



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT February 29, 2020

Most everything moved lower this week --- corn was down by about USD 4 m/t, soybeans down by close to USD 3 m/t, US winter wheat down by USD 8 to 10 m/t and spring wheat down by USD 4 m/t. Only soymeal prices moved higher – up by about USD 10 m/t.

Soymeal moved up on the Argentina effect as everyone who had been short soymeal tried to cover their shorts after the Argentina government announced its intention to add more export taxes to soybeans and soymeal. Perhaps this is the end of what has been quite a long downward trend for soymeal prices.

Corn prices are reported to be lower partially due to the increased forecast for the Argentina corn crop. The trade report feeling seems to be that the world will be awash with corn in 2020 – certainly a recipe for lower prices.

There didn't seem to be much grain market excitement over coronavirus – some concern, yes, but nothing much that can point to any change in market prices.

Wheat prices moved lower with some trade reports saying that wheat prices had been pushed too high in recent weeks and that the US winter wheat crop is probably better than some had been thinking. There also seems to be the feeling that there is some room for wheat prices to slip lower in coming weeks.

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

According to reports from the container trade almost 9% of all container vessels are idle which is said to represent just over 2.0 million 20 foot container equivalents. The previous high of 1.5 million teu was set back in 2009, during the global financial crisis.

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	\$27/28.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$28/29.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$34/35.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$58/59.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00		X
US Gulf South Africa: 45,000 m/t	\$37/38.00	Corrected	X
US Gulf Japan: Panamax	\$44/45.00	Up \$1.00	X
US Gulf China: Panamax	\$43/44.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$24/25.00	up \$1.00	X
US PNW China: Panamax	\$23/24.00	up \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00		X



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US Lakes – Europe – 30,000 m/t	\$40/41.00		X
US Lakes – Morocco – 30,000 m/t	\$42/43.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$20/21.00	Down \$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		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$30/31.00	Up \$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)	\$18/19.00		x
France/Germany to Saudi Arabia: 50/60,000	\$33/34.00		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)	\$31/32.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$35/36.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Down \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$26/27.00	Down \$2.00	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	\$46/47.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$47/48.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$26/27.00	Down \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$31/32.00	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	\$48/49.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$31/32.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$30/31.00		X
Brazil to Europe: 50,000 m/t	\$29/30.00	Down \$2.00	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		X
Brazil to Spain: 50,000 m/t	\$29/30.00	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$31/33.00	Down \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$21/21.50	Up \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$22/22.50	Up \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$36/37.00		X
Ukraine to China: 50,000 m/t	\$36/37.00	Down \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Down \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$24/25.00	Down \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00	Down \$9.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$18/19.00	Up \$1.00	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)	\$24/25.00	Down \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Down \$6.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00		X
Black Sea to Europe: 50,000 m/t	\$23/24.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$19/20.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$23/24.00	Down \$1.00	X



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Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$34/35.00	Down \$2.00	X
Black Sea to South Africa – 30,000 m//t	\$46/47.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$18/19.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00	Down \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	535	Up 38	x
Baltic Capesize Index (100,000 plus DWT)	<b>-328</b>	Down 102	X
Baltic Panamax Index (60,000 to 80,000 DWT)	905	Up 118	X
Baltic Supramax Index (50,000 to 60,000 DWT)	606	Up 92	X
Baltic Handisize Index (25,000 plus DWT)	324	Up 33	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 237/240		X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 218/221		X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 211/214		X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 215/218		X
Wheat, Romania 12.5 pro	USD 214/217		X
Wheat, Superior, France, Rouen	USD 213/216		X
Wheat, milling, 12.0%, Argentina, Upriver	USD 228/231		X
Wheat, feed, Black Sea	USD 208/211		X
Barley, France, Rouen port	USD 183/186		X
Barley, feed, Argentina, up river	USD 191/194		X
Barley, feed, Black Sea, 30,000+	USD 189/192		X
Corn, 2YC FOB NOLA USA	USD 174/177		X
Corn, 3YC FOB USA Pacific northwest	USD 187/190		X
Corn, FOB Argentina port, upriver	USD 167/170		X
Corn, FOB Brazil port	USD 161/164		X
Corn, FOB France – Atlantic	USD 188/191		X
Corn, FOB Romania	USD 183/186		X
Corn, FOB Russia	USD 204/207		X
Corn, FOB Ukraine, 30,000+ m/t	USD 179/182		X
Sorghum, FOB Argentina port	USD 141/144		X
Sorghum, FOB Texas	USD 176/179		X
Soymeal, 48% protein, FOB NOLA	USD 345/348		X
Soymeal, 48% protein, USA, Rotterdam	USD 370/373		X
Soymeal, Argentina, Rotterdam	USD 358/361		X
Soymeal, 47% pro, FOB Argentina	USD 333/336		X



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Soymeal, 48% protein, Brazil, Rotterdam	USD 364/367	X
Soymeal, 48% protein, FOB Brazil	USD 336/339	X
Soybeans, FOB NOLA	USD 351/354	X
Soybeans, Argentina, FOB	USD 347/350	X
Soybeans, Brazil, FOB	USD 341/344	X
Soybeans, Black Sea	USD 383/386	X
Corn Gluten Meal, USA FOB NOLA	USD 587/592 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 197/200 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 215/218 m/t	x

The export business for corn byproducts was slow this week as both buyers and sellers try to deal with concerns over coronavirus and a shortage of export containers. While the export price for both corn gluten feed and DDGS was a little lower, CNF prices in containers are moving higher as most container lines have announced price increases – increases range from as little as USD 150 per container up to USD 400 – all depending on the origin and the destination.

It is expected that corn gluten meal prices will remain firm as export demand is very good but both DDGS and corn gluten feed will probably just follow along with the direction of corn prices – at least for FOB prices but CNF could be quite a bit higher.

## 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

Demand in Asia has dropped off for animal proteins as worries about the effect that coronavirus could have on feed requirements make buyers much more hesitant. Prices should probably be moving a little higher as supply from both Australia and New Zealand is getting tighter, but this drop in supply is being offset by the drop in demand.

Animal protein prices in the US market look to want to move a little higher as demand has been good and even the export market has been quite strong. There has been increased demand from the US pet food industry which is putting upward pressure on poultry meal prices.

As with all else, the coronavirus effect seems to be the main factor in the trade papers this week.

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

The Imarpe research cruise is reported to have started on February 20 in Peru with results available by late March 2020.



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Nothing new happening in Peru --- no new southern region quota announcement – Super Prime prices for next season seem to be stuck at USD 1700/1750 m/t but buyers are not seen in the market for the next season.

There is lots of industry talk about coronavirus but there seems to be little reason so far for any effect on the future fishmeal business. It all depends on how the situation develops in China and other Asian countries.

The word out of China seems to be that African Swine Fever is in retreat and the pork industry is rebuilding, but it will take time. Fishmeal demand from China is very limited and with the aquafeed period still a couple of months away and with good stocks on hand and fishmeal orders place for the next season, things are expected to stay quiet for a few weeks.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,600
Danish fishmeal	64% protein	1,379
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,550

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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