



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT July 04, 2020

Well now, the USDA acreage report certainly kicked the market higher this week – I wonder if it will stay as bullish next week after the US holiday weekend.

Corn prices increased by about USD 8 m/t with soybeans up by about USD 11 m/t, soymeal up by USD 11 m/t too --- even winter wheat was up between USD 3 and 6 m/t – only US spring wheat seemed able to avoid any major changes.

According to trade reports, with the market higher, US farmers were selling as much of everything as they could to try to capture the higher prices while at the same time the investment funds were buying up all the grain futures they could. It will be very interesting to see what happens on Monday.

Other than USDA reports, corn prices could move higher on the hot and dry weather that is happening in the US corn belt but, according to weather forecast this will change to rainfall shortly. There has been quite a bit of talk this week about the critical pollination time for corn in July and how important this is for crop yields --- expect some exciting price action in July as weather changes scare or excite the market.

Not much to report on soybeans/soymeal – China is reported to have bought more soybeans and US exports were OK but not exciting. China bought mainly new crop soybeans while Egypt was in for some old crop beans.

While wheat prices were higher on the week, they did have a decent drop on Thursday based on good rains for the current crop.

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

A report by Clarkson Research says that the drop in ocean shipping volume this year is the largest drop seen in 35 years and could represent more than 1 billion m/t of trade.

US Gulf to Europe: 60/70,000 (10,000 disch)	\$18/19.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$18/19.00		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		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00		X
US Gulf Nigeria: 30,000 m/t	\$60/61.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$40/41.00	Up \$1.00	X
US Gulf Japan: Panamax	\$40/41.00	Up \$1.00	X
US Gulf China: Panamax	\$39/40.00	Up \$1.00	X

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US PNW South Africa – 40,000 m/t	\$38/39.00	Down \$1.00	X
US PNW Japan: Panamax	\$21/22.00		X
US PNW China: Panamax	\$20/21.00		X
US East Coast Egypt: Panamax	\$62/63.00		X
US East Coast Nigeria: Handisize	\$59/60.00	Up \$1.00	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	\$50/51.00	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	\$39/40.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$31/32.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$23/24.00	Up \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$34/35.00		X
France/Germany to South Africa: 30,000 m/t	\$43/44.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$21/22.00	Up \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$62/63.00	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	\$33/34.00	Up \$3.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$32/33.00	Up \$3.00	X
Argentina to Egypt: 50,000 m/t	\$16/17.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$12/13.00	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	\$51/52.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00		X
Argentina to South Africa 50,000 m/t	\$51/52.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$12/13.00	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		X
Brazil to Japan: 55,000 m/t	\$28/29.00		X
Brazil to Europe: 50,000 m/t	\$21/22.00		X
Brazil to Morocco: 25/30,000 m/t	\$30/31.00	Down \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$51/52.00		X
Brazil to Spain: 50,000 m/t	\$21/22.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00		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	\$25/25.50	Up \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$47/48.00		X
Ukraine to China: 50,000 m/t	\$27/28.00	Up \$2.00	X
Ukraine to Bangladesh, 50,000 m/t	\$50/51.00	Up \$1.00	X
Ukraine to India, 50,000 m/t	\$40/41.00		x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$15/16.00	Down \$7.00	x
Ukraine to Turkey: coaster (1,000 disch)	\$13/14.00		x
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$18/19.00	Up \$5.00	X



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Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$14/15.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$18/19.00	Down \$4.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$33/34.00	Up \$5.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$38/39.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t (8,000 disch)	\$16/17.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$19/20.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$16/17.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$22/23.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$26/27.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$15/16.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$50/51.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	Up \$1.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1894	Up 145	x
Baltic Capesize Index (100,000 plus DWT)	4440	Up 221	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1316	Up 60	X
Baltic Supramax Index (50,000 to 60,000 DWT)	701	Up 23	X
Baltic Handisize Index (25,000 plus DWT)	412	Up 27	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 210/213	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 215/218	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 194/197	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 201/204	X
Wheat, Romania 12.5 pro	USD 205/208	X
Wheat, Superior, France, Rouen	USD 207/209	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 237/240	X
Wheat, feed, Black Sea	USD 188/191	X
Barley, France, Rouen port	USD 189/191	X
Barley, feed, Argentina, up river	USD 176/179	X
Barley, feed, Black Sea, 30,000+	USD 178/181	X
Corn, 2YC FOB NOLA USA	USD 167/169	X
Corn, 3YC FOB USA Pacific northwest	USD 176/178	
Corn, FOB Argentina port, upriver	USD 156/159	X
Corn, FOB Brazil port	USD 164/167	X
Corn, FOB France – Atlantic	USD 193/195	X
Corn, FOB Romania	USD 184/187	X
Corn, FOB Russia	USD 183/186	X
Corn, FOB Ukraine, 30,000+ m/t	USD 182/185	X

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Sorghum, FOB Argentina port	USD 133/135 new crop	X
Sorghum, FOB Texas	USD 218/221	X
Soymeal, 48% protein, FOB NOLA	USD 348/351	X
Soymeal, 48% protein, USA, Rotterdam	USD 373/376	X
Soymeal, Argentina, Rotterdam	USD 357/360	X
Soymeal, 47% pro, FOB Argentina	USD 327/330	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 353/356	X
Soymeal, 48% protein, FOB Brazil	USD 328/331	X
Soybeans, FOB NOLA	USD 361/364	X
Soybeans, Argentina, FOB	USD 354/357	X
Soybeans, Brazil, FOB	USD 372/375	X
Soybeans, Black Sea	USD 392/395	X
Corn Gluten Meal, USA FOB NOLA	USD 530/560 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 193/198 m/t	X

The USDA acreage report this week was a bit of a surprise to the grain/oilseed business and pushed most prices higher ---- there are reports that DDGS prices at the US Gulf are up by USD 15 m/t or so. This sudden run up in DDGS prices will probably not hold unless corn prices continue to move higher.

The US Grains Council reported this week that most international buyers are well covered for DDGS through the summer months which may limit price rallies and dips.

Corn gluten meal prices moved higher in the nearby by about USD 20 m/t while prices out in September weakened a little. Perhaps the drop in fishmeal prices this week will put some pressure on CGM prices.

As usual corn gluten feed just followed along with what is happening with corn prices.

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 390/410 m/t CNF Asia
	USD 330/350 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 420/440 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/830 m/t CNF Asia

Meat and bone meal prices to major buyers in Asia/China took a serious drop this week – a drop that was said to be driven by much lower prices from the USA. Prices from both Australia and New Zealand were not as low as from the US but are expected to drop to compete. The supply of animal proteins from OZ and NZ is getting tighter due to lower slaughter so this may limit any further price slide.

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In the US domestic market, all animal protein prices were lower on the week but a rally in prices is expected since the price of US vegetable protein jumped higher this week due to the bullish acreage report from the USDA.

The Jacobsen Report was saying that, while the trend is for steady to lower prices, "a price floor is very close". Will this mean the end to these rock bottom prices, difficult to say.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing remains good in Peru and we are up to landings of about 2.0 million m/t which leaves only 400,000 m/t or so still to land --- the chances of completing the quota seem to be better every day.

Fishmeal production is up to about 485,000 m/t based on the catch with fishoil at 66,000 m/t.

The trade estimates that there are unsold stocks of about 100,000 m/t with another 100,000 m/t possible if the quota is completed.

Prices in Peru are reported to have dropped by about USD 200 m/t this week, but it is not expected that this drop will hold – or so some experts say. The experts seem to be divided on what will happen with prices – some say that we can move lower while others feel that China will jump back into the market which will hold prices steady or push them a little higher.

So, fishing is good, prices are down, buying interest is up ---- much better situation than had been expected a few weeks ago.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,785
Danish fishmeal	64% protein	1,450
Peru fishmeal	64% protein	1,575
Chile fishmeal	67% protein	1,650
Iceland fishmeal	70% protein	1,835

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	1200/1220 m/t	
67% protein standard steam	1250/1270 m/t	
67% protein 150 TVN	1300/1320 m/t	1500/1520 m/t
67% protein 120 TVN	1350/1370 m/t	1550/1570 m/t
67% protein 1000 hist, 120 TVN	1400/1420 m/t	1600/1620 m/t
68% protein 500 hist, 120 TVN	1450/1470 m/t	1650/1670 m/t
Fish oil, crude bulk	2100/2200	

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Fish oil, crude drums	2150/2250	
Fish oil, flexi tank	2250/2350	
Fish oil, Omega 3: 28%EPA/DHA	2300/2400	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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