



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT April 18, 2020

This week was another week of lower prices – corn down by about USD 4 to 6 m/t, soybeans down by USD 10 to 12 m/t, soymeal down by USD 4 to 6 m/t and US wheat down by USD 5 to 9 m/t.

While corn did move lower this week, there is some talk in the trade that we may be the ethanol driven bottom in corn prices. The feeling seems to be that ethanol production will not drop any lower. Every time that there is a news story suggesting that Covid-19 has peaked there tends to be a little rally in corn prices – so, perhaps we are at the lows on corn.

Soybeans seem to be another story and just don't seem to want to stop sliding lower. This week there were concerns about a drop in feed production demand along with an expected shift in US soybean acres to corn. It is also seen that China is buying a stack of Brazil soybeans not US beans. The soybean harvests in South America are also going well --- it is tough to find any bullish news for soybeans.

While wheat was all lower on the week, the Black Sea wheat situation will probably see a switch in demand to US and others with the US getting a good chunk of wheat business. If this demand moves to US wheat, then that should put an end to the current price weakness. Also, world demand for wheat is still very good with many governments continuing to try to build higher reserve stocks. Of course, depending on Covid-19, higher reserve stocks today will mean lower purchase in the future.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13/14.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$13/14.00		X
US Gulf Israel: 50,000 m/t	\$25/26.00	Up \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$24/25.00	Up \$2.00	X
US Gulf Turkey: 50,000 m/t	\$26/27.00	Up \$2.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$33/34.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00		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	Down \$1.00	x
US Gulf Japan: Panamax	\$38/39.00	Down \$1.00	X
US Gulf China: Panamax	\$37/38.00	Down \$1.00	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	\$41/42.00	Up \$1.00	X
US Lakes – Morocco – 30,000 m/t	\$42/43.00		X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$20/21.00	Down \$2.00	X

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France/Germany to Bangladesh: 35/45,000 m/t	\$42/43.00		X
France/Germany to China: 50,000 m/t	\$37/38.00		X
France/Germany to Egypt: 50,000 (10,000 dis)	\$19/20.00		X
France/Germany to India: 50,000 m/t	\$33/34.00		X
France/Germany to Jordan: 35/45,000 (4k dis)	\$24/25.00		X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$20/21.00		X
France/Germany to Saudi Arabia: 50/60,000	\$34/35.00		X
France/Germany to South Africa: 30,000 m/t	\$45/46.00		X
France/Germany to Turkey: 35,000 m/t	\$19/20.00		X
France/Germany to Yemen: 30,000 m/t	\$54/55.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$32/33.00	Up \$1.00	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	\$19/20.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$15/16.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$28/29.00		X
Argentina to Jordan: 50,000 m/t	\$47/48.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$48/49.00		X
Argentina to South Africa 50,000 m/t	\$47/48.00		X
Argentina to Spain: 50,000 m/t	\$15/16.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$32/33.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$32/33.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00	corrected	X
Brazil to China: 55,000 m/t	\$24/25.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$23/24.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$24/25.00	Down \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00		X
Brazil to Spain: 50,000 m/t	\$24/25.00	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	Down \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$23.50/24		X
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$38/39.00		x
Ukraine to China: 50,000 m/t	\$29/30.00	Up \$1.00	X
Ukraine to Bangladesh, 50,000 m/t	\$42/43.00	Up \$1.00	X
Ukraine to India, 50,000 m/t	\$35/36.00	Up \$1.00	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) -	\$25/26.00		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$17/18.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00		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)	\$36/37.00		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	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$18/19.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$20/21.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X



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Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	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	\$ 1 5 / 1 6 . 0 0		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Up \$2.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	751	Up 116	X
Baltic Capesize Index (100,000 plus DWT)	993	Up 452	x
Baltic Panamax Index (60,000 to 80,000 DWT)	825	Up 12	X
Baltic Supramax Index (50,000 to 60,000 DWT)	404	Down 37	x
Baltic Handisize Index (25,000 plus DWT)	281	Down 25	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 May 2020/July 2020

Wheat, USA Soft Red Winter, US Gulf	USD 231>>226	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 226/229	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 223/226	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 229/232	X
Wheat, Romania 12.5 pro	USD 227/230	X
Wheat, Superior, France, Rouen	USD 224/226	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 231/234	X
Wheat, feed, Black Sea	USD 219/222	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 155/157	X
Corn, 3YC FOB USA Pacific northwest	USD 167/169	X
Corn, FOB Argentina port, upriver	USD 156/159	X
Corn, FOB Brazil port	USD 154/157	X
Corn, FOB France – Atlantic	USD 182/185	X
Corn, FOB Romania	USD 177/180	X
Corn, FOB Russia	USD 182/185	X
Corn, FOB Ukraine, 30,000+ m/t	USD 178/181	X
Sorghum, FOB Argentina port	USD 125/128	X
Sorghum, FOB Texas	USD 193/196	X
Soymeal, 48% protein, FOB NOLA	USD 343/346	X
Soymeal, 48% protein, USA, Rotterdam	USD 368/371	X
Soymeal, Argentina, Rotterdam	USD 373/376	X
Soymeal, 47% pro, FOB Argentina	USD 320/323	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 372/375	X
Soymeal, 48% protein, FOB Brazil	USD 321/324	X
Soybeans, FOB NOLA	USD 332/335	X



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Soybeans, Argentina, FOB	USD 325/328	X
Soybeans, Brazil, FOB	USD 327/330	X
Soybeans, Black Sea	USD 393/395	X
Corn Gluten Meal, USA FOB NOLA	USD 615/625 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 210/213 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 245>>225 m/t May>>August	X

DDGS prices are still very strong for May/July due to a lack of supply which is tied directly to the drop in ethanol production, but the spot price has moderated a little. Perhaps by August or so the situation will have improved and supply will reappear. From a DDGS export point of view, buyers will switch from high priced DDGS to lower priced corn and soymeal – there is little sense in them paying a huge premium for DDGS.

Corn gluten meal prices continue strong as demand is very good – both domestic and export demand – anything that has good levels of protein is in very good demand these days. Corn gluten meal prices will probably stay strong for at least the next two to three months.

Corn gluten feed prices did not change at all this week, but it is reported that demand is quite good in the US domestic market but not much to report on CGF export demand.

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 450/470 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

Export prices to buyers in Asia seemed to be just a little lower this week as much of the buying interest has disappeared due to logistics complications with Covid-19 and the upcoming Ramadan period.

It is expected that prices from both Australia and New Zealand will move higher, for both domestic and export, as the animal slaughter numbers are dropping. Reports say that beef production could be down by as much as 30%.

On the other side of the scale, US domestic prices have moved higher mainly on a shortage of supply caused by facility shutdowns due to Covid-19. Both cattle and hog slaughter numbers in the US are lower. There is also very steady demand from the pet food industry for all animal protein while from the animal feed sector, the drop in DDGS supply is shifting some buyers to animal protein.

For the time being it looks like we will see steady to higher prices, but this will change once the current Covid-19 situation improves.

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The expected Imarpe Express Research Cruise is underway and should be finished in a maximum of 15 days. The cruise will end just about as Peru reaches the end of its current coronavirus lockdown period.

The lockdown in Peru was quite different to what we see in Europe it started with men allowed out on Monday, Wednesday and Friday with women allowed on Tuesday, Thursday and Saturday – no one is out on Sunday. Needless to say, this man/women plan did not work and was cancelled.

According to MSI Ceres, the fishing industry has been allowed to do maintenance on their ships, equipment and factories – with many restrictions -- assuming that they can find the staff to do the work. But as MSI Ceres said – this is the first step toward the new fishing season.

Rumors seem to have settled on the new quota being at 2.0 million m/t – not all that bad a quota.

A couple of trade reports mentioned the story that some new season business had been done to China at lower prices, but this is still just stories.

It is also reported that the fishmeal use in China is climbing as the market in China looks to be recovering very quickly from both Coronavirus and African Swine Fever. Chinese buyers are reported to be shopping everywhere for available fishmeal supplies.

Well, a couple more weeks and we should know what is happening in Peru but with the limitations caused by coronavirus both fishing and processing will not be easy.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,700
Danish fishmeal	64% protein	1,400
Peru fishmeal	64% protein	1,560
Chile fishmeal	67% protein	1,610
Iceland fishmeal	70% protein	1,750

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	1500/1520 m/t	
67% protein 150 TVN	1550/1570 m/t	1550/1570 m/t
67% protein 120 TVN	1600/1620 m/t	1600/1620 m/t
67% protein 1000 hist, 120 TVN	1660/1680 m/t	1640/1660 m/t

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68% protein 500 hist, 120 TVN	1700/1720 m/t	1700/1720 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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