



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT April 25, 2020

There is really no strength in grain/oilseed market prices these days, although this week was more of a neutral week than a down week. Futures prices did drop on Friday but for the week most prices finished the week about where they had been the week before.

Lower ethanol production continues to be the major factor for US corn prices, and it looks like there is very little chance for now of corn prices moving higher. With the Ukraine talking about limiting corn exports there should be more opportunity for US corn into North Africa but US corn will still have to fight against shipment from Argentina and Brazil – and that is a tough fight to win.

Soybeans slipped lower on Friday but steady on the week --- like corn there is not much reason to expect a rally in soybean prices. Recent sales to China did not do anything to change market direction as some experts are saying that the actual shipments could be stretched out longer than expected.

Wheat prices were down on Friday as rainfall arrived in some parts of the wheat growing world that were short of rain. Europe was very happy to see decent rainfall after quite a long dry period. Spring wheat planting in the US looks to be having good conditions, so all may be better than anticipated with spring wheat.

Other than the Black Sea export limitation that could affect wheat and corn there still does not look to be any strong reason for prices to move higher.

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	\$24/25.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$23/24.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$25/26.00	Down \$1.00	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		X
US Gulf Japan: Panamax	\$37/38.00	Down \$1.00	X
US Gulf China: Panamax	\$36/37.00	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		X
US Lakes – Morocco – 30,000 m/t	\$42/43.00		X

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France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$20/21.00		X
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)	\$18/19.00	Down \$1.00	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	\$18/19.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$55/56.00	Up \$1.00	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	\$28/29.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$27/28.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$18/19.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$14/15.00	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	\$14/15.00	Down \$1.00	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	\$32/33.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00		X
Brazil to China: 55,000 m/t	\$24/25.00		X
Brazil to Japan: 55,000 m/t	\$23/24.00		X
Brazil to Europe: 50,000 m/t	\$24/25.00		X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Down \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00		X
Brazil to Spain: 50,000 m/t	\$24/25.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00		X
Australia to China: 40-55,000 m/t – round trip	\$24/24.50	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$39/40.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$27/28.00	Down \$2.00	X
Ukraine to Bangladesh, 50,000 m/t	\$43/44.00	Up \$1.00	X
Ukraine to India, 50,000 m/t	\$36/37.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00	Down \$3.00	X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$24/25.00	Down \$1.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$14/15.00	Down \$3.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$14/15.00	Down \$3.00	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)	\$35/36.00	Down \$1.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$16/17.00	Down \$3.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	Down \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$16/17.00	Down \$3.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$17/18.00	Down \$3.00	X



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Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$23/24.00	Down \$2.00	X
Black Sea to Turkey – 30,000 m/t	\$12/13.00	Down \$3.00	X
Black Sea to South Africa – 30,000 m/t	\$46/47.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$15/16.00	Down \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	665	Down 86	X
Baltic Capesize Index (100,000 plus DWT)	964	Down 29	X
Baltic Panamax Index (60,000 to 80,000 DWT)	747	Down 78	X
Baltic Supramax Index (50,000 to 60,000 DWT)	388	Down 16	X
Baltic Handisize Index (25,000 plus DWT)	247	Down 34	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 225/228	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 224/227	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 227/230	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 231/234	X
Wheat, Romania 12.5 pro	USD 226/229	X
Wheat, Superior, France, Rouen	USD 217/220	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 238/241	X
Wheat, feed, Black Sea	USD 220/223	X
Barley, France, Rouen port	USD 177/180	X
Barley, feed, Argentina, up river	USD 180/183	X
Barley, feed, Black Sea, 30,000+	USD 184/186	X
Corn, 2YC FOB NOLA USA	USD 145/148	X
Corn, 3YC FOB USA Pacific northwest	USD 162/165	X
Corn, FOB Argentina port, upriver	USD 142/145	X
Corn, FOB Brazil port	USD 155/158	X
Corn, FOB France – Atlantic	USD 184/186	X
Corn, FOB Romania	USD 176/179	X
Corn, FOB Russia	USD 179/182	X
Corn, FOB Ukraine, 30,000+ m/t	USD 171/174	X
Sorghum, FOB Argentina port	USD 131/134	X
Sorghum, FOB Texas	USD 199/201	X
Soymeal, 48% protein, FOB NOLA	USD 344/346	X
Soymeal, 48% protein, USA, Rotterdam	USD 369/371	X
Soymeal, Argentina, Rotterdam	USD 358/361	X
Soymeal, 47% pro, FOB Argentina	USD 314/317	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 354/357	X
Soymeal, 48% protein, FOB Brazil	USD 310/313	X

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Soybeans, FOB NOLA	USD 331/334	X
Soybeans, Argentina, FOB	USD 323/326	X
Soybeans, Brazil, FOB	USD 330/333	X
Soybeans, Black Sea	USD 393/395	X
Corn Gluten Meal, USA FOB NOLA	USD 645>>630 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 200/210 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 235>>215 m/t May>>August	X

World Perspectives (WP) was saying this week that the recent increase in corn gluten meal prices has been driven by demand from the pet food industry. WP is not forecasting any weakness in corn gluten meal prices.

DDGS prices are also still very strong, although the nearby prices have dropped a little. Some experts are saying DDGS prices will not go any lower as long as ethanol production continues to be lower than normal. With DDGS being an ethanol byproduct, prices and supply are closely tied to factors well outside of the animal feed market. Low crude oil prices will continue to cause a drop in ethanol demand and a resulting drop in ethanol and DDGS production. DDGS may be priced out of some animal feed rations for the next while.

Corn gluten feed prices slipped a little this week as it followed corn a little lower.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 470/490 m/t CNF Asia
Australian MBM 50% protein	USD 520/540 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 500/520 m/t CNF Asia
Australian Poultry Meal, pet food	USD 820/840 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 545/565 m/t CNF Asia
USA Feathermeal, 80% protein	USD 500/520 to Indonesia
USA Poultry by-product Meal, feed grade	USD 460/480 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 440/460 m/t CNF Asia
	USD 820/840 m/t CNF Asia

Animal protein prices into Asia moved higher as supply has tightened a little but experts are saying that feed producers will switch to vegetable proteins if prices get much higher. Switching to lower priced soymeal and tossing in some amino acids will end up being a lower cost alternative to meat and bone meal. Animal protein producers in both Australia and New Zealand are seeing very good demand from the pet food industry and this should continue due to increased Covid-19 lockdown pet food demand.

Animal protein prices in the US have been strong – related mainly to particularly good demand from the pet food industry. Supply levels in the US have dropped due to Covid-19 related production limitations and to lower slaughter rates for cattle and pork.

Prices are expected to stay firm until the pet food folks are able to switch over to lower cost protein supplies.

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The feeling in Peru seems to be that the next quota will be no more than 1.5 million m/t of catch which could yield about 350,000 m/t of fishmeal but, with 150,000 m/t or so of old orders rolled over from last season, there may only be about 200,000 m/t of available fishmeal --- not very much.

The Covid-19 lockdown in Peru has been extended until May 10th which could impact the next fishing season – a season that all hope will begin in early May. The comment in trade reports is that the new season will not start until after the 10th - meanwhile producers and fishermen continue to get their equipment and facilities ready for the next season.

MSI Ceres mentioned this week that about 15,000 m/t of new season business was done with China. Reports from China say that fishmeal stocks are now building as new fishmeal arrivals are greater than current consumption. Consumption should increase as the aquaculture demand builds but that demand may also be limited by the spread of Covid-19 in seafood importing countries.

Should not be too long now and we will find out the new quota level --- probably a small quota with a short season.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,670
Danish fishmeal	64% protein	1,400
Peru fishmeal	64% protein	1,560
Chile fishmeal	67% protein	1,610
Iceland fishmeal	70% protein	1,730

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
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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an

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