 to 12 m/t. Just like the soybean market can't decide what to do. China and South America are the main drivers of the soybean/soymeal markets with concern of China's consumption trying to push prices lower while worries about South American crop yields helped push markets up. There is talk in the market that soybeans may have reached their highs for the year and will now drop lower.

Corn prices were up a couple of dollars on the week but don't look to be going any higher as lower than expected US corn export sales add some weakness to the market. Some experts are comparing this year to 2008 when the grain/oilseed markets took a sudden dip lower in March – could it happen, who knows, but US corn exports are going to have pick up to keep any strength in the market.

Wheat prices were lower on Friday as poor export sales and large world wheat crops combined to push wheat lower by USD 7 or 8 m/t on the day, but still up a little overall on the week, only about USD 1 m/t.

Comments in trade reports seemed to feel that grain/oilseed markets are more likely, for now, to be steady to higher than to move lower.

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

US Gulf to Europe: Panamax (10,000 disch)	\$20/21.00	Steady	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$20/21.00	Steady	X
US Gulf Israel: Panamax m/t	\$43/44.00	Up \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$43/44.00	Up \$2.00	X
US Gulf Turkey: Panamax m/t	\$44/45.00	Up \$2.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$40/41.00	revised	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$40/41.00	Revised	X
US Gulf Nigeria: 30,000 m/t	\$45/47.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$44/45.00	Revised	x
US Gulf South Africa: 45,000 m/t	\$35/36.00	Steady	X
US Gulf Japan: Panamax	\$58/59.00	Up \$4.00	X
US Gulf China: Panamax	\$57/58.00	Up \$4.00	X
US PNW South Africa – 40,000 m/t	\$35/36.00	Steady	X
US PNW Japan: Panamax	\$32/33.00	Steady	X
US PNW China: Panamax	\$31/32.00	Steady	X
US East Coast Egypt: Panamax	\$33/34.00	Steady	X
US East Coast Nigeria: Handisize	\$49/50.00	Steady	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)	\$22/23.00	Steady	X



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France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	Steady	X
France/Germany to China: Panamax	\$43/44.00	Steady	X
France/Germany to Egypt: Panamax (10,000 dis)	\$18/19.00	Steady	X
France/Germany to India: Panamax	\$37/38.00	Up \$2.00	X
France/Germany to Iran: Panamax	\$47/48.00	New	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	\$44/45.00	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	\$25/26.00	Up \$1.00	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	\$52/53.00	Up \$3.00	X
Argentina to Japan: Panamax, with top-off	\$51/52.00	Up \$3.00	X
Argentina to Egypt: Panamax	\$32/33.00	Up \$2.00	X
Argentina to Europe: Panamax	\$22/23.00	Up \$2.00	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	\$45/46.00	Up \$1.00	X
Argentina to South Africa: Panamax	\$27/28.00	Steady	X
Argentina to Spain: Panamax	\$22/23.00	Up \$2.00	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	\$41/42.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	Steady	X
Brazil to China: Panamax	\$46/47.00	Up \$2.00	X
Brazil to Japan: Panamax	\$47/48.00	Up \$2.00	X
Brazil to Europe: Panamax	\$27/28.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$37/38.00	Up \$2.00	X
Brazil to Iran: Panamax	\$47/48.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$50/51.00	Steady	X
Brazil to Spain: Panamax	\$27/28.00	Up \$1.00	X
Brazil to Turkey/Egypt: Panamax	\$35/36.00	Up \$2.00	x
Australia to China: Panamax – round trip	\$16/17.00	Steady	X
Australia to Japan: Panamax – round trip	\$45/45.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$49/50.00	Up \$2.00	X
Ukraine to China: Panamax	\$33/34.00	Steady	X
Ukraine to Bangladesh, Panamax	\$45/46.00	Up \$1.00	X
Ukraine to India, Panamax	\$39/40.00	Up \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$22/23.00	Up \$5.00	X
Ukraine to East Med: coaster (1,000 disch)	\$33/34.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$24/25.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$35/36.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$18/19.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$22/23.00	Up \$5.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$33/34.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$54/55.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$48/49.00	Up \$1.00	X
Black Sea to Iran: Panamax	\$40/41.00	Steady	X



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Black Sea to Europe: Panamax (8,000 disch)	\$23/24.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$26/27.00	Up \$5.00	X
Black Sea to Spain: Panamax (8,000 disch)	\$23/24.00	Steady	X
Black Sea to Jordan: Panamax (5,000 disch)	\$26/27.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$35/36.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$18/19.00	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)	\$25/26.00	Up \$5.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1675	Down 23	X
Baltic Capesize Index (100,000 plus DWT)	1439	Down 276	X
Baltic Panamax Index (60,000 to 80,000 DWT)	2140	Down 192	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1878	Up 365	X
Baltic Handisize Index (25,000 plus DWT)	1070	Up 169	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 290>>268 new crop	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 283/286	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 285/287	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 287/289	X
Wheat, Romania 12.5 pro	USD 285/287	X
Wheat, Superior, France, Rouen	USD 293/295	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 267/270	X
Wheat, feed, Black Sea	USD 282/284	X
Barley, France, Rouen port	USD 273/275	X
Barley, feed, Argentina, up river	USD 255/258	X
Barley, feed, Black Sea, 30,000+	USD 255/258	X
Corn, 2YC FOB NOLA USA	USD 247/250	X
Corn, 3YC FOB USA Pacific northwest	USD 273/275	x
Corn, FOB Argentina port, upriver	USD 236>>227 new crop	X
Corn, FOB Brazil port	USD 270>>235 new crop	X
Corn, FOB France – Atlantic	USD 281/283	X
Corn, FOB Romania	USD 265/268	X
Corn, FOB Russia	USD 266/269	X
Corn, FOB Ukraine, 30,000+ m/t	USD 267/270	X
Sorghum, FOB Argentina port	USD 243>>213 new crop	X
Sorghum, FOB Texas	USD 342/345	X
Soymeal, 48% protein, FOB NOLA	USD 495/498	X
Soymeal, 48% protein, USA, Rotterdam	USD 520/523	X
Soymeal, Argentina, Rotterdam – spot	USD 528>>508 new crop	X
Soymeal, 47% pro, FOB Argentina	USD 461>>448 new crop	X



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Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 541>>512 new crop	X
Soymeal, 48% protein, FOB Brazil	USD 470>>445 new crop	X
Soybeans, FOB NOLA	USD 542>>538	X
Soybeans, Argentina, FOB	USD 546>>521 new crop	X
Soybeans, Brazil, FOB	USD 520>>516 new crop	X
Soybeans, Black Sea	USD 557/560	X
Corn Gluten Meal, USA FOB NOLA	USD 780/800 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 270/275 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 325>>300 m/t	x

The recent high prices for DDGS seem to have scared export buyers out of the market which has caused prices to slip lower in export ports. DDGS is said to be down as much as USD 15 m/t for positions out a couple of months.

While there may be a little weakness in both corn gluten feed and corn gluten meal, this does not show in lower export prices until positions in May/June --- all the earlier export positions were sold weeks ago.

It looks like March/April export prices will be steady to higher but that some price improvement could slip into the market for later exports.

### 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

Demand for meat and bone meal from Indonesia is still quite strong and, with no approval for Australian product yet, the local import price is staying quite firm. Reports say that the approval for Australia has been delayed by COVID19 travel restrictions since approval can only come after facilities inspection by Indonesian officials.

New Zealand animal protein prices look to be a little softer this week, but this is not expected to continue as supply is going to tighten.

In the USA, meat and bone meal moved a little higher on the week due to limited new supply tied to the winter storms in the US. If supply remains tight then prices for animal proteins could easily move higher --- even if soymeal weakens some.

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

The IMARPE research sailing is said to have been delayed due to a COVID19 incident on the ship but it looks like the voyage is now under way.



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According to trade reports, the export fishmeal logistics situation has not improved with vessel schedules through March said to be changing every day. The trade also mentions that there are a few lots of unsold fishmeal available --- not too sure if these are actually unsold or orders cancelled due to the logistics problems.

The trade is still talking about a 2.5 million m/t fishing quota for the next season with some more enthusiastic folks saying that the quota may even reach 3.0 mm/t.

One thing that the shipping logistics problems in Peru has accomplished is to bring down the port stock levels in China and to keep the prices in China quite steady.

Prices from Peru are steady this week with little or no new business being reported.

### PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,740
Danish fishmeal	64% protein	1,500
Peru fishmeal	64% protein	1,515
Chile fishmeal	67% protein	1,560
Iceland fishmeal	70% protein	1,815

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	1370/1390 m/t	
67% protein standard steam	1450/1470 m/t	
67% protein 150 TVN	1520/1550 m/t	1520/1540 m/t
67% protein 120 TVN	1570/1590 m/t	1570/1590 m/t
67% protein 1000 hist, 120 TVN	1620/1640 m/t	1620/1640 m/t
68% protein 500 hist, 120 TVN	1670/1690 m/t	1650/1670 m/t
Fish oil, crude bulk	1750/1850	
Fish oil, crude drums	1800/1900	
Fish oil, flexi tank	1850/1950	
Fish oil, Omega 3: 28%EPA/DHA	2200/2300	

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

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