



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT August 15, 2020

We had an nicely higher week for almost all grains/oilseeds/meals this week --- corn prices moved higher by about USD 7 m/t with soybeans up by close to USD 12 m/t and soymeal moving higher by at least USD 11 m/t. US wheat did not have as string week but was able to move higher by USD 3 or 4 m/t.

Much of the rally in prices this week was closely tied to the results of the USDA WASDE report, which was bullish enough to get markets moving higher.

Monday we will see the crop progress report which should give the market a direction for the week. Private trade estimates have the corn yield moving above the USDA forecast while soymeal yield may just drop lower – we will have to wait and see what the USDA says.

According to weather forecasts there may just be some rainfall in some very parched areas but as some experts pointed out: August is normally a low rainfall month – so we may not see all the rainfall that some areas need.

As mentioned above, Monday's reports will set the near term trend for grain prices.

The EU has added a Euro 5.48 m/t import levy on all imports of corn, rye and sorghum. This is done based on a calculation of EU prices versus US prices, but the added tariff is for all corn, rye and sorghum imports from any origin.

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

Panamax and Supramax grain freight rates were up this week on strong demand for grain shipments from both the US and South America. There has also been some tightness in supply due to port congestion in China

US Gulf to Europe: Panamax (10,000 disch)	\$20/21.00	Steady	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$20/21.00	Steady	X
US Gulf Israel: Panamax m/t	\$29/30.00	Up \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Up \$2.00	x
US Gulf Turkey: Panamax m/t	\$30/31.00	Up \$2.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$41/42.00	Up \$2.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$40/41.00	Up \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$61/62.00	Steady	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 \$2.00	X
US Gulf Japan: Panamax	\$45/46.00	Up \$2.00	X
US Gulf China: Panamax	\$44/45.00	Up \$2.00	X
US PNW South Africa – 40,000 m/t	\$40/41.00	Up \$2.00	X
US PNW Japan: Panamax	\$24/25.00	Up \$1.00	X
US PNW China: Panamax	\$23/24.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$63/64.00	Steady	X

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US East Coast Nigeria: Handisize	\$63/64.00	Steady	X
US Lakes – Europe – 30,000 m/t	\$43/44.00	Steady	X
US Lakes – Morocco – 30,000 m/t	\$44/45.00	Steady	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	\$56/57.00	Up \$1.00	X
France/Germany to China: Panamax	\$38/39.00	Steady	X
France/Germany to Egypt: Panamax (10,000 dis)	\$18/19.00	Steady	X
France/Germany to India: Panamax	\$45/46.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$37/38.00	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: Panamax	\$36/37.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$48/49.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$22/23.00	Up \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$67/68.00	Up \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Steady	X
Argentina to China: Panamax, with top-off	\$37/38.00	Up \$2.00	X
Argentina to Japan: Panamax, with top-off	\$36/37.00	Up \$2.00	X
Argentina to Egypt: Panamax	\$23/24.00	Up \$3.00	X
Argentina to Europe: Panamax	\$18/19.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$31/32.00	Steady	X
Argentina to Jordan: Panamax	\$56/57.00	Up \$1.00	X
Argentina to Saudi Arabia: Panamax	\$42/43.00	Steady	X
Argentina to South Africa: Panamax	\$56/57.00	Up \$1.00	X
Argentina to Spain: Panamax	\$18/19.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$34/35.00	Steady	X
Brazil to China: Panamax	\$33/34.00	Up \$2.00	X
Brazil to Japan: Panamax	\$32/33.00	Up \$1.00	X
Brazil to Europe: Panamax	\$23/24.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$38/39.00	Up \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$56/57.00	Steady	X
Brazil to Spain: Panamax	\$23/24.00	Steady	X
Brazil to Turkey/Egypt: Panamax	\$29/30.00	Up \$2.00	X
Australia to China: Panamax – round trip	\$17/18.00	Steady	X
Australia to Japan: Panamax – round trip	\$29/29.50	Up \$3.00	X
Australia to Saudi Arabia: Panamax	\$55/56.00	Up \$3.00	X
Ukraine to China: Panamax	\$27/28.00	Steady	X
Ukraine to Bangladesh, Panamax	\$56/57.00	Up \$1.00	X
Ukraine to India, Panamax	\$47/48.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$20/21.00	Up \$1.00	X
Ukraine to Turkey: coaster (1,000 disch)	\$15/16.00	Steady	x
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$21/22.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$16/17.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$19/20.00	Up \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$35/36.00	Steady	X



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Black Sea to Iraq: Panamax (4,000 disch)	\$45/46.00	Up \$2.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$18/19.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$19/20.00	Steady	X
Black Sea to Spain: Panamax (8,000 disch)	\$18/19.00	Steady	X
Black Sea to Jordan: Panamax (5,000 disch)	\$24/25.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$27/28.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$29/30.00	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	\$56/57.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	Steady	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1595	Up 94	X
Baltic Capesize Index (100,000 plus DWT)	2402	Up 1	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1824	Up 261	X
Baltic Supramax Index (50,000 to 60,000 DWT)	927	Up 72	X
Baltic Handisize Index (25,000 plus DWT)	491	Up 20	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 2020/October 2020

Wheat, USA Soft Red Winter, US Gulf	USD 228>>235	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 217>>224	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 195/198	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 197/200	X
Wheat, Romania 12.5 pro	USD 200/203	X
Wheat, Superior, France, Rouen	USD 218/220	X
Wheat, milling, 12.0%, Argentina, Upriver	no info	X
Wheat, feed, Black Sea	USD 195/198	
Barley, France, Rouen port	USD 200/202	X
Barley, feed, Argentina, up river	USD 191/194	X
Barley, feed, Black Sea, 30,000+	USD 184/187	X
Corn, 2YC FOB NOLA USA	USD 168/171	X
Corn, 3YC FOB USA Pacific northwest	USD 184/187	X
Corn, FOB Argentina port, upriver	USD 164/167	X
Corn, FOB Brazil port	USD 175/178	X
Corn, FOB France – Atlantic	USD 196/199	X
Corn, FOB Romania	USD 192/194	X
Corn, FOB Russia	USD 182/185	X
Corn, FOB Ukraine, 30,000+ m/t	USD 181/184	X
Sorghum, FOB Argentina port	USD 126/128 new crop	X
Sorghum, FOB Texas	USD 221/224	X
Soymeal, 48% protein, FOB NOLA	USD 343/346	X
Soymeal, 48% protein, USA, Rotterdam	USD 368/371	X

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Soymeal, Argentina, Rotterdam	USD 379/382	X
Soymeal, 47% pro, FOB Argentina	USD 331/334	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 377/380	X
Soymeal, 48% protein, FOB Brazil	USD 339/342	X
Soybeans, FOB NOLA	USD 368/371	X
Soybeans, Argentina, FOB	USD 367/370	X
Soybeans, Brazil, FOB	USD 394/397	X
Soybeans, Black Sea	USD 391/393	X
Corn Gluten Meal, USA FOB NOLA	USD 600>>62 m/t Sep>>Nov	X
Corn Gluten Feed, USA FOB NOLA	USD 178/181 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 204>>210 m/t	x

With some ethanol plants being closed down for annual repair there has been a firming of DDGS prices from the US. Tighter supplies along with higher soymeal prices kept DDGS prices quite firm on the week. Both export and domestic demand is said to be strong for DDGS and most trade experts don't see any price weakness lurking ahead.

Also with DDGS, AgriCensus published some comments this week on the US trend to shipping darker colored DDGS. It seems that some buyers in Asia have been receiving DDGS that is not the normal golden color. Their comment says that the change in color is related somewhat to COVID-19 production shutdowns and to some ethanol producers switching to hand sanitizer production --- these two factors seem to have led to darker DDGS – one article from another source said that it is the reduced production that is causing the darker colored product. I am sure that there are many reasons but the buyers, it seems, are not to impressed with the darker color. However, as any nutritionist could tell you, the color has little or no effect on the nutritional value of the DDGS.

Corn gluten meal export prices are reported to have taken a jump higher following the increase in soymeal prices although there didn't seem to be any higher CGM prices in the domestic US market.

Corn gluten feed export prices were also higher as they followed the increase in US corn prices.

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 400/420 m/t CNF Asia
	USD 320/340 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 780/800 m/t CNF Asia

Trading into Indonesia was opened up again this week with prices tending to move up by about USD 20 m/t for meat and bone meal. Export prices from both Australia and New Zealand were steady as supply has been restricted by COVID-19 regulations – some industrial facilities have closed or are working limited hours due to COVID. The Australian cattle slaughter is reported to be down by 20%.

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In the US domestic market, prices for meat and bone meal and feathermeal moved a little higher as the recent low prices became attractive to feed producers. US export demand has been good and this too has helped move domestic prices a little higher. The US is not expecting any drop in the supply of animal proteins as slaughter numbers are expected to be higher in coming weeks and this could keep a lid on prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Here we are now into the quiet period for Peruvian fishmeal --- we can rest and relax for a little and just worry about Covid-19.

The latest trade estimate for unsold fishmeal stock in Peru has dropped down to 10,000 m/t – not much available. Advance sales for next season are said to be at 50,000 m/t with the Super Prime price reported to be as shown below.

Fishmeal usage in China is said to be below average and the lowest weekly level seen in about 10 years. Fishmeal stocks on hand in China are reported to be well below the 5-year average. However, there are good supplies of fishmeal on the way to China from Peru which will push stocks higher.

Nothing much new to report --- all is quiet.

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	1,480
Peru fishmeal	64% protein	1,465
Chile fishmeal	67% protein	1,500
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	1230/1250 m/t	
67% protein 150 TVN	1280/1300 m/t	1310/1330 m/t
67% protein 120 TVN	1330/1350 m/t	1360/1380 m/t
67% protein 1000 hist, 120 TVN	1380/1400 m/t	1410/1430 m/t
68% protein 500 hist, 120 TVN	1430/1450 m/t	1440/1460 m/t
Fish oil, crude bulk	2100/2200	1900/2000
Fish oil, crude drums	2150/2250	
Fish oil, flexi tank	2250/2350	
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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