



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT July 11, 2020

This week's USDA WASDE report changed the market direction on Friday. Most everything had moved higher through Thursday with corn up by USD 3 m/t only to drop by about USD 3 m/t on Friday. Soybeans too had been a little through Thursday but ended up down USD 1 m/t on the week – soymeal ended down by about USD 4 m/t on the week.

Soft red winter wheat (SRW) was the exception – up by USD 12 m/t late Thursday then another USD 4 higher on Friday. Although hard red winter wheat was down a little after the WASDE it was still up by USD 7 m/t. There didn't seem to be a very good reason for the jump in SRW prices – some trade reports say that it was just short sellers covering when prices looked to move higher.

Trade reports say that Friday's WASDE report was bearish or neutral for most everything and then add to this some very good US weather and you have reason for weaker prices.

Other than China, prices are going to be mainly weather driven for now and for this coming week it looks to be difficult to find any bad growing weather in the US --- so probably steady to lower in prices.

### **Top 20 US Export Destinations for Grains and Oilseeds – 5 months to May 2020 – in m/t**

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	65,300				
Bangladesh				529,000	
Belgium					28,700
Brazil	182,800				
Burma					131,400
Cameroon					
Canada		697,000	1,800	55,500	420,000
China		131,100	2,038,100	3,409,400	
Chile	116,800				
Colombia	317,200	2,652,800		262,300	574,000
Costa Rica		458,600		148,700	
Cuba		29,000			
Denmark					38,100
Djibouti			10,000		
Dominican Rep	114,800	381,200			185,800
Ecuador	271,500				291,200
El Salvador	56,200	248,400			92,800
Egypt				1,883,200	
Eritrea			33,000		
Ethiopia	61,000		60,700		

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France			45,700	36,600	
Germany					
Guatemala	220,100	562,400			201,100
Honduras	106,700	357,800			132,500
Indonesia	591,400			970,900	
Iraq					
Israel		315,200		42,400	61,500
Italy	344,100			116,900	
Jamaica		100,800			44,200
Japan	1,119,900	5,398,500	166,000	1,273,600	66,500
Kenya					
Madagascar			800		
Malaysia	126,300			300,100	
Mexico	1,403,600	6,185,400	256,700	1,959,500	750,800
Morocco		43,400			217,200
Netherlands				864,900	
New Zealand					
Nigeria	540,400				
Nicaragua		191,400			58,900
Pakistan				206,700	
Panama		196,200			82,200
Peru	111,800	37,700		101,500	166,800
Philippines	1,366,300	8,800			902,800
Portugal				26,500	
Saudi Arabia		434,400		65,100	
Somalia			45,500		
South Africa					
South Korea	590,400	1,814,700	500	218,700	
Spain				344,300	
Sri Lanka					83,200
Sudan			46,100		
Taiwan	462,700	436,500		638,400	
Thailand	419,600			394,900	14,600
Trinidad		47,900			
Venezuela					82,400
Vietnam	169,100	221,100		345,400	106,800
Yemen	329,400				
Zimbabwe					
Total all	10,589,500	21,783,900	2,659,600	14,777,400	5,487,400

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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)	\$19/20.00	Up \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$19/20.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$25/25.00	Down \$1.00	x
US Gulf to Egypt: Panamax (6,000 disch)	\$25/26.00		X
US Gulf Turkey: 50,000 m/t	\$25/26.00	Down \$2.00	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

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US Gulf Nigeria: 30,000 m/t	\$60/61.00		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	\$40/41.00		X
US Gulf Japan: Panamax	\$40/41.00		X
US Gulf China: Panamax	\$40/41.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$38/39.00		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	\$60/61.00	Up \$1.00	X
US Lakes – Europe – 30,000 m/t	\$41/42.00	Down \$1.00	X
US Lakes – Morocco – 30,000 m/t	\$43/44.00		X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$22/23.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$51/52.00	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	\$40/41.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$32/33.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$24/25.00	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	\$44/45.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$63/64.00	Up \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$29/30.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$30/31.00	Down \$3.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$30/31.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$15/16.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$12/13.00		X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$29/30.00		X
Argentina to Jordan: 50,000 m/t	\$53/54.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00		X
Argentina to South Africa 50,000 m/t	\$52/53.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$12/13.00		X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$29/30.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$32/33.00	Down \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$33/34.00		X
Brazil to China: 55,000 m/t	\$30/31.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$30/31.00	Up \$2.00	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$32/33.00	Up \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$52/53.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$22/23.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	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	\$25/25.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$48/49.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$25/26.00	Down \$2.00	x
Ukraine to Bangladesh, 50,000 m/t	\$51/52.00	Up \$1.00	X



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Ukraine to India, 50,000 m/t	\$42/43.00	Up \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00		X
Ukraine to East Med: coaster (1,000 disch)	\$15/16.00		X
Ukraine to Turkey: coaster (1,000 disch)	\$13/14.00		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)	\$14/15.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00		X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$18/19.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$33/34.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$39/40.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t (8,000 disch)	\$16/17.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$16/17.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$26/27.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$16/17.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$51/52.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1810	Down 84	X
Baltic Capesize Index (100,000 plus DWT)	3333	Down 1107	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1587	Up 271	X
Baltic Supramax Index (50,000 to 60,000 DWT)	835	Up 134	X
Baltic Handisize Index (25,000 plus DWT)	435	Up 23	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 233/236	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 221/224	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 198/201	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 205/208	X
Wheat, Romania 12.5 pro	USD 211/214	X
Wheat, Superior, France, Rouen	USD 217/219	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 228/231	X
Wheat, feed, Black Sea	USD 190/193	X
Barley, France, Rouen port	USD 193/196	X
Barley, feed, Argentina, up river	USD 179/182	X
Barley, feed, Black Sea, 30,000+	USD 178/181	X
Corn, 2YC FOB NOLA USA	USD 171/173	X
Corn, 3YC FOB USA Pacific northwest	USD 178/180	X
Corn, FOB Argentina port, upriver	USD 153/156	X

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Corn, FOB Brazil port	USD 166/169	X
Corn, FOB France – Atlantic	USD 208/210	X
Corn, FOB Romania	USD 186/189	X
Corn, FOB Russia	USD 184/187	X
Corn, FOB Ukraine, 30,000+ m/t	USD 183/186	X
Sorghum, FOB Argentina port	USD 134/136 new crop	X
Sorghum, FOB Texas	USD 218/221	X
Soymeal, 48% protein, FOB NOLA	USD 344/347	X
Soymeal, 48% protein, USA, Rotterdam	USD 369/372	X
Soymeal, Argentina, Rotterdam	USD 354/357	X
Soymeal, 47% pro, FOB Argentina	USD 326/329	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 355/358	X
Soymeal, 48% protein, FOB Brazil	USD 330/333	X
Soybeans, FOB NOLA	USD 363/366	X
Soybeans, Argentina, FOB	USD 360/363	X
Soybeans, Brazil, FOB	USD 371/374	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 180/185 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 193/198 m/t	X

While corn prices moved a little higher this week the prices for both DDGS and corn gluten feed slipped lower – mainly due to increased supply. The export sellers seem to be just about sold out for July and August for most corn byproducts with some reported logistics problems for shipment.

September supplies are available for all corn byproducts but at higher prices. Export freight has been firmer, especially container freight, which has kept most CNF prices firm and there doesn't look to be any good reason for now for lower freight.

US FOB port prices are expected to be steady for a bit but any change in corn prices will tend to push byproduct prices one way or another.

Still hoping to see some weakness in corn gluten meal prices since fishmeal prices have dropped about USD 150 m/t in the past couple of weeks

## **USA exports of corn by-products – 5 months to May 2020** **– major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		1,800	
Bangladesh	34,200	10,400	900
Burma	17,500	500	
Canada	151,200	22,100	

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Chile		57,100	
China	33,700		
Colombia	68,100	33,400	13,900
Costa Rica	37,300		
Ecuador		1,200	
Egypt	36,900	17,500	
El Salvador	23,700	5,200	
Guatemala	29,800	4,300	
Honduras		3,400	
Indonesia	433,300	67,600	3,500
Ireland	107,100		119,000
Israel	91,500		75,700
Japan	215,200	3,700	
Malaysia	22,000	23,100	
Mexico	772,000	5,600	4,500
Morocco	70,400		29,400
New Zealand	112,900		7,200
Peru		3,500	
Philippines	91,700	700	
Portugal			5,000
South Korea	530,200		
Spain			
Sri Lanka		1,600	
Taiwan	102,400	15,100	
Thailand	269,400	12,800	1,200
Tunisia		600	
Turkey	170,100		7,000
UK	49,100		7,300
Vietnam	468,600	7,600	1,500
Total all	4,096,000	299,900	281,600

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## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 370/390 m/t CNF Asia
Australian MBM 50% protein	USD 400/420 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 410/430 m/t CNF Asia
Australian Poultry Meal, pet food	USD 770/790 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 390/410 m/t CNF Asia
USA Feathermeal, 80% protein	USD 330/350 to Indonesia
USA Poultry by-product Meal, feed grade	USD 400/420 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 420/440 m/t CNF Asia
	USD 780/800 m/t CNF Asia

According to comments in this week's Jacobsen Report the meat and bone meal market in Asia moved a little lower again --- pushed down by weak US export prices. Supplies in the US are very large for meat and bone meal which is pushing product into the export market and moving prices lower. Australian prices also moved lower as exporters had to try to hold their own against the low cost US product.

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In the domestic US market, the high slaughter rates for pork and beef are adding to supply. It is also said that higher poultry production is putting pressure on poultry meal and feathermeal prices.

Supply is expected to continue to grow, but at these low prices the demand will also pick up and could bring the price weakness to an end --- but that is probably several weeks in the future. For now we are looking to steady to lower prices for domestic and export animal protein markets.

## **USA exports of animal protein – 5 months to May 2020** **– major destinations – in m/t**

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Burma	900	
Cambodia	200	
Canada	21,400	1,900
Chile	2,400	10,500
China	75,200	1,500
Colombia	1,400	
Dominican Rep		
Ecuador	11,600	
Guatemala	2,900	
Honduras	3,400	200
Indonesia	92,200	18,800
Malaysia	6,300	
Mexico	67,200	
Peru	1,900	300
Philippines	19,600	300
South Korea	600	200
Sri Lanka	200	
Thailand	14,400	
Vietnam	52,600	2,800
Total exports	374,400	36,700

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

Well, we are almost there on the quota with the total catch reaching 2.2 million m/t, so only need another 200,000 m/t to fill the quota. Fishmeal production should be up at about 540,000 m/t with fishoil at 73,000 m/t. At the current fishing level it wont take long to complete the quota.

Export prices moved lower again this week, dropping about USD 50 m/t for all grades but most experts feel that prices will not go any lower. Sales booked are said to be getting close to 460,000 m/t so the supply situation will be tightening up and prices will tend to move higher.

China seems to have covered most of its needs for now but, with supply tightening, the Chinese buyers could be back in for one last bunch of buying.

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As you can see by the price chart below, the prices from Chile have also moved lower this due to pressure from Peruvian prices.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,790
Danish fishmeal	64% protein	1,460
Peru fishmeal	64% protein	1,580
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	1100/1120 m/t	
67% protein standard steam	1200/1220 m/t	
67% protein 150 TVN	1250/1270 m/t	1300/1320 m/t
67% protein 120 TVN	1300/1320 m/t	1350/1370 m/t
67% protein 1000 hist, 120 TVN	1350/1370 m/t	1380/1400 m/t
68% protein 500 hist, 120 TVN	1400/1420 m/t	1450/1470 m/t
Fish oil, crude bulk	2000/2100	1900/2000
Fish oil, crude drums	2050/2150	
Fish oil, flexi tank	2150/2250	
Fish oil, Omega 3: 28%EPA/DHA	2200/2300	

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

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