



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: wbacon@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office : +33.9.7044.4881 Mobile : +33.6.8068.4564
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

WEEKLY USA GRAIN AND PROTEIN REPORT August 08, 2020

It was a down week for most US grain/oilseed prices this week: corn was down by about USD 3 m/t, soybeans down by almost USD 10 m/t, soymeal down by USD 9 to 10 m/t. Even wheat had a down week with winter wheat prices down by USD 10 to 14 m/t and spring wheat down by about USD 7 m/t.

Corn is said to be lower on the expectation of higher crop yields and most expert are looking for the USDA to increase corn crop yields in next week's WASDE report. Some forecasting organizations are very enthusiastic about corn yields and are quite a bit higher than the last USDA forecast, with some calling for record crop yields. We will see what the USDA thinks this coming week.

Soybeans were lower for about the same reason as corn, as at least one report said: the soybean crop will be "bin-busting". The trade expects an increase in soybean yields to be shown in the USDA WASDE report next week but only a "moderate" increase. Currently the weather looks very good for the US soybean crop so higher yields could certainly happen.

The drop in wheat prices on the week is said to be related more to the weakness in corn and soybeans than to any factor with wheat. However, there could still be mountains of US wheat this year that has to fight with mountains of wheat everywhere for export business and normally mountains of unsold wheat lead to lower prices.

Looking at the prices this week and the WASDE next week and the trade attitudes it is tough to imagine prices rallying – at least not until the WASDE projections are seen.

Top 20 US Export Destinations for Grains and Oilseeds – 6 months to June 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	65,300				
Bangladesh				701,700	
Belgium					28,700
Brazil	299,300				
Burma					142,500
Cameroon					
Canada		841,700	2,900	73,000	511,000
China		404,800	2,519,200	3,763,100	
Chile	194,300				
Colombia	398,000	3,044,600		291,900	708,300
Costa Rica		518,800		171,700	55,800
Cuba		29,000			
Denmark					

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Djibouti			10,000		
Dominican Rep	136,900	472,000			217,900
Ecuador	271,500				351,200
El Salvador	59,700	317,500			127,600
Egypt				2,217,300	
Eritrea			33,000		
Ethiopia	61,000		60,700		
France			45,700		
Germany					
Guatemala	318,800	638,400			228,000
Honduras	139,200	380,800			160,000
Indonesia	726,700			1,106,800	
Iraq					
Israel		466,600			69,700
Italy	448,400			116,900	
Jamaica		141,300			56,600
Japan	1,341,800	6,492,300	180,200	1,381,400	76,800
Kenya					
Madagascar			1,200		
Malaysia	160,300			347,200	
Mexico	1,659,700	7,570,000	261,400	2,294,600	901,000
Morocco		43,400			246,000
Netherlands				864,900	
New Zealand					
Nigeria	712,500				
Nicaragua		191,400			58,900
Pakistan				206,700	
Panama		227,600			94,900
Peru	111,800	334,600		101,500	198,200
Philippines	1,702,100	70,900			1,133,800
Portugal				26,500	
Saudi Arabia		561,100		65,100	
Somalia			45,500		
South Africa					
South Korea	680,600	2,284,000	500	272,800	
Spain				344,400	
Sri Lanka					93,200
Sudan			79,400		
Taiwan	481,200	534,200		673,500	
Thailand	420,800			425,700	15,400
Trinidad		47,900			
Tunisia				62,500	
Venezuela					97,700
Vietnam	236,900	221,200		386,500	108,900
Yemen	399,400				
Zimbabwe					
Total all	12,872,300	26,819,200	3,236,400	16,576,600	6,548,400

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

According to the shipping trade, good demand for grain shipments out of the US are increasing the demand for Panamax vessels and pushing grain ocean freight rates higher from the US and South America. Panamax demand is said to be at its highest level in several weeks. On the other hand, Supramax rates out of the Black Sea have moved lower as vessel supply is rushing ahead of commodity supply.

US Gulf to Europe: Panamax (10,000 disch)	\$20/21.00	Up \$1.00	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$20/21.00	Up \$1.00	X
US Gulf Israel: Panamax m/t	\$27/28.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Up \$1.00	X
US Gulf Turkey: Panamax m/t	\$28/29.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$39/40.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$38/39.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$61/62.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00		X
US Gulf South Africa: 45,000 m/t	\$41/42.00	Up \$1.00	X
US Gulf Japan: Panamax	\$43/44.00	Up \$1.00	X
US Gulf China: Panamax	\$42/43.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$38/39.00		
US PNW Japan: Panamax	\$23/24.00	Up \$1.00	X
US PNW China: Panamax	\$22/23.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$63/64.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$63/64.00	Up \$1.00	X
US Lakes – Europe – 30,000 m/t	\$43/44.00	Up \$2.00	X
US Lakes – Morocco – 30,000 m/t	\$44/45.00	Up \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$22/23.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$55/56.00	Up \$1.00	X
France/Germany to China: Panamax	\$38/39.00		X
France/Germany to Egypt: Panamax (10,000 dis)	\$18/19.00		X
France/Germany to India: Panamax	\$44/45.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$36/37.00	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: Panamax	\$35/36.00		X
France/Germany to South Africa: 30,000 m/t	\$47/48.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Up \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$66/67.00	Up \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00		X
Argentina to China: Panamax, with top-off	\$35/36.00	Up \$1.00	X
Argentina to Japan: Panamax, with top-off	\$34/35.00	Up \$1.00	X
Argentina to Egypt: Panamax	\$20/21.00	Up \$1.00	X
Argentina to Europe: Panamax	\$17/18.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$31/32.00	Up \$1.00	X
Argentina to Jordan: Panamax	\$55/56.00	Up \$1.00	X
Argentina to Saudi Arabia: Panamax	\$42/43.00	Up \$1.00	X
Argentina to South Africa: Panamax	\$55/56.00	Up \$1.00	X
Argentina to Spain: Panamax	\$17/18.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00		X
Argentina to US Gulf: 25/35,000 m/t	\$33/34.00	Up \$1.00	X



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Brazil to Algeria/Tunisia: 25/30,000 m/t	\$34/35.00		X
Brazil to China: Panamax	\$31/32.00	Up \$2.00	X
Brazil to Japan: Panamax	\$31/32.00	Up \$1.00	X
Brazil to Europe: Panamax	\$23/24.00	Down \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$36/37.00	Up \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$56/57.00	Up \$1.00	X
Brazil to Spain: Panamax	\$23/24.00	Down \$2.00	X
Brazil to Turkey/Egypt: Panamax	\$27/28.00	Down \$2.00	X
Australia to China: Panamax – round trip	\$17/18.00		X
Australia to Japan: Panamax – round trip	\$26/26.50		X
Australia to Saudi Arabia: Panamax	\$52/53.00	Up \$1.00	X
Ukraine to China: Panamax	\$27/28.00	Up \$1.00	X
Ukraine to Bangladesh, Panamax	\$55/56.00	Up \$1.00	X
Ukraine to India, Panamax	\$47/48.00	Up \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Up \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$19/20.00		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)	\$16/17.00	Up \$2.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$17/18.00	Up \$3.00	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: Panamax (4,000 disch)	\$43/44.00	Up \$1.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$18/19.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$19/20.00	Up \$1.00	X
Black Sea to Spain: Panamax (8,000 disch)	\$18/19.00		X
Black Sea to Jordan: Panamax (5,000 disch)	\$23/24.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$27/28.00		X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$28/29.00	Up \$2.00	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	\$55/56.00	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)	1501	Up 151	X
Baltic Capesize Index (100,000 plus DWT)	2401	Up 195	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1563	Up 336	X
Baltic Supramax Index (50,000 to 60,000 DWT)	855	Down 15	X
Baltic Handisize Index (25,000 plus DWT)	471	Down 3	x



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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 2020/October 2020

Wheat, USA Soft Red Winter, US Gulf	USD 226>>233	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 213>>221	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 205/207	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 208/210	X
Wheat, Romania 12.5 pro	USD 214/216	X
Wheat, Superior, France, Rouen	USD 217/219	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 221/224	X
Wheat, feed, Black Sea	USD 202/204	X
Barley, France, Rouen port	USD 200/202	X
Barley, feed, Argentina, up river	USD 184/186	X
Barley, feed, Black Sea, 30,000+	USD 188/191	X
Corn, 2YC FOB NOLA USA	USD 163/166	X
Corn, 3YC FOB USA Pacific northwest	USD 176/179 October	X
Corn, FOB Argentina port, upriver	USD 157/160	X
Corn, FOB Brazil port	USD 162/165	X
Corn, FOB France – Atlantic	USD 219/221	X
Corn, FOB Romania	USD 192/194	X
Corn, FOB Russia	USD 183/186	X
Corn, FOB Ukraine, 30,000+ m/t	USD 181/184	X
Sorghum, FOB Argentina port	USD 120/124 new crop	X
Sorghum, FOB Texas	USD 214/216	X
Soymeal, 48% protein, FOB NOLA	USD 341/344	X
Soymeal, 48% protein, USA, Rotterdam	USD 366/369	X
Soymeal, Argentina, Rotterdam	USD 365/368	X
Soymeal, 47% pro, FOB Argentina	USD 330/333	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 367/370	X
Soymeal, 48% protein, FOB Brazil	USD 328/331	X
Soybeans, FOB NOLA	USD 361/364	X
Soybeans, Argentina, FOB	USD 358/361	X
Soybeans, Brazil, FOB	USD 387/390	X
Soybeans, Black Sea	USD 391/393	X
Corn Gluten Meal, USA FOB NOLA	USD 550>>565 m/t Aug>>Oct	X
Corn Gluten Feed, USA FOB NOLA	USD 170/175 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 204>>210 m/t	x

With both corn and soymeal prices lower on the week, we should see some drop in corn byproduct prices, but it hasn't happened yet. Export prices for DDGS and corn gluten feed were steady but there did seem to be a couple of shippers offering corn gluten meal at slightly lower prices.

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It has been reported that there are sellers indicating CGM prices CNF destination that are just slightly above the FOB NOLA prices that were reported by the US Grains Council this week. I suspect that the USGC indication prices at USD 550/565 are too high – perhaps by USD 30 m/t or so.

USA exports of corn by-products – 6 months to June 2020 **– major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		2,500	
Bangladesh	40,900	11,400	900
Burma	20,100	600	
Canada	182,300	26,400	
Chile		96,700	
China	51,200		
Colombia	94,000	39,700	13,900
Costa Rica	45,800		
Ecuador		1,600	
Egypt	58,200	25,200	
El Salvador	31,700	5,200	
Guatemala	35,700	4,300	
Honduras		3,500	
Indonesia	490,100	72,900	5,600
Ireland	116,500		133,500
Israel	111,000		86,500
Japan	235,600	5,100	
Malaysia	23,600	26,000	
Mexico	869,900	6,200	6,000
Morocco	93,500		35,800
New Zealand	112,900		7,200
Peru		4,200	
Philippines	115,400	800	
Portugal			5,000
South Korea	599,400	100	
Spain			
Sri Lanka		2,600	
Taiwan	124,600	17,900	100
Thailand	477,800	15,700	1,200
Tunisia		600	
Turkey	257,000		7,000
UK	49,100		7,300
Vietnam	562,900	8,900	2,200
Total all	4,979,200	379,900	317,700

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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 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

Looking at the latest trade reports on animal protein exports, all markets seem to be steady this week. There is no demand from countries like Indonesia due to the Eid holidays, but then they do have an import ban in place.

Reviewing the trade reports at the end of the week the comments all seem to be for steady prices for now and with soymeal moving lower there would seem to be no reason at all to expect higher prices. So, for animal proteins, it looks like we will have a period of steady to lower prices.

USA exports of animal protein – 6 months to June 2020 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Burma	900	
Cambodia	200	
Canada	25,900	3,600
Chile	2,400	12,700
China	88,900	1,500
Colombia	1,400	
Dominican Rep		
Ecuador	14,700	
Guatemala	3,400	
Honduras	3,800	200
Indonesia	107,300	22,200
Malaysia	6,300	
Mexico	88,300	
Peru	3,200	400
Philippines	24,200	300
South Korea	600	200
Sri Lanka	200	
Thailand	15,200	
Vietnam	62,700	4,100
Total exports	450,200	42,400

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The official end to the fishing season has been set as August 15 but fishing is really completed as no one is out getting the last few remaining tons on the quota. Now we all are talking about the next season.

The next exploratory catch by IMARPE will begin on August 20, for five days, and will concentrate on juveniles and spawning.

According to trade reports the fishmeal production facilities are being revised to meet new COVID-19 requirements.

Fishmeal prices moved higher this week as there seemed to be quite a bit of buying interest in the small amount of unsold fishmeal on hand --- prices are said to have moved higher by USD 30 to 50 m/t. Interestingly, as the prices were moving higher in both Peru and Chile they seemed to be dropping a little lower in Europe.

Prices for the next fishing season look to be starting off at around USD 1400 m/t for Super Prime but very little fishmeal is said to have been booked.

With little left to sell and no new fishing for some weeks, it is expected that the Peru fishmeal export market will be quite calm until the next major announcement --- or rumor.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,795
Danish fishmeal	64% protein	1,475
Peru fishmeal	64% protein	1,460
Chile fishmeal	67% protein	1,500
Iceland fishmeal	70% protein	1,800

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	1230/1250 m/t	
67% protein 150 TVN	1280/1300 m/t	1360/1380 m/t
67% protein 120 TVN	1330/1350 m/t	1410/1430 m/t
67% protein 1000 hist, 120 TVN	1380/1400 m/t	1450/1470 m/t
68% protein 500 hist, 120 TVN	1430/1450 m/t	1480/1500 m/t
Fish oil, crude bulk	2100/2200	1900/2000
Fish oil, crude drums	2150/2250	

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Fish oil, flexi tank	2250/2350	
Fish oil, Omega 3: 28%EPA/DHA	2200/2300	

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

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