



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT June 27, 2020

It was another down week for grain prices in the US --- on the futures side of things, corn prices dropped by as much as USD 8 m/t, soybeans were down by USD 6 m/t or so with soymeal down by USD 4 m/t. US winter wheat was down by about USD 4 m/t while spring wheat dropped by almost USD 10 m/t.

With grains and oilseeds there just doesn't seem to be any bearish news at present that can push prices higher. The weather in the US looks good for now for just about everything and all the reports coming out from forecasting organizations are adding more bearish pressure as the supply of grains and oilseeds just looks to be growing and growing and growing. I suppose that I should say "increasing" rather than "growing" as we all know that crops grow.

Winter wheat yields in the US are said to be higher than has been expected but the protein level on much of the winter harvest to date is lower than normal – one trade report said as low as 7% protein. Spring wheat just slipped lower on expected increased world wheat supplies an falling international prices.

With corn, there is a feeling that the good weather could mean a record US corn crop in 2020 --- some experts feel that corn prices can move lower while others think that we are at about the bottom in prices for the year. Normally we would see prices move lower as we get closer to September and if the weather stays very good we could easily see new low prices for US corn.

Soybeans, much like corn, is moving lower on good US weather and the expectation of a possible record crop. While China is in and out of the soybean market, these days it seem to be just the crop situation that is moving prices.

So, what do we think, lower prices for all with good weather and amazing yields – perhaps.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$18/19.00	Up \$2.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$18/19.00	Up \$2.00	X
US Gulf Israel: 50,000 m/t	\$26/27.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$25/26.00		X
US Gulf Turkey: 50,000 m/t	\$27/28.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$37/38.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$59/60.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$39/40.00	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$39/40.00	Up \$1.00	X
US Gulf Japan: Panamax	\$39/40.00	Up \$1.00	X
US Gulf China: Panamax	\$38/39.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$39/40.00	Up \$1.00	X
US PNW Japan: Panamax	\$21/22.00	Up \$1.00	X
US PNW China: Panamax	\$20/21.00	Up \$1.00	X

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US East Coast Egypt: Panamax	\$62/63.00	Up \$3.00	X
US East Coast Nigeria: Handisize	\$58/59.00		X
US Lakes – Europe – 30,000 m/t	\$42/43.00		X
US Lakes – Morocco – 30,000 m/t	\$43/44.00		X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$21/22.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$49/50.00	Up \$1.00	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		X
France/Germany to India: 50,000 m/t	\$38/39.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$30/31.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$22/23.00		X
France/Germany to Saudi Arabia: 50/60,000	\$34/35.00		X
France/Germany to South Africa: 30,000 m/t	\$42/43.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Down \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$61/62.00	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	\$30/31.00	Up \$5.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$29/39.00	Up \$3.00	X
Argentina to Egypt: 50,000 m/t	\$15/16.00	Up \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$11/12.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$29/30.00		X
Argentina to Jordan: 50,000 m/t	\$50/51.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00		X
Argentina to South Africa 50,000 m/t	\$50/51.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$11/12.00	Up \$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	\$34/35.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$33/34.00		X
Brazil to China: 55,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$21/22.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$31/32.00	Up \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$51/52.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$21/22.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$17/18.00		X
Australia to Japan: 40-55,000 m/t – round trip	\$24/24.50		x
Australia to Saudi Arabia: 40-55,000 m/t	\$47/48.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$25/26.00		X
Ukraine to Bangladesh, 50,000 m/t	\$49/50.00	Up \$1.00	X
Ukraine to India, 50,000 m/t	\$40/41.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$16/17.00	Up \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$22/23.00		X
Ukraine to Turkey: coaster (1,000 disch)	\$13/14.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$13/14.00		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$14/15.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$22/23.00		X



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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)	\$37/38.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t (8,000 disch)	\$15/16.00		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)	\$15/16.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$21/22.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$26/27.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$14/15.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$49/50.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$18/19.00	Up \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1749	Up 194	X
Baltic Capesize Index (100,000 plus DWT)	4219	Up 400	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1256	Up 78	X
Baltic Supramax Index (50,000 to 60,000 DWT)	678	Up 21	X
Baltic Handisize Index (25,000 plus DWT)	385	Up 22	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 206/210	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 209/212	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 196/199	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 202/205	X
Wheat, Romania 12.5 pro	USD 202/205	X
Wheat, Superior, France, Rouen	USD 201/203	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 229/231	X
Wheat, feed, Black Sea	USD 188/191	x
Barley, France, Rouen port	USD 184/186	X
Barley, feed, Argentina, up river	USD 178/181	X
Barley, feed, Black Sea, 30,000+	USD 176/179	X
Corn, 2YC FOB NOLA USA	USD 160/162	X
Corn, 3YC FOB USA Pacific northwest	USD 166/168	X
Corn, FOB Argentina port, upriver	USD 147/150	X
Corn, FOB Brazil port	USD 146/149 August	x
Corn, FOB France – Atlantic	USD 191/193	X
Corn, FOB Romania	USD 183/186	X
Corn, FOB Russia	USD 182/185	X
Corn, FOB Ukraine, 30,000+ m/t	USD 181/184	X
Sorghum, FOB Argentina port	USD 123/125 new crop	X
Sorghum, FOB Texas	USD 208/211	X

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Soymeal, 48% protein, FOB NOLA	USD 336/339	X
Soymeal, 48% protein, USA, Rotterdam	USD 361/364	X
Soymeal, Argentina, Rotterdam	USD 348/351	X
Soymeal, 47% pro, FOB Argentina	USD 318/321	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 345/348	X
Soymeal, 48% protein, FOB Brazil	USD 318/321	X
Soybeans, FOB NOLA	USD 351/354	X
Soybeans, Argentina, FOB	USD 346/349	X
Soybeans, Brazil, FOB	USD 364/366	X
Soybeans, Black Sea	USD 392/395	X
Corn Gluten Meal, USA FOB NOLA	USD 540/580 m/t July/Sept	x
Corn Gluten Feed, USA FOB NOLA	USD 196/199 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 185/190 m/t	X

DDGS prices continued to move lower this week as supply has improved due to the increase in ethanol production. According to the trade this is also the low consumption period for DDGS so prices may move lower still. CNF export prices were steady, since any drop in FOB price was offset by the increase in ocean freight costs.

Corn gluten meal prices remain very strong in the US and for export and exports don't seem to be expecting a drop in prices anytime soon.

Corn gluten feed prices remain steady on the week.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 400/420 m/t CNF Asia
Australian MBM 50% protein	USD 430/450 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 430/450 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/820 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 460/480 m/t CNF Asia USD 370/390 to Indonesia
USA Feathermeal, 80% protein	USD 430/450 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 850/870 m/t CNF Asia

Export meat and bone meal prices were lower in Asia again this week with US origin MBM seeming to be the cause for lower prices – according to the Jacobsen Report. Both Argentina and New Zealand are expected to reduce their export prices to compete with USA MBM. Interestingly, MBM supply is said to be tight in Australia but exporters still have to lower their prices in the competition with US product.

USA domestic MBM prices continue lower as supply is running well ahead of demand. There are no experts forecasting higher prices in the near term.

For now, feathermeal and poultry meal prices remain steady with more weakness expected for pure beef MBM and pork meal.

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

Fishing up to the 25<sup>th</sup> of June remained quite good, with the total catch no up to 1.7 million m/t, about 422,000 m/t of fishmeal and 58,400 m/t of fishoil. The balance to complete the quota is now just over 710,000 m/t of catch.

With the catch being so good so far, many in the trade are saying that we will probably see about 1.9 mm/t of catch before the quota period runs out – much better than was initially expected.

According to trade reports that percentage of high quality fishmeal is lower this season than in recent seasons. One report says that about 80% of fishmeal is usually high quality but this season the high quality level is more like 65 to 70% --- this could put come upward price pressure on Super Prime and Prime fishmeal.

Recent buying by China is said to be at the lower quality level of the market .

Trade comments this week say that all Peru fishmeal prices look to have room to drop about another USD 50 m/t in coming weeks.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,810
Danish fishmeal	64% protein	1,470
Peru fishmeal	64% protein	1,580
Chile fishmeal	67% protein	1,660
Iceland fishmeal	70% protein	1,870

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	1400/1420 m/t	
67% protein standard steam	1450/1470 m/t	
67% protein 150 TVN	1500/1520 m/t	1500/1520 m/t
67% protein 120 TVN	1550/1570 m/t	1550/1570 m/t
67% protein 1000 hist, 120 TVN	1600/1620 m/t	1600/1620 m/t
68% protein 500 hist, 120 TVN	1650/1670 m/t	1650/1670 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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