



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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At long last, i was able to get a haircut yesterday – it had been close to three months since my last and i was looking extremely shaggy. Also, it is a bit strange having your hair washed and getting a haircut while wearing a mask.

WEEKLY GRAIN AND PROTEIN REPORT May 30, 2020

So, where do we stand on prices at the end of this four day trading week in the US. Corn prices moved a little higher, up by about USD 2 m/t – soybeans too were up by a couple of dollars, soymeal was pretty well unchanged. Hard red winter wheat jumped by about USD 9 m/t and soft red winter was up by USD 3 m/t or so.

Corn finished the week with export sales lower than the trade had expected which leaves the year to date export numbers well below last year. Planting of corn seems to be going along well which could put more pressure on corn prices as good planting could mean that a very large crop is in the cards come September. Planting is expected to race along as the weather is good for the next few days.

Soybean prices slipped a little on Friday as tensions with China made more soybean export business seem further away --- although there was a new sale to China reported. There was nothing exciting in soybean exports but China was in there quite strongly and took about half of the soybean exports for the week.

Dry conditions helped to push winter wheat prices higher. Exports were lower than expected for the week but the year to date is still up on last year.

We are getting into the time of the year where the weather will start to set the price trend – be it for planting delays or winter wheat finishing and harvesting problems. So, now comes the very exciting part of the year in the US grain/oilseed markets.

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

I had a question from a reader this week on what “disch” and “dis” mean in the table below --- both mean the average daily discharge rate of the vessel.

US Gulf to Europe: 60/70,000 (10,000 disch)	\$12/13.00	Down \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$12/13.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$24/25.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$23/24.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$25/26.00	Up \$1.00	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	\$38/39.00		X
US Gulf Japan: Panamax	\$34/35.00		X
US Gulf China: Panamax	\$33/34.00		X

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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	Down \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$57/58.00		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	\$45/46.00	Up \$1.00	X
France/Germany to China: 50,000 m/t	\$36/37.00		X
France/Germany to Egypt: 50,000 (10,000 dis)	\$15/16.00		X
France/Germany to India: 50,000 m/t	\$35/36.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$26/27.00	Up \$1.00	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	\$47/48.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$15/16.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$57/58.00	Up \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$28/29.00		X
Argentina to China: 50,000 m/t, with top-off	\$24/25.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$25/26.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$14/15.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$10/11.00	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	\$43/44.00	Down \$2.00	X
Argentina to South Africa 50,000 m/t	\$47/48.00		X
Argentina to Spain: 50,000 m/t	\$10/11.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00		X
Argentina to US Gulf: 25/35,000 m/t	\$33/34.00	Up \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$31/32.00		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	\$20/21.00	Down \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$24/25.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$48/49.00		X
Brazil to Spain: 50,000 m/t	\$20/21.00	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Down \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$20/21.00	Down \$2.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$43/44.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$24/25.00	Down \$1.00	X
Ukraine to Bangladesh, 50,000 m/t	\$44/45.00		X
Ukraine to India, 50,000 m/t	\$37/38.00		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)	\$21/22.00		x
Ukraine to Turkey: coaster (1,000 disch)	\$15/16.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$15/16.00		X



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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	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$19/20.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00		X
Black Sea to Europe: 50,000 m/t	\$15/16.00	Down \$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)	\$15/16.00	Down \$2.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$18/19.00		X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00		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 \$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)	\$15/16.00	Up \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	504	Up 10	X
Baltic Capesize Index (100,000 plus DWT)	46	Down 134	X
Baltic Panamax Index (60,000 to 80,000 DWT)	754	Up 131	X
Baltic Supramax Index (50,000 to 60,000 DWT)	500	Up 22	X
Baltic Handisize Index (25,000 plus DWT)	271	Up 28	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 217/220	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 224/227	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 194/197 July	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 199/202 July	X
Wheat, Romania 12.5 pro	USD 201/204 July	X
Wheat, Superior, France, Rouen	USD 220/222	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 232/235	X
Wheat, feed, Black Sea	USD 188/191 July	X
Barley, France, Rouen port	USD 186/188	X
Barley, feed, Argentina, up river	USD 178/181	X
Barley, feed, Black Sea, 30,000+	USD 176/179 July	X
Corn, 2YC FOB NOLA USA	USD 155/157	X
Corn, 3YC FOB USA Pacific northwest	USD 170/172	X
Corn, FOB Argentina port, upriver	USD 142/145	X
Corn, FOB Brazil port	USD 156/159	X
Corn, FOB France – Atlantic	USD 193/195	X
Corn, FOB Romania	USD 184/187	X
Corn, FOB Russia	USD 181/184	X
Corn, FOB Ukraine, 30,000+ m/t	USD 178/181	X

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Sorghum, FOB Argentina port	USD 137/140	X
Sorghum, FOB Texas	USD 215/218	x
Soymeal, 48% protein, FOB NOLA	USD 333/336	X
Soymeal, 48% protein, USA, Rotterdam	USD 358/361	X
Soymeal, Argentina, Rotterdam	USD 344/347	X
Soymeal, 47% pro, FOB Argentina	USD 312/315	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 341/344	X
Soymeal, 48% protein, FOB Brazil	USD 312/315	X
Soybeans, FOB NOLA	USD 335/338	X
Soybeans, Argentina, FOB	USD 328/331	X
Soybeans, Brazil, FOB	USD 351/354	X
Soybeans, Black Sea	USD 392/395	x
Corn Gluten Meal, USA FOB NOLA	USD 515/525 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 196/199 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 207>>200 m/t	x

There wasn't much change in DDGS or corn gluten feed prices this week but corn gluten meal continued to move lower --- supplies are increasing, as shown below, but export demand is yet to return to the levels of earlier in 2020.

The production of ethanol and corn co-products is recovering from its low levels in April, as shown by the table below. This recovery has helped to move the price for DDGS lower from its recent very high level. As the table also shows, current production is still just over 30% blow the January level.

Both DDGS and corn gluten meal export prices have dropped from their recent very high levels as the supply has increased. Hord to know if prices will continue to drop if production continues to increase as end users may just switch out of soymeal back to other alternatives. Also, with both gasoline and ethanol stocks at quite low levels there could easily be the need to continue ethanol production increases which will give more co-products.

USDA report on ethanol and co-product production -- 2020

Month	Corn Use per day Bushels In millions	Ethanol production 1000 gallons Per day	DDGS production M/T per day	Corn gluten feed production M/T per day	Corn gluten meal production M/T per day
January 2020	15.7	44,600	101,000	10,600	1,970
April 01, 2020	10.0	28,224	63,900	6,700	1,200
April 24, 2020	8.0	22,554	51,100	5,400	1,000
May 22, 2020	10.7	30,400	68,900	7,200	1,340
% of January	68.2	68.2	68.2	67.9	68.0

Container shipments, minimum 200 m/t

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Australian MBM 45% protein	USD 430/450 m/t CNF Asia
Australian MBM 50% protein	USD 480/500 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 525/545 m/t CNF Asia
	USD 450/460 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

Meat and bone meal prices to Asia dropped lower again this week as sellers were having to compete with soymeal --- prices were down by USD 30 to 40 m/t. The supply from both Australia and New Zealand was very good which added even more pressure on prices.

Poultry meal prices were steady in most export markets as was feathermeal.

In the US domestic market, meat and bone meal prices were steady but are expected to move lower as end users switch over more to less expensive soymeal.

With the weakness in vegetable protein prices – soymeal and corn gluten meal – there seems to be reason to expect lower prices for animal proteins for a while.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru has been quite good this past week with the daily catch levels up around 40,000 m/t with about 200 vessels working. The total catch is now up to 431,000 m/t. Trade reports are estimating that a maximum of 1.8 million m/t will be landed with some feeling that 1.5 mm/t may be the actual level – this would yield between 360,000 and 430,000 m/t of fishmeal.

There has been some indication in Peru that prices are moving lower with stories of some trades being done this week at USD 30 to 50 m/t lower than the previous week. It is also said that producers are not in the mood to be making large sales so far and that buyers are on the sidelines just waiting for lower prices.

According to information published by MSI Ceres in their weekly report, China imported 377,000 m/t of fishmeal in the first 4 months of 2020 with 165,000 m/t (43.8%) coming from Peru – Russia, Chile and Vietnam each supplied about 30,000 m/t with Thailand at close to 25,000 m/t – these few countries cover about 75% of China's fishmeal imports.

Interesting days ahead with high hopes that fishing will remain good and, from the buyers, that prices will slip lower.

As has been mentioned before, restrictions due to coronavirus don't make matters too easy for the industry but everyone is doing their very best.



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PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,755
Danish fishmeal	64% protein	1,425
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,800

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	1530/1550 m/t
67% protein 120 TVN	1600/1620 m/t	1570/1590 m/t
67% protein 1000 hist, 120 TVN	1650/1670 m/t	1620/1640 m/t
68% protein 500 hist, 120 TVN	1700/1720 m/t	1650/1680 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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