



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT May 16, 2020

These days market prices only seem to want to go lower as there just hasn't been any news in the market to push prices higher. Corn prices did almost nothing on the week while both soybeans and soymeal moved lower by USD 3 to 5 m/t. US winter wheat was quite weak and dropped between USD 8 and 10 m/t.

It is interesting to note that a couple of trade reports said that corn prices remain too high for some major corn import buyers which I guess could mean that corn should slide a little lower to get buyers excited. Most every country seems to be having corn crop projections that point to a greater supply come harvest later in 2020 so perhaps corn is too high priced. With Black Sea corn supplies coming to an end it looks like corn buyers will be looking to the US and South America for supply for the next 5 months or so.

Soybeans, as usual, are driven by what is happening between the US and China which most weeks is either positive or negative. This week it was mostly negative for US soybeans as China seemed to be busy buying Brazil beans. For now, there doesn't seem to be anything in the market that will turn the soybean price trend to higher.

Winter wheat seems to be suffering from improved weather and very large world wheat stocks. With all the weather concerns in the US seeming to be behind us winter wheat just can't keep prices from falling. Spring wheat too is being pushed lower by good weather, large world supplies and limited US wheat exports.

## **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
US Gulf Turkey: 50,000 m/t	\$24/25.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00		X
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	\$34/35.00	Down \$1.00	X
US Gulf China: Panamax	\$33/34.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$18/19.00		X
US PNW China: Panamax	\$17/18.00		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	\$43/44.00	Up \$1.00	X
France/Germany to China: 50,000 m/t	\$36/37.00	Down \$1.00	X
France/Germany to Egypt: 50,000 (10,000 dis)	\$15/16.00	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	\$17/18.00	Up \$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)	\$28/29.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$26/27.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$27/28.00		X
Argentina to Egypt: 50,000 m/t	\$16/17.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$12/13.00	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	\$47/48.00	Down \$1.00	X
Argentina to South Africa 50,000 m/t	\$47/48.00		X
Argentina to Spain: 50,000 m/t	\$12/13.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00	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		X
Brazil to Japan: 55,000 m/t	\$21/22.00		X
Brazil to Europe: 50,000 m/t	\$21/22.00	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	\$21/22.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$24.50/25		X
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$41/42.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$25/26.00		X
Ukraine to Bangladesh, 50,000 m/t	\$42/43.00	Down \$1.00	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		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$12/13.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$12/13.00		X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$23/24.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/31.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00		X
Black Sea to Europe: 50,000 m/t	\$16/17.00	Up \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	Up \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$16/17.00	Up \$2.00	X



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Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$18/19.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$23/24.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$11/12.00	Up \$1.00	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)	407	Down 107	X
Baltic Capesize Index (100,000 plus DWT)	26	Down 435	X
Baltic Panamax Index (60,000 to 80,000 DWT)	603	Down 64	X
Baltic Supramax Index (50,000 to 60,000 DWT)	450	Up 27	X
Baltic Handisize Index (25,000 plus DWT)	230	Up 2	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 June 2020/August 2020

Wheat, USA Soft Red Winter, US Gulf	USD 211/214	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 216/219	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 223/226	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 225/228	X
Wheat, Romania 12.5 pro	USD 225/228	X
Wheat, Superior, France, Rouen	USD 220/222	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 233/236	X
Wheat, feed, Black Sea	USD 216/219	X
Barley, France, Rouen port	USD 183/185	X
Barley, feed, Argentina, up river	USD 179/182	X
Barley, feed, Black Sea, 30,000+	USD 183/186	X
Corn, 2YC FOB NOLA USA	USD 151/154	X
Corn, 3YC FOB USA Pacific northwest	USD 166/169	X
Corn, FOB Argentina port, upriver	USD 145/148	X
Corn, FOB Brazil port	USD 152/155	X
Corn, FOB France – Atlantic	USD 183/185	X
Corn, FOB Romania	USD 177/180	X
Corn, FOB Russia	USD 176/179	X
Corn, FOB Ukraine, 30,000+ m/t	USD 173/176	X
Sorghum, FOB Argentina port	USD 129/132	X
Sorghum, FOB Texas	USD 210/213	X
Soymeal, 48% protein, FOB NOLA	USD 338/341	X
Soymeal, 48% protein, USA, Rotterdam	USD 363/366	X
Soymeal, Argentina, Rotterdam	USD 350/353	X
Soymeal, 47% pro, FOB Argentina	USD 323/326	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 345/348	X



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Soymeal, 48% protein, FOB Brazil	USD 316/319	X
Soybeans, FOB NOLA	USD 330/333	X
Soybeans, Argentina, FOB	USD 322/325	X
Soybeans, Brazil, FOB	USD 334/337	X
Soybeans, Black Sea	USD 393/396	X
Corn Gluten Meal, USA FOB NOLA	USD 550/570 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 198/203 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 210>>200 m/t	x

The big news this week --- if it doesn't rebound next week – is a USD 100 m/t drop in the price for corn gluten meal. Seems that all the exporters who had nothing to sell last week have mountains of CGM this week. Not sure exactly what the reason for the price drop may be – perhaps a slump in pet food buyers or more interest in fishmeal from Peru. It will be interesting to see if the lower prices hold.

DDGS prices were steady on the week and do not seem to be too inclined to move lower. Corn gluten feed prices were unchanged.

There have been some articles in the EU in the last week pointing out the possible animal feed benefits of "insect-based feedstuffs". This is even more important these days due to much of the animal feed industry's dependence on imported protein for feed use and the logistics problems that Covid-19 has caused. Insect protein for feed can easily be produced in the EU and "will" become cost effective. However, there is the restriction in the EU that insect protein cannot be feed to most animals that enter the food chain. This would need to be changed to make insect protein an alternative for the feed industry or an investment vehicle for feed producers.

## 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 490/510 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

Inexpensive soymeal is tending to push prices lower for animal proteins in Asia, but the feeling seems to be that we won't be going much lower. The Covid-19 restrictions have tightened up supply from most export origins and although demand has dropped a little too there doesn't seem to be much reason for prices to drop further.

However, in the US domestic market prices for animal proteins were lower as supply is running a little ahead of demand – only poultry meal seems able to keep prices firm this week.

There doesn't look to be any good reason to expect animal protein prices to move higher in the short term. We will have to see what more Covid-19 can do to the industry.

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## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing is back on in Peru but due to Covid-19 restrictions the start to fishing has been quite slow – just over 8,000 m/t of fish were landed during the first couple of days. Fishing will increase once everyone gets all their permission and documents in line and all learn exactly what they have to do to actually get to fishing.

Fishing had just gotten started this week when a 5 day mini-ban was announced for some areas due to juvenile fish levels. So, fishing is difficult, we will need at least a couple of weeks to see how things are going.

The Peruvian government had set an age rule for industry workers at 60 but this has now been increased to 65. They had also set a maximum BMI (body mass index) for workers at 30 which has now been increased to 40. Just for your info, a BMI of 30 is considered obese. I don't recall seeing all that many obese people in the fishmeal industry in Peru.

No change in prices yet as there hasn't been any new business reported for a while --- once we get a bit more fishing then we will have a better idea if there will be something to sell and at what price.

### PERU "INDICATION" FISHMEAL PRICES:

#### European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,740
Danish fishmeal	64% protein	1,380
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,740

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

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