



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT May 09, 2020

Looking at news reports this week, it looks like many countries will begin to winddown a little on some of the COVID-19 restrictions. Hopefully, this will work well and not kick off a second wave of infections. My wife and I will not be changing too much in our approach to the situation – we will still be cautious until we see things improving --- after all, we are in the dangerous age group.

The spread in corn prices from May to September has evened out this week – May had been selling at a discount but is now at the same level as June and July. Overall corn prices did not do much on the week so are pretty well unchanged from last week. Soybeans had a small rally on Friday but for the week most US soybean prices were very close to unchanged and the same for US soymeal. The nearby prices for winter wheat are still at a premium but this premium drops off as we get to winter wheat harvest.

Looking at corn, the market says that there was a small increase in ethanol production which is a little positive for higher corn prices and the export sales numbers were also a little supportive -- perhaps we are at the bottom on corn prices for a little.

The small rally in US soybean prices on Friday is said to be related to very good export sales/shipments. Soybean prices for the US into June/August look to be lower than for both Argentina and Brazil which should swing more buying back to the US and may push prices higher over the next few weeks.

Trade reports say that the May wheat futures took a jump only due to speculators trying to get out of their futures position prior to the upcoming expiry of the May wheat futures contract.

This coming week is the week of the USDA WASDE reports, always an interesting and exciting time in the grain business. Looking at various trade reports at the end of the week, no one seems to be expecting any major surprises in this month's WASDE --- but you never know, we have seen surprises before.

Top 20 US Export Destinations for Grains and Oilseeds – 3 months to March 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria					
Bangladesh				472,100	
Brazil	48,500				
Burma					99,200
Cameroon					
Canada		412,800	1,200	34,500	241,000
China		1,100	648,200	2,821,300	
Colombia	232,100	1,531,100		136,300	366,000
Costa Rica		224,000			
Djibouti			10,000		



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Dominican Rep		147,600			95,200
Ecuador	150,700				192,000
El Salvador		135,700			38,000
Egypt				1,032,800	
Eritrea					
Ethiopia	31,000				
Germany					
Guatemala	87,600	329,100			117,900
Honduras		227,600			90,800
Indonesia	481,000			562,500	
Iraq					
Israel		30,800			52,600
Italy	114,900			78,100	
Jamaica		67,700			
Japan	733,700	2,796,500	102,200	810,900	37,100
Kenya					
Madagascar			800		
Malaysia	101,500			193,500	
Mexico	847,300	3,414,900	239,300	1,212,900	433,300
Morocco					132,700
Netherlands				796,400	
New Zealand					
Nigeria	332,600				
Nicaragua		89,300			
Pakistan				206,700	
Panama		119,500			53,000
Peru	55,200	14,600		79,600	128,500
Philippines	729,900				489,800
Portugal				26,500	
Saudi Arabia		193,700			
Somalia			45,500		
South Africa					
South Korea	300,700	617,000	300	168,300	
Spain				280,400	
Sri Lanka					60,600
Sudan					
Taiwan	280,400	218,900		536,900	
Thailand	255,400			285,900	11,100
Trinidad		32,100			
Venezuela					38,900
Vietnam				231,0300	44,900
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	\$23/24.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$22/23.00		X



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US Gulf Turkey: 50,000 m/t	\$24/25.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00	Down \$1.00	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Down \$1.00	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	\$35/36.00	Down \$1.00	X
US Gulf China: Panamax	\$34/35.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$18/19.00	Down \$1.00	X
US PNW China: Panamax	\$17/18.00	Down \$1.00	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
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)	\$16/17.00	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	\$16/17.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$55/56.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$29/30.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$26/27.00	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	\$17/18.00		X
Argentina to Europe: 50/60,000 m/t	\$13/14.00		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	\$13/14.00		x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$29/30.00	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	\$22/23.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$21/22.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00		X
Brazil to Spain: 50,000 m/t	\$22/23.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$24/25.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$24.50/25	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	\$40/41.00	Up \$1.00	x



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Ukraine to China: 50,000 m/t	\$25/26.00	Down \$1.00	X
Ukraine to Bangladesh, 50,000 m/t	\$43/44.00		X
Ukraine to India, 50,000 m/t	\$36/37.00		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00		X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$18/19.00	Down \$6.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$12/13.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$12/13.00	Down \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$23/24.00	Down \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/31.00	Down \$5.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00		X
Black Sea to Europe: 50,000 m/t	\$14/15.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	Down \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$14/15.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$17/18.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$22/23.00	Down \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$10/11.00	Down \$2.00	X
Black Sea to South Africa – 30,000 m/t	\$46/47.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$13/14.00	Down \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	514	Down 103	X
Baltic Capesize Index (100,000 plus DWT)	461	Down 359	X
Baltic Panamax Index (60,000 to 80,000 DWT)	667	Down 37	X
Baltic Supramax Index (50,000 to 60,000 DWT)	423	Up 10	X
Baltic Handisize Index (25,000 plus DWT)	228	Down 11	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 219/222	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 226/229	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 224/227	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 227/230	X
Wheat, Romania 12.5 pro	USD 228/231	X
Wheat, Superior, France, Rouen	USD 219/221	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 237/240	X
Wheat, feed, Black Sea	USD 217/220	X
Barley, France, Rouen port	USD 176/178	X
Barley, feed, Argentina, up river	USD 185/188	X
Barley, feed, Black Sea, 30,000+	USD 183/186	X
Corn, 2YC FOB NOLA USA	USD 148/151	x



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Corn, 3YC FOB USA Pacific northwest	USD 163/166	x
Corn, FOB Argentina port, upriver	USD 151/154	X
Corn, FOB Brazil port	USD 150/153	X
Corn, FOB France – Atlantic	USD 184/186	X
Corn, FOB Romania	USD 178/181	X
Corn, FOB Russia	USD 177/180	X
Corn, FOB Ukraine, 30,000+ m/t	USD 174/177	X
Sorghum, FOB Argentina port	USD 129/132	X
Sorghum, FOB Texas	USD 214>>209	X
Soymeal, 48% protein, FOB NOLA	USD 338/341	X
Soymeal, 48% protein, USA, Rotterdam	USD 363/366	X
Soymeal, Argentina, Rotterdam	USD 348/351	X
Soymeal, 47% pro, FOB Argentina	USD 312/315	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 338/341	X
Soymeal, 48% protein, FOB Brazil	USD 314/317	X
Soybeans, FOB NOLA	USD 339/341	X
Soybeans, Argentina, FOB	USD 331/334	X
Soybeans, Brazil, FOB	USD 336/339	X
Soybeans, Black Sea	USD 394/397	X
Corn Gluten Meal, USA FOB NOLA	USD 650>>630 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 200/205 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 210>>200 m/t May>>August	X

DDGS prices have continued to drop lower this week as the panic demand buying is certainly over and those that are hoping to buy are looking for lower prices. For the past few weeks DDGS have not been competitive to corn/soybean but as DDGS prices continue to slide the demand should pick up once again. However, with ethanol production still down any serious increase in DDGS demand could push prices higher again.

Both corn gluten feed and corn gluten meal prices are steady on the week as pet good demand continues to keep CGM high while CGF just follows along with corn prices.

It is interesting to note, in the export numbers below, that Egypt has moved from being the largest importer of corn gluten meal to being well down on the list and end-users in Egypt report that CGM prices in Egypt are well below replacement as sellers try to use up stocks imported last year while local demand has dropped considerably due to a drop in poultry and egg production.

USA exports of corn by-products – 3 months to March 2020 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		800	
Bangladesh	18,700	6,300	600
Burma		400	
Canada	104,700	11,700	



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Chile		42,800	
China	23,300		
Colombia	52,700	25,400	13,900
Ecuador		700	
Egypt	25,200	3,900	
El Salvador		1,300	
Guatemala		1,900	
Honduras		2,000	
Indonesia	322,000	44,300	1,200
Ireland	91,600		48,300
Israel	63,400		34,000
Japan	144,400	2,900	
Malaysia		15,200	
Mexico	525,600	3,300	2,800
Morocco	34,100		6,800
New Zealand	59,000		
Peru		2,000	
Philippines	72,600	400	
Portugal			
South Korea	384,500		
Spain			
Taiwan	66,000	10,000	
Thailand	159,500	6,300	1,200
Turkey	122,300		7,000
UK	21,500		7,300
Vietnam	260,500	5,200	1,000

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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 450/470 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/820 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 545/565 m/t CNF Asia
	USD 500/520 to Indonesia
USA Feathermeal, 80% protein	USD 460/480 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 820/840 m/t CNF Asia

Animal protein prices to major importing countries in Asia were steady this week but some experts feel that the market could drop lower in price as feed producers that can will switch over to less expensive soymeal.

There were a couple of offers floating around this week for Paraguay 40% protein meat and bone meal down close to USD 325 m/t CNF Asia – not too sure of the quality of the offer as at least one of the “suppliers” has a quite questionable past record on supply.

Prices and supply from Australia and New Zealand were steady this week while US export prices looked like they wanted to move a little lower.

In the US domestic market prices for meat and bone meal were a little weaker due to lower soymeal



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prices – in some parts of the US beef MBM was down by USD 15 m/t.

The price trend for the next few week is for continued weakness.

USA exports of animal protein – 3 months to March 2020 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Burma	800	
Cambodia		
Canada	13,400	400
Chile	2,200	8,600
China	48,100	1,000
Colombia	700	
Dominican Rep		
Ecuador	5,800	
Guatemala	1,100	
Honduras	2,200	100
Indonesia	60,000	12,800
Malaysia	2,200	
Mexico	49,200	
Peru	1,000	200
Philippines	13,100	200
South Korea	600	200
Sri Lanka	200	
Thailand	10,200	
Vietnam	31,700	1,300
Total exports	243,000	24,900

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

So here we go --- new quota at 2.413 million m/t of catch with fishing to begin on May 13. Crank up the gear and let's get rolling. This quota translates into about 575,000 m/t of fishmeal. First export shipments of fishmeal could start by mid-June.

Much of the trade in Peru feels that the full quota can not be landed due to the existing COVID-19 restrictions with some trade estimates of the catch being at about 1.8 mm/t maximum.

Companies that own 2 or more vessels will be limited to using only 60% of their fleet – this is expected to keep the daily catch down to a maximum of about 30,000 m/t.

There are also strict regulations on crew size and crew quarantine – before and after voyages.



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This fishing season will be much more complicated than normal – but at least there will be fishing and both product and jobs for the industry.

If the actual catch only reaches 1.8 mm/t then the fishmeal production will drop to about 430,000 m/t and with the rollover from last season of 140,000 m/t that would leave only about 290,000 m/t of fishmeal for the market.

For now, fishmeal prices are expected to be steady, but this could change depending on how the fishing goes and what China decides to do for August/September supplies.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,685
Danish fishmeal	64% protein	1,380
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
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

<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	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

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