



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT July 17, 2021

So here we are just after a USDA-WASDE week --- corn prices moved close to USD 15 m/t higher, soybeans were up by almost USD 25 m/t, soymeal not up so much at only about USD 9 m/t higher. The very big gains this week were seen in US wheat with soft winter wheat up by USD 28 m/t, hard winter wheat up by USD 21 m/t but US spring wheat up by a whopping USD 35 m/t.

Much of the push higher in US wheat seems to be tied to the low quality driven rally in wheat prices in Europe. Once the Paris wheat market rallied on reports of problems with French and German wheat crops then the USA markets erupted. While there is probably good reason for a wheat rally, it may just have been overdone, so we will see next week if the rally hold, moves higher or falls back. However, US trade reports do seem to feel that prices will continue higher.

The rain and flooding in Germany, Belgium and parts of Northern France was very supportive for wheat, corn and barley prices as there could be considerable crop damage or weather related lower crop yields --- with wheat it may lead to lower protein levels.

While corn prices were up on the week, they did drop a little on Friday. Interior USA prices were reported to have dropped by about USD 8 m/t on Friday. Most reports seem to feel that corn prices can be steady to higher in coming weeks – especially if there is any weather problems.

Soybeans to were up on the week with many comments that the ending stocks for soybeans are very concerning which is pushing prices higher. Trade experts did mention that the stocks numbers for most US grains are very tight --- certainly a possible reason for high prices.

Russian export tax – July 21 to 27 – wheat USD 35.20 m/t – down USD 4.10, barley USD 37.50 m/t – up USD 0.60 m/t and corn USD 51.60 m/t – down USD 0.60 m/t.

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

US Gulf to Europe: Panamax (10,000 disch)	\$22/23.00	Down \$1.00	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$22/23.00	Down \$1.00	X
US Gulf Israel: Panamax m/t	\$68/69.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$68/69.00	Down \$1.00	X
US Gulf Turkey: Panamax m/t	\$69/70.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$65/66.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$67/68.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$65/66.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$69/70.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$45/46.00	Steady	X
US Gulf to India: Panamax	\$67/68.00	Steady	X
US Gulf to Philippines: Panamax	\$68/69.00	Steady	X
US Gulf Japan: Panamax	\$84/85.00	Down \$1.00	x
US Gulf China: Panamax	\$83/84.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$54/55.00	Steady	X
US PNW Egypt: Panamax	\$67/68.00	Up \$2.00	X



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US PNW Philippines: Panamax	\$49/50.00	Steady	X
US PNW Japan: Panamax	\$45/46.00	Down \$1.00	x
US PNW China: Panamax	\$44/45.00	Down \$1.00	X
US East Coast Egypt: Panamax	No price		X
US East Coast Nigeria: Handisize	\$59/60.00	Down \$6.00	X
US Lakes – Europe – 30,000 m/t	No prices		X
US Lakes – Morocco – 30,000 m/t	No prices		X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$22/23.00	Down \$2.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$67/68.00	Up \$1.00	X
France/Germany to China: Panamax	\$64/65.00	Up \$5.00	X
France/Germany to Egypt: Panamax (10,000 dis)	\$31/32.00	Up \$4.00	X
France/Germany to India: Panamax	\$59/60.00	Steady	X
France/Germany to Iran: Panamax	\$62/63.00	Steady	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$51/52.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$23/24.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$61/62.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$41/42.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$31/32.00	Down \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$59/60.00	Steady	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$32/33.00	Steady	X
Argentina to China: Panamax, with top-off	\$73/74.00	Down \$2.00	X
Argentina to Japan: Panamax, with top-off	\$73/74.00	Down \$2.00	X
Argentina to Egypt: Panamax	\$38/39.00	Steady	X
Argentina to Europe: Panamax	\$28/29.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$29/30.00	Steady	X
Argentina to Libya: 25/30,000 m/t	\$34/35.00	Steady	X
Argentina to Jordan: Panamax	\$57/58.00	Steady	X
Argentina to Saudi Arabia: Panamax	\$62/63.00	Up \$2.00	X
Argentina to Iran: Panamax	\$61/62.00	Steady	X
Argentina to India: Panamax	\$61/62.00	Steady	X
Argentina to South Africa: Panamax	\$27/28.00	Steady	X
Argentina to Spain: Panamax	\$28/29.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$32/33.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$60/61.00	Down \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$33/34.00	Steady	X
Brazil to China: Panamax	\$67/68.00	Down \$2.00	X
Brazil to Japan: Panamax	\$66/67.00	Down \$2.00	X
Brazil to South Korea: Panamax	\$69/70.00	Up \$1.00	X
Brazil to Europe: Panamax	\$34/35.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$36/37.00	Steady	X
Brazil to Iran: Panamax	\$61/62.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$57/58.00	Steady	X
Brazil to Spain: Panamax	\$34/35.00	Up \$1.00	X
Brazil to Turkey/Egypt: Panamax	\$48/49.00	Steady	X
Australia to China: Panamax – round trip	\$17/18.00	Down \$1.00	X
Australia to Japan: Panamax – round trip	\$46/46.50	Down \$4.00	X
Australia to Saudi Arabia: Panamax	\$49/50.00	Down \$4.00	X
Ukraine to China: Panamax	\$68/69.00	Steady	X



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Ukraine to Indonesia: Panamax	\$66/67.00	Steady	X
Ukraine to Bangladesh, Panamax	\$67/68.00	Up \$1.00	X
Ukraine to India, Panamax	\$58/59.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$30/31.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$48/49.00	Up \$10.00	X
Ukraine to Turkey: Izmir: coaster (1,000 disch)	\$38/39.00	Up \$9.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$36/37.00	Up \$3.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$29/30.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$32/33.00	Up \$3.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$47/48.00	Up \$9.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$52/53.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$50/51.00	Up \$1.00	X
Black Sea to Iran: Panamax	\$46/47.00	Up \$3.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$30/31.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$28/29.00	Steady	X
Black Sea to Spain: Panamax (8,000 disch)	\$30/31.00	Steady	X
Black Sea to Jordan: Panamax (5,000 disch)	\$42/43.00	Up \$4.00	X
Black Sea to Libya: 25/35,000 m/t	\$31/32.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$48/49.00	Up \$4.00	X
Black Sea to Yemen: Panamax	\$56/57.00	Steady	X
Black Sea to Turkey – 30,000 m/t	\$27/28.00	Up \$2.00	X
Black Sea to South Africa – 30,000 m/t	\$36/37.00	Steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$27/28.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	3039	Down 261	X
Baltic Capesize Index (100,000 plus DWT)	3442	Down 293	X
Baltic Panamax Index (60,000 to 80,000 DWT)	3635	Down 634	X
Baltic Supramax Index (45,000 to 60,000 DWT)	2775	Down 116	X
Baltic Handisize Index (25,000 plus DWT)	1669	Up 18	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 August 2021/October 2021

Wheat, USA Soft Red Winter, US Gulf	USD 280/290	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 294/309	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 238/241 new crop	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 237/240 new crop	X
Wheat, Romania 12.5 pro	USD 234/242 new crop	X
Wheat, Superior, France, Rouen	USD 253/255 new crop	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 275/285	X
Wheat, feed, Black Sea	USD 222/228 new crop	X
Barley, France, Rouen port	USD 242/244 new crop	X
Barley, feed, Argentina, up river	USD 261/264	X
Barley, feed, Black Sea, 30,000+	USD 212/215 new crop	X
Barley, feed, Australia	No prices	X



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Corn, 2YC FOB NOLA USA	USD 280>>256 new crop	X
Corn, 3YC FOB USA Pacific northwest	USD 290>>280 new crop	X
Corn, FOB Argentina port, upriver	USD 227/248 all new crop	X
Corn, FOB Brazil port	USD 258/261 new crop	X
Corn, FOB France – Atlantic	USD 309>>252 new crop	X
Corn, FOB Romania	USD 270>>249 new crop	X
Corn, FOB Russia	USD 274>>250 new crop	X
Corn, FOB Ukraine, 30,000+ m/t	USD 273>>243 new crop	X
Sorghum, FOB Argentina port	USD 240>>220 new crop	X
Sorghum, FOB Texas	USD 360>>332 new crop	X
Soymeal, 48% protein, FOB NOLA	USD 427>>417 new crop	X
Soymeal, 48% protein, USA, Rotterdam	USD 457>>447 new crop	X
Soymeal, Argentina, Rotterdam – spot	USD 463/468 all new crop	X
Soymeal, 47% pro, FOB Argentina	USD 394/405 new crop	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 462/467 all new crop	X
Soymeal, 48% protein, FOB Brazil	USD 429>>418 new crop	X
Soybeans, FOB NOLA	USD 569>>546 new crop	X
Soybeans, Argentina, FOB	USD 542/545 all new crop	X
Soybeans, Brazil, FOB	USD 566/571 all new crop	X
Soybeans, Black Sea	USD 573>>565 new crop	X
Corn Gluten Meal, USA FOB NOLA	USD 690/710 m/t Sept	X
Corn Gluten Feed, USA FOB NOLA	USD 210/220 m/t Sept	X
DDGS corn, 35 profat, USA FOB NOLA	USD 225/245 m/t Sept	x

All corn by products have jumped higher again this week after falling lower last week. Corn gluten meal in particular was very strong as shippers seemed to have used up all their backlog inventory and are now looking at much higher prices for September on.

The situation with DDGS is about the same as producers have moved all their large inventory and are now looking for higher prices on lower stocks.

It is very tough to get a really good picture of corn byproduct prices as sellers are adjusting their prices on a minute by minute basis --- byproducts are almost as volatile as corn these days and they used to be such quiet markets.

According to trade report comments prices look to be steady to higher for the next few weeks (or months).

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 480/500 m/t CNF Asia
Australian MBM 50% protein	USD 535/555 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 635/645 m/t CNF Asia
Australian Poultry Meal, pet food	USD 960/980 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 570/590 m/t CNF China
	USD 530/550 to Indonesia
USA Feathermeal, 80% protein	USD 680/720 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 490/510 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 990/1,010 m/t CNF Asia



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Meat and bone meal prices moved a little lower as the week ended due, experts say, to lower soymeal prices. Trade reports say that there is a chance for both Australia and New Zealand to move prices higher as their animal protein supplies are getting tighter every week. With quicker delivery than shipments from the US or Europe, supplies from OZ/NZ can be sold at a market premium.

USA domestic prices for most animal proteins look to be a little lower this week as the market adjusts to changes in the soymeal market. Supplies of animal proteins in the US are very good while summertime demand – especially for pet food manufacture – is a little softer.

According to the Jacobsen Report this week there are some logistics problems in the US with a shortage of truck drivers to move product to market ---- much of this related to Covid19. Actually, the same problem is seen in the EU and the UK where truck drivers are in short supply --- as opposed to the Ukraine, Romania and Bulgaria where there is a surplus of drivers, but they can't always be used for shipments between countries due to COVID entry restrictions.

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

Fishing in Peru has dropped considerably in the past week, but no one is all that concerned as the catch to date is just over 2.4 million m/t and producers are quite happy. Fishmeal production is estimated to be at 531,000 m/t with fishoil at 91,000 m/t. While we still have 100,000 m/t to go to reach the full quota, many in the trade are assuming that this season is now finished.

There was also a little fishing in the Southern Region against the 409,000 m/t quota --- about 2,600 m/t were landed – not much, but it is a start.

Every trade report this week mentions the shortage of Super Prime fishmeal --- there is just none left to buy. Chinese buyers are said to be looking at all grades but there is not too much left for sale. Producers are not rushing to sell whatever small unsold stocks they may still be holding.

Lots of buyers looking but not much new business actually being done this week. Trade reports indicate that there may still be 60,000 m/t of fishmeal available but mostly in lower grades.

MSI Ceres mentioned again this week how very, very, very difficult it is to find any available container space for fishmeal exports. Container freight rates continue to push higher adding to the CNF prices to buyers in Asia. It has also been said that some shippers had sold fishmeal CNF but were not able to book any freight so are now stuck with business sold but no fixed freight rates --- certainly a money losing situation.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,980
Danish fishmeal	64% protein	1,510
Peru fishmeal	64% protein	1,615
Chile fishmeal	67% protein	1,655
Iceland fishmeal	70% protein	1,970



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ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS  
Minimum shipment of 200 m/t for fishmeal

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1380/1400 m/t	
67% protein standard steam	1450/1470 m/t	
67% protein 150 TVN	1500/1520 m/t	1520/1540 m/t
67% protein 120 TVN	1550/1570 m/t	1570/1590 m/t
67% protein 1000 hist, 120 TVN	1600/1620 m/t	1620/1640 m/t
68% protein 500 hist, 120 TVN	1680/1700 m/t	1650/1670 m/t
Fish oil, crude bulk	2000/2100	
Fish oil, crude drums	2050/2150	
Fish oil, flexi tank	2100/2200	
Fish oil, Omega 3: 28%EPA/DHA	2500/2600	

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

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