



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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Last week i had lots of problems sending out the weekly report – nothing seemed to want work correctly. Hopefully all will work well this week.

WEEKLY GRAIN AND PROTEIN REPORT March 14, 2020

It was a down week for most everything this week – some say it is just a short term coronavirus reaction. US corn prices were down by about USD 4 m/t while soybean did much worse dropping close to USD 15 m/t and soymeal down by USD 7 to 10 m/t. All wheat was also lower – from USD 4 to 7 m/t.

With most world financial markets lower on the week it is not surprising to see that grain and oilseed prices were also pushed lower --- everyone seemed to want to sell everything. Not only did we have the scary coronavirus effect but also the Russia/Saudi oil price battle. Concerns over what the oil prices can do the ethanol demand was certainly in the mind of anyone looking at corn – about 40% of all US corn goes into ethanol production with another 36% going into animal feed.

However, with corn, there seems to be too much rain in parts of the US so this may keep prices from moving lower as there is a risk of delayed corn planting.

Soybean prices were hit hard by China's cancellation of some buying and worries about how much business for soybeans the US will actually do with China. There is the major concern that Brazil soybeans are less expensive than US and may take the bulk of China business.

Weather in South America is very good so the Brazil soybean harvest is racing along and supply is building.

US winter wheat seems to be getting good weather except for a few areas that are a tad too wet. Wheat traders seem to be concerned that coronavirus will reduce world wheat demand but this will depend on how many people actually get the virus and if they reduce consumption – not sure why they would.

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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)	\$14/15.00	Down \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$14/15.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$27/28.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00		X
US Gulf Turkey: 50,000 m/t	\$28/29.00		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		X
US Gulf Nigeria: 30,000 m/t	\$58/59.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$39/40.00	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	Down \$1.00	X
US Gulf Japan: Panamax	\$43/44.00	Down \$1.00	X
US Gulf China: Panamax	\$42/43.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$23/24.00	Down \$1.00	X
US PNW China: Panamax	\$22/23.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00	Down \$1.00	X
US Lakes – Europe – 30,000 m/t	\$39/40.00	Down \$1.00	X
US Lakes – Morocco – 30,000 m/t	\$41/42.00	Down \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$22/23.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$41/42.00	Down \$1.00	X
France/Germany to China: 50,000 m/t	\$38/39.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$19/20.00		X
France/Germany to India: 50,000 m/t	\$32/33.00		X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00		X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$19/20.00		X
France/Germany to Saudi Arabia: 50/60,000	\$34/35.00	Down \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$44/45.00	Down \$1.00	x
France/Germany to Turkey: 35,000 m/t	\$19/20.00		X
France/Germany to Yemen: 30,000 m/t	\$53/54.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$34/35.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$33/34.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$22/23.00	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	\$46/47.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$47/48.00		X
Argentina to South Africa 50,000 m/t	\$48/49.00		X
Argentina to Spain: 50,000 m/t	\$22/23.00	Down \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$33/34.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$35/36.00	Corrected	X
Brazil to China: 55,000 m/t	\$30/31.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$29/30.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$33/34.00	Corrected	X



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Brazil to Saudi Arabia 30/40,000 m/t	\$48/49.00		X
Brazil to Spain: 50,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$22/22.50		X
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$37/38.00		X
Ukraine to China: 50,000 m/t	\$34/35.00	Down \$3.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00	Down \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00	Down \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$22/23.00	Down \$3.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$18/19.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00	Down \$2.00	
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$33/34.00	Up \$5.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$35/36.00	Down \$2.00	X
Black Sea to Europe: 50,000 m/t	\$22/23.00	Down \$2.00	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)	\$22/23.00	Down \$2.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Down \$2.00	X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/28.00	Corrected	X
Black Sea to South Africa – 30,000 m/t	\$46/47.00		X
Black Sea to Turkey – 30,000 m/t	\$20/21.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Down \$3.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	631	Up 14	X
Baltic Capesize Index (100,000 plus DWT)	-311	Up 1	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1007	Down 61	x
Baltic Supramax Index (50,000 to 60,000 DWT)	750	Up 62	X
Baltic Handysize Index (25,000 plus DWT)	395	Up 45	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 April 2020/June 2020

Wheat, USA Soft Red Winter, US Gulf	USD 228>>222	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 210/213	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 201/204	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 206/209	X
Wheat, Romania 12.5 pro	USD 205/208	X
Wheat, Superior, France, Rouen	USD 204/206	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 219/222	X
Wheat, feed, Black Sea	USD 201/204	X



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Barley, France, Rouen port	USD 176/179	X
Barley, feed, Argentina, up river	USD 189/192	X
Barley, feed, Black Sea, 30,000+	USD 181/184	X
Corn, 2YC FOB NOLA USA	USD 173>>169	X
Corn, 3YC FOB USA Pacific northwest	USD 183/186	X
Corn, FOB Argentina port, upriver	USD 166/169	X
Corn, FOB Brazil port	USD 162/165 new crop	X
Corn, FOB France – Atlantic	USD 188/190	X
Corn, FOB Romania	USD 179/182	X
Corn, FOB Russia	USD 201/204	X
Corn, FOB Ukraine, 30,000+ m/t	USD 176/179	X
Sorghum, FOB Argentina port	USD 143/146	X
Sorghum, FOB Texas	USD 190/193	X
Soymeal, 48% protein, FOB NOLA	USD 346/349	X
Soymeal, 48% protein, USA, Rotterdam	USD 371/374	X
Soymeal, Argentina, Rotterdam	USD 362/365	X
Soymeal, 47% pro, FOB Argentina	USD 331/334	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 360/363	X
Soymeal, 48% protein, FOB Brazil	USD 330/333	X
Soybeans, FOB NOLA	USD 336/339	X
Soybeans, Argentina, FOB	USD 329/332	X
Soybeans, Brazil, FOB	USD 331/355	X
Soybeans, Black Sea	USD 380/383	
Corn Gluten Meal, USA FOB NOLA	USD 595/600 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 197/200 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 223>>217 m/t	x

DDGS supplies in the US are reported to be a little tight as ethanol production has dropped off a little – some due to regular equipment maintenance and some due to a drop in ethanol demand.

March/April FOB prices are firm for all corn byproducts but do tend to slip a little once into May. However, from a CNF point of view, prices continue to move higher due to a shortage of export containers and increased freight rates from shipping lines.

Buyers can probably save at least USD 5 m/t on DDGS and up to USD 10 m/t of corn gluten meal by pushing their purchase off for a few weeks. May/June is better priced than March/April.

Overall, corn byproduct prices don't seem to want to move lower – even on weeks where corn has slipped a little.

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 470/480 m/t CNF Asia



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USA Feathermeal, 80% protein	USD 420/450 to Indonesia
USA Poultry by-product Meal, feed grade	USD 430/450 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 420/440 m/t CNF Asia
	USD 700/730 m/t CNF Asia

No change in prices to major markets in Asia this week, although the container freight rates continue to move higher with most destinations seeing at least a USD 5 increase in freight. Supply in Australia and New Zealand is tightening but then demand is not overwhelming, so prices seem steady.

In the US, prices are moving a little higher as demand seems to be quite good – especially for feathermeal and poultry meal.

While coronavirus is everywhere in the news, the only effect on animal proteins could be complications with logistics if some operations are closed due to the virus. Demand should not drop as animals still have to eat.

Prices look to be trending steady to higher for the near future. With CNF Asia prices pushed higher by increased container logistics problems and higher freight rates.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Peru's fishmeal exports for January/February 2020 reached 122,000 m/t with almost 82,000 m/t going to China – 67% of all exports. Japan, Germany and Vietnam make up another 20% of exports, about 25,000 m/t.

The IMARPE research cruise continues in Peru with the trade hoping to see the report later in March. It looks like the rollover number from the last season will be about 125,000 m/t and one of these days we should see buyers looking to cover supply from the next season. Depending on the quota, we could see the majority of the next production sold even before the fishing begins.

As with everywhere else, there is a great deal of talk about coronavirus in Peru and the effect that it may have on the export demand for fishmeal. The next season's quota in Peru will probably not be too large, so a little drop in demand may not be much of a problem. However, with the situation for both coronavirus and African swine fever improving in China there may not be any drop in demand – only time will tell.

For now, prices are firm, supply is not available – except the odd lot that was forgotten in the corner of the warehouse. There doesn't seem to be any reason to expect lower prices for now but if the quota is larger than expected or if demand does fall off then prices could weaken

Don't forget to wash your hands.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,700



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Danish fishmeal	64% protein	1,400
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,620

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	1450/1470 m/t	
67% protein standard steam	1530/1550 m/t	
67% protein 150 TVN	1580/1600 m/t	1550/1570 m/t
67% protein 120 TVN	1630/1650 m/t	1600/1620 m/t
67% protein 1000 hist, 120 TVN	1690/1710 m/t	1640/1660 m/t
68% protein 500 hist, 120 TVN	1730/1750 m/t	1730/1750 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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