



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT July 25, 2020

Grain and oilseed markets seemed quieter this week – corn prices dropped by USD 2 to 3 m/t, soybeans were up by USD 2 to 3 m/t, soymeal was up by just over USD 4 m/t. Even wheat prices were reasonably calm on the week although wheat did have a nice little rally higher on Friday, but not enough a rally to get the market too excited. For the week, the only wheat with much change was Soft Red Winter (SRW) being up by about USD 2 m/t.

It is interesting with soybeans that export sales to China just keep on coming but that the market is very afraid of the China/US situation and that seems to be keeping a ceiling on soybean prices. There is some rainfall expected in soybean areas this coming week – badly needed rainfall for some regions. According to the US Drought Monitor, 36% of the Midwest can be considered in drought. This could give some strength to soybean prices in coming weeks.

For the first time in a long time the price for corn in the Pacific Northwest (PNW) is lower than from the US Gulf. According to trade reports there are some quality problems with corn in the PNW which has pushed prices lower in order to attract buyers. The drought in the corn belt is adding some concern to the corn market but there are some showers expected this coming week which should help the situation a little. Farmers are said to be holding on to their current old crop corn stocks, but farmers sales should pick up the closer we get to the 2020 harvest – expect to see good farmers sales on any corn price rallies.

Wheat prices rallied on Friday as the effect of the International Grains Council's drop in estimated wheat production hit the market. SRW was up on the week once again, said to be due entirely to expected lower ending stocks. Most world wheat markets moved a little higher as the week ended pushed up by poor weather in parts of the wheat world – like Russia - and supportive production reports showing lower production in Russia and the Ukraine.

### **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	Down \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$26/27.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$26/27.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$38/39.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00	Down \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$60/61.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$41/42.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$43/44.00	Up \$1.00	X
US Gulf Japan: Panamax	\$42/43.00		X
US Gulf China: Panamax	\$41/42.00		X
US PNW South Africa – 40,000 m/t	\$38/39.00		x
US PNW Japan: Panamax	\$21/22.00	Down \$1.00	X
US PNW China: Panamax	\$20/21.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$63/64.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$62/63.00	Up \$1.00	X

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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)	\$23/24.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$53/54.00	Up \$1.00	X
France/Germany to China: 50,000 m/t	\$38/39.00	Up \$1.00	x
France/Germany to Egypt: 50,000 (10,000 dis)	\$17/18.00	Up \$1.00	X
France/Germany to India: 50,000 m/t	\$42/43.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$34/35.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$25/26.00	Up \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$35/36.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$45/46.00	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	\$64/65.00	Up \$1.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$34/35.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Up \$2.00	X
Argentina to Egypt: 50,000 m/t	\$17/18.00		X
Argentina to Europe: 50/60,000 m/t	\$14/15.00		X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$30/31.00	Up \$1.00	X
Argentina to Jordan: 50,000 m/t	\$53/54.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$42/43.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$54/55.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$14/15.00		X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$32/33.00	Down \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$32/33.00		X
Brazil to Japan: 55,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$24/25.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$54/55.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$24/25.00	Up \$1.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$28/29.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$18/19.00	Up \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$26/26.50	Up \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$50/51.00	Up \$1.00	x
Ukraine to China: 50,000 m/t	\$26/27.00		x
Ukraine to Bangladesh, 50,000 m/t	\$53/54.00	Up \$1.00	x
Ukraine to India, 50,000 m/t	\$44/45.00	Up \$1.00	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)	\$16/17.00		X
Ukraine to Turkey: coaster (1,000 disch)	\$13/14.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$21/22.00		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)	\$35/36.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$41/42.00	Up \$1.00	X



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Black Sea to Europe: 50,000 m/t (8,000 disch)	\$17/18.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$17/18.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$27/28.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$29/30.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$17/18.00		X
Black Sea to South Africa – 30,000 m/t	\$53/54.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00	Up \$1.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1317	Down 393	x
Baltic Capesize Index (100,000 plus DWT)	2084	Down 941	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1198	Down 306	x
Baltic Supramax Index (50,000 to 60,000 DWT)	915	Up 5	X
Baltic Handisize Index (25,000 plus DWT)	471	Up 14	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 242/246	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 220/225	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 206/209	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 211/214	X
Wheat, Romania 12.5 pro	USD 215/218	X
Wheat, Superior, France, Rouen	USD 221/223	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 221/224	X
Wheat, feed, Black Sea	USD 198/201	X
Barley, France, Rouen port	USD 195/197	X
Barley, feed, Argentina, up river	USD 184/187	X
Barley, feed, Black Sea, 30,000+	USD 186/189	X
Corn, 2YC FOB NOLA USA	USD 170/172	X
Corn, 3YC FOB USA Pacific northwest	USD 169/171	X
Corn, FOB Argentina port, upriver	USD 157/160	X
Corn, FOB Brazil port	USD 169/172	X
Corn, FOB France – Atlantic	USD 209/211	X
Corn, FOB Romania	USD 191/194	X
Corn, FOB Russia	USD 183/186	X
Corn, FOB Ukraine, 30,000+ m/t	USD 182/185	X
Sorghum, FOB Argentina port	USD 127/130 new crop	X
Sorghum, FOB Texas	USD 210/213	X
Soymeal, 48% protein, FOB NOLA	USD 345/348	X
Soymeal, 48% protein, USA, Rotterdam	USD 370/373	X

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Soymeal, Argentina, Rotterdam	USD 362/365	X
Soymeal, 47% pro, FOB Argentina	USD 330/333	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 361/364	X
Soymeal, 48% protein, FOB Brazil	USD 330/333	X
Soybeans, FOB NOLA	USD 370/373	X
Soybeans, Argentina, FOB	USD 363/366	X
Soybeans, Brazil, FOB	USD 385/388	X
Soybeans, Black Sea	USD 390/393	x
Corn Gluten Meal, USA FOB NOLA	USD 555>>585 m/t Aug>>Oct	X
Corn Gluten Feed, USA FOB NOLA	USD 169/174 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 202/207 m/t	X

Corn prices were a little lower this week which tended to put some pressure on corn gluten feed prices. DDGS prices seemed to trade in quite a wide price range depending on the supplier with DDGS going from USD 5 m/t lower to USD 5 m/t higher – much due to the ethanol production in parts of the US.

Corn gluten meal prices remain firm out a couple of months and there are reports of quite large backups of CGM exports in containers. However, there are a couple of quite aggressive sellers of CGM and even some sellers that come as a bit of a surprise.

Egypt has been a major importer of US CGM for several years but not this year as both sellers and buyers are having some trouble getting the product to Egypt. CGM has been shipped in the past as part-cargo on a grain vessel to Egypt but, with little grain coming from the US to Egypt, corn gluten meal now looks like a container product rather than a part cargo. CGM demand in Egypt is much lower than last year, due to higher prices, and is expected to remain low for the balance of 2020.

## 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 380/400 m/t CNF Asia
USA Feathermeal, 80% protein	USD 310/330 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

Animal protein export prices were steady this week – supply and demand were in balance for the moment but there still seems to be more supply building than the market may be able to absorb.

Indonesia has added a temporary ban on meat and bone meal imports – no length of ban was advised. This ban is likely to put even more pressure on prices as Indonesia is a major MBM buyer and the longer that they are out of the market the more supply will build.

Prices in the USA were also steady this week as production and demand lined up. It is expected that there could be more weakness seen in poultry meal prices as pet food demand remains low.

The market seems to feel that there is little chance for higher prices, so we are looking for steady to lower over the next couple of weeks.

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

Getting awfully close to the finish line – total catch now at 2,352,300 m/t against the quota of 2,413,000 m/t. The catch this week, for four days, was only 31,000 m/t. So, another week like this will finish off the quota.

Total sales reported by the trade are now just over 500,000 m/t of fishmeal which means that there won't be much fishmeal available for further sales – perhaps 50,000 to 70,000 m/t maximum.

The market is said to be showing a little price strength – not too surprising with little left to sell for the next few months. As the available stock level shrinks, the price per m/t for fishmeal is bound to move higher.

Reports from China say that fishmeal usage is down by 19% due to COVID-19 but so far this has not slowed the demand in Peru for fishmeal to China. Perhaps the drop will be seen more in the business for the late 2020 fishing season.

Scientific reports say that there is a La Nina event but that it is having no effect on fishing in Peru.

## 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	1,500
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	1150/1170 m/t	
67% protein standard steam	1250/1270 m/t	
67% protein 150 TVN	1300/1320 m/t	1310/1330 m/t
67% protein 120 TVN	1350/1370 m/t	1360/1380 m/t
67% protein 1000 hist, 120 TVN	1400/1420 m/t	1390/1410 m/t
68% protein 500 hist, 120 TVN	1450/1470 m/t	1460/1480 m/t
Fish oil, crude bulk	2000/2100	1900/2000
Fish oil, crude drums	2050/2150	
Fish oil, flexi tank	2150/2250	

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Fish oil, Omega 3: 28%EPA/DHA	2200/2300	
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INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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