



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT April 04, 2020

This week was a down week for prices for most every grain, oilseed and protein meal. Corn prices dropped in the US by USD 5 to 6 m/t with soybeans falling by USD 9 to 11 m/t and soymeal down by USD 16 to 20 m/t. Wheat too was lower with winter wheat down by USD 5 m/t or so and US spring wheat also down by about USD 5 m/t.

Corn moved lower on the numbers from the USDA Planting Intentions and Grain Stocks reports --- the big surprise for the trade was an increase in corn planting, up by about 8% over last year. However, corn stocks are lower than last year which helped keep corn prices from moving lower. USA corn is very competitive in some export markets these days which should give a push higher to US corn export sales.

Soybean prices were lower this week on good soybean harvests in South America – with a drop in the value of both Argentina and Brazil currency moving export prices lower in US\$. Trade reports this week were saying that the market is currently a little bearish for soybean prices but that in coming weeks there could be room for soybean prices to slip by as much as USD 25 m/t.

Wheat seemed to be giving back a little of the recent increase in prices but there is still concern that coronavirus demand could push prices higher once again. While there does seem to be lots of wheat in the world, every wheat importing country has pushed buying higher as strategic wheat stocks are being built to higher levels – all due to coronavirus concerns. The export limits by Russia and the Ukraine could also put some upward pressure on prices in coming days. So, this week's wheat price weakness may just have been a buying opportunity.

Top 20 US Export Destinations for Grains and Oilseeds – 2 months to February 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria					
Bangladesh				223,300	
Brazil	48,500				
Burma					61,200
Cameroon					
Canada		242,400	700	22,900	143,300
China		1,100	312,100	2,612,800	
Colombia	129,200	1,094,400		82,800	241,300
Costa Rica		124,200			
Djibouti					
Dominican Rep		18,500			37,700
Ecuador	117,700				116,600

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El Salvador		67,800			23,100
Egypt				569,500	
Eritrea					
Ethiopia	31,000				
Germany					
Guatemala	83,800	207,700			68,600
Honduras		117,700			49,500
Indonesia	258,500			272,800	
Iraq					
Israel					52,400
Italy	83,000			78,100	
Jamaica		36,200			
Japan	459,100	1,463,200	54,000	512,700	22,300
Kenya					
Madagascar			800		
Malaysia	56,900			105,100	
Mexico	590,600	2,224,900	182,100	890,800	296,300
Morocco					79,300
Netherlands				666,900	
New Zealand					
Nigeria	208,100				
Nicaragua		50,900			
Pakistan				206,700	
Panama		73,000			31,200
Peru	21,900	14,600		27,400	105,800
Philippines	618,900				332,500
Portugal				26,500	
Saudi Arabia		127,400			
Somalia					
South Africa					
South Korea	191,800	139,300	200	135,000	
Spain				280,400	
Sri Lanka					37,200
Sudan					
Taiwan	153,500	99,400		408,200	
Thailand	223,700			177,900	10,400
Trinidad		16,300			
Venezuela					26,500
Vietnam				185,000	20,700
Yemen	59,000				
Zimbabwe					

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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)	\$12/13.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$12/13.00		X
US Gulf Israel: 50,000 m/t	\$22/23.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$21/22.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$23/24.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00		X

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US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00		X
US Gulf Nigeria: 30,000 m/t	\$57/58.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$39/40.00		X
US Gulf South Africa: 45,000 m/t	\$37/38.00		X
US Gulf Japan: Panamax	\$39/40.00		X
US Gulf China: Panamax	\$38/39.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$20/21.00		X
US PNW China: Panamax	\$19/20.00		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		X
US Lakes – Morocco – 30,000 m/t	\$42/43.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$21/22.00		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		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	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	\$17/18.00	Down \$1.00	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		X
Argentina to China: 50,000 m/t, with top-off	\$29/30.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$28/29.00		X
Argentina to Egypt: 50,000 m/t	\$21/22.00	Down \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$17/18.00	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	\$48/49.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$46/47.00		X
Argentina to Spain: 50,000 m/t	\$17/18.00	Down \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00		X
Argentina to US Gulf: 25/35,000 m/t	\$31/32.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$34/35.00	Up \$2.00	X
Brazil to China: 55,000 m/t	\$25/26.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$24/25.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$27/28.00	Down \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$28/29.00	Down \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00		X
Brazil to Spain: 50,000 m/t	\$27/28.00	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$29/30.00	Down \$2.00	x
Australia to China: 40-55,000 m/t – round trip	\$23/23.50	Up \$1.00	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	\$29/30.00	Down \$1.00	x



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Ukraine to Bangladesh, 50,000 m/t	\$40/41.00	New	X
Ukraine to India, 50,000 m/t	\$34/35.00	New	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00		X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$22/23.00		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$17/18.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$16/17.00	Up \$1.00	X
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		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$35/36.00		X
Black Sea to Europe: 50,000 m/t	\$19/20.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$18/19.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$22/23.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$46/47.00		X
Black Sea to Turkey – 30,000 m/t	\$17/18.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$18/19.00	Up \$2.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	616	Up 62	X
Baltic Capesize Index (100,000 plus DWT)	319	Up 416	x
Baltic Panamax Index (60,000 to 80,000 DWT)	797	Up 68	X
Baltic Supramax Index (50,000 to 60,000 DWT)	495	Down 146	X
Baltic Handysize Index (25,000 plus DWT)	340	Down 61	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 240>>233	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 223/226	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 215/217	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 222/224	X
Wheat, Romania 12.5 pro	USD 216/218	X
Wheat, Superior, France, Rouen	USD 216/218	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 230/233	X
Wheat, feed, Black Sea	USD 212/214	X
Barley, France, Rouen port	USD 180/182	X
Barley, feed, Argentina, up river	USD 189/191	X
Barley, feed, Black Sea, 30,000+	USD 182/184	X
Corn, 2YC FOB NOLA USA	USD 168>>162	X
Corn, 3YC FOB USA Pacific northwest	USD 172/175	X
Corn, FOB Argentina port, upriver	USD 168/171	X

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Corn, FOB Brazil port	USD 158/161 new crop	X
Corn, FOB France – Atlantic	USD 183/185	X
Corn, FOB Romania	USD 174/177	X
Corn, FOB Russia	USD 184/187	X
Corn, FOB Ukraine, 30,000+ m/t	USD 179/182	X
Sorghum, FOB Argentina port	USD 128/131	X
Sorghum, FOB Texas	USD 194/197	X
Soymeal, 48% protein, FOB NOLA	USD 367>>360	X
Soymeal, 48% protein, USA, Rotterdam	USD 392>>385	X
Soymeal, Argentina, Rotterdam	USD 393/396	X
Soymeal, 47% pro, FOB Argentina	USD 344/347	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 385/388	X
Soymeal, 48% protein, FOB Brazil	USD 337/340	X
Soybeans, FOB NOLA	USD 341/343	X
Soybeans, Argentina, FOB	USD 328/331	X
Soybeans, Brazil, FOB	USD 335/338	X
Soybeans, Black Sea	USD 388/390	X
Corn Gluten Meal, USA FOB NOLA	USD 585/595 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 209/212 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 268>>254 m/t	x

While corn prices moved lower this week, DDGS did just the opposite and took another run higher. The DDGS situation is totally supply driven, as reported previously, a drop in ethanol production in the US means a drop in DDGS supply.

A ton of corn can produce about 300 kg of DDGS so every ton less of corn used in ethanol production has a very, very significant effect on the supply of DDGS.

The US Grains Council (USGC) reported this week that a shortage of supply and difficult logistics have caused some DDGS export shipments to be pushed off for a month. The USGC also notes that interior US DDGS prices have moved higher by about USD 24 ton.

US corn gluten meal prices remain high as fishmeal related demand is keeping strength in the market. High container freight rates for CGM are also making CNF prices very high.

Corn gluten feed prices are steady and will probably slip a little lower this coming week as CGF prices follow corn prices down.

USA exports of corn by-products – 2 months to February 2020 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		800	
Bangladesh	9,400	5,000	

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Burma		400	
Canada	70,700	7,700	
Chile		42,800	
China	21,400		
Colombia	26,100	14,600	7,700
Ecuador		500	
Egypt	16,700	3,800	
El Salvador		1,300	
Guatemala		1,900	
Honduras		1,100	
Indonesia	217,700	25,100	800
Ireland	60,800		27,300
Israel	63,400		34,000
Japan	115,600	2,100	
Malaysia		9,800	
Mexico	335,500	1,600	1,900
Morocco	28,600		6,800
New Zealand	42,100		
Peru		1,500	
Philippines	55,100	200	
Portugal			
South Korea	256,800		
Spain			
Taiwan	43,800	5,900	
Thailand	133,000	4,900	1,000
Turkey	86,300		7,000
UK	21,500		7,300
Vietnam	120,800	4,000	500

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 420/440 m/t CNF Asia
Australian MBM 50% protein	USD 470/490 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 450/470 m/t CNF Asia
Australian Poultry Meal, pet food	USD 770/780 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 530/550 m/t CNF Asia
	USD 460/480 to Indonesia
USA Feathermeal, 80% protein	USD 440/460 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 440/460 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/830 m/t CNF Asia

Animal protein prices in Asia moved higher this week as they tried to catch up to the last rally in soymeal prices – of course the soymeal rally has now reversed so we will see what happens next week.

Prices out of both Australia and New Zealand are reported to be steady for meat and bone meal with demand for poultry meal very good. The Jacobsen report was saying that demand for animal protein for pet food production is very strong as the coronavirus situation has

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caused a big jump in pet food sales.

In the US there has been some good demand for animal proteins --- again pushed on by pet food industry demand.

It is expected that pet food demand will continue to be the main factor in animal protein prices until we start to see a drop in coronavirus cases and consumers slow down in their stockpiling of pet food.

USA exports of animal protein – 2 months to February 2020 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Burma	700	
Cambodia		
Canada	8,700	100
Chile	1,900	6,300
China	33,200	600
Colombia		
Dominican Rep		
Ecuador	4,300	
Guatemala	500	
Honduras	1,300	100
Indonesia	37,600	9,300
Malaysia	2,000	
Mexico	32,000	
Peru	800	200
Philippines	8,500	100
Sri Lanka	200	
Thailand	6,100	
Vietnam	18,300	1,000
Total exports	156,600	17,700

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

All is very quiet in Peru with no new advanced sales to report. The talk is mainly about the effect of COVID-19 on ports and production facilities. The country lockdown in Peru could certainly have an affect on production and there is not much sense in catching fish if you can't process them.

The industry seems to feel that the new quota could be quite small and that fishing may be delayed until May. Of course, this is all speculation – but it seems to make sense.

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The lockdown in Peru runs to April 13 but there is a decent chance that this could be extended.

Looking at China, Peru's main fishmeal export market, things are improving with demand for fishmeal up and the recovery from African Swine Fever doing quite well. There is some concern that China may have a shortage of fishmeal if things in Peru do not allow for a reasonable quota and the ability to produce and ship fishmeal. The demand is certainly there in China, but will we see the supply side in Peru being able to meet China's needs.

The next few weeks, perhaps months, are going to be very difficult for the fishmeal industry in Peru.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,660
Danish fishmeal	64% protein	1,400
Peru fishmeal	64% protein	1,560
Chile fishmeal	67% protein	1,610
Iceland fishmeal	70% protein	1,680

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	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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