



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT August 22, 2020

Price activity was a little bit quieter this week with most excitement seen in the US wheat markets. The weeks price changes in corn, soybeans and soymeal were mostly insignificant while US winter wheat raced higher by about USD 10 m/t and spring wheat followed closely behind at about USD 7 m/t higher.

The experts say that the wheat rally was pushed by the market feeling that US wheat export will be very good in coming months as higher world wheat prices make US wheat more attractive to export buyers. While wheat seems to have been able to get through storm risk of last week, most experts seem to be looking at an up trend in wheat prices for a few weeks.

Corn growing areas look to be seeing some decent rainfall – but not all dry areas will benefit. The forecast for the next few days is for wetter than normal weather and perhaps a little cooler than normal. Perhaps the biggest news with corn was that sale to China and all the excitement that that set off - but it wasn't enough excitement to get the market moving.

While there were good export sales for soybeans that could have pushed prices higher, the very good weather forecast for the soybean crop tended to put ceiling on things. With people talking about record soybean production in the US it may be difficult to get soybean prices moving higher.

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

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	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Steady	X
US Gulf Turkey: Panamax m/t	\$30/31.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$41/42.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$39/40.00	Down \$1.00	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	Steady	X
US Gulf South Africa: 45,000 m/t	\$41/42.00	Down \$2.00	X
US Gulf Japan: Panamax	\$45/46.00	Steady	X
US Gulf China: Panamax	\$44/45.00	Steady	X
US PNW South Africa – 40,000 m/t	\$40/41.00	Steady	X
US PNW Japan: Panamax	\$24/25.00	Steady	X
US PNW China: Panamax	\$23/24.00	Steady	X
US East Coast Egypt: Panamax	\$63/64.00	Steady	X
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)	\$21/22.00	Down \$2.00	X

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France/Germany to Bangladesh: 35/45,000 m/t	\$57/58.00	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	\$46/47.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$38/39.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$24/25.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$37/38.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$49/50.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Down \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$68/69.00	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	Steady	X
Argentina to Japan: Panamax, with top-off	\$36/37.00	Steady	x
Argentina to Egypt: Panamax	\$25/26.00	Up \$2.00	X
Argentina to Europe: Panamax	\$19/20.00	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	Steady	X
Argentina to Saudi Arabia: Panamax	\$42/43.00	Steady	X
Argentina to South Africa: Panamax	\$57/58.00	Up \$1.00	X
Argentina to Spain: Panamax	\$19/20.00	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	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$34/35.00	Steady	X
Brazil to China: Panamax	\$33/34.00	Steady	X
Brazil to Japan: Panamax	\$32/33.00	Steady	X
Brazil to Europe: Panamax	\$23/24.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$38/39.00	Steady	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	Steady	x
Australia to China: Panamax – round trip	\$17/18.00	Steady	X
Australia to Japan: Panamax – round trip	\$32/32.50	Up \$3.00	X
Australia to Saudi Arabia: Panamax	\$58/59.00	Up \$3.00	X
Ukraine to China: Panamax	\$27/28.00	Steady	X
Ukraine to Bangladesh, Panamax	\$57/58.00	Up \$1.00	X
Ukraine to India, Panamax	\$48/49.00	Up \$1.00	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	Steady	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	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$35/36.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$47/48.00	Up \$2.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$20/21.00	Up \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Spain: Panamax (8,000 disch)	\$20/21.00	Up \$2.00	X
Black Sea to Jordan: Panamax (5,000 disch)	\$26/27.00	Up \$2.00	X



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Black Sea to Libya: 25/35,000 m/t	\$27/28.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$31/32.00	Up \$2.00	X
Black Sea to Turkey – 30,000 m/t	\$16/17.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$57/58.00	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)	1481	Down 114	X
Baltic Capesize Index (100,000 plus DWT)	2160	Down 242	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1653	Down 171	X
Baltic Supramax Index (50,000 to 60,000 DWT)	962	Up 35	X
Baltic Handisize Index (25,000 plus DWT)	546	Up 55	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 238>>245	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 228>>235	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 200/203	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 220/222	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 241/243	X
Wheat, feed, Black Sea	USD 199/202	X
Barley, France, Rouen port	USD 201/203	X
Barley, feed, Argentina, up river	USD 193/196	X
Barley, feed, Black Sea, 30,000+	USD 183/186	X
Corn, 2YC FOB NOLA USA	USD 169/172	X
Corn, 3YC FOB USA Pacific northwest	USD 184/187	X
Corn, FOB Argentina port, upriver	USD 168/171	X
Corn, FOB Brazil port	USD 181/184	X
Corn, FOB France – Atlantic	USD 222/224	X
Corn, FOB Romania	USD 192/194	X
Corn, FOB Russia	USD 183/186	X
Corn, FOB Ukraine, 30,000+ m/t	USD 175/178	X
Sorghum, FOB Argentina port	USD 133/136	X
Sorghum, FOB Texas	USD 220/223	X
Soymeal, 48% protein, FOB NOLA	USD 349/352	X
Soymeal, 48% protein, USA, Rotterdam	USD 374/377	X
Soymeal, Argentina, Rotterdam	USD 378/381	X
Soymeal, 47% pro, FOB Argentina	USD 340/343	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 380/383	X
Soymeal, 48% protein, FOB Brazil	USD 346/349	X
Soybeans, FOB NOLA	USD 370/373	X



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Soybeans, Argentina, FOB	USD 369/372	X
Soybeans, Brazil, FOB	USD 399/402	X
Soybeans, Black Sea	USD 391/393	X
Corn Gluten Meal, USA FOB NOLA	USD 580>>600 m/t Sep>>Nov	x
Corn Gluten Feed, USA FOB NOLA	USD 180/185 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 215/220 m/t	X

DDGS prices in the US are higher this week as domestic demand has taken a jump with feed users booking supplies for the fall and winter. Of course, there is also the upward pressure on DDGS prices due to the rally in soymeal. Export prices for DDGS are higher as export supplies are tightening. Exports are not looking for lower DDGS prices in coming days.

US corn gluten meal prices dropped back a little this week after the very big jump of last week. Prices are getting back to the level that we have been seeing for the past few weeks. With soymeal moving higher and fishmeal sold out, there is probably no reason to expect any weakness in corn gluten meal prices. Any product, like CGM, that can offer 60% protein is certainly a premium product in today's animal feed market.

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

There are indications from Asia that meat and bone meal prices will be moving higher – not too surprising with the rally in soymeal prices. There has also been an increase in demand in Asia but supply from Australia and New Zealand is tightening a little – so an upward move in prices may just be in the cards. However, according to the Jacobsen Report, US MBM is trying to hold prices down while mixed breed MBM is still very low priced.

USA domestic prices have been steady on the week with supply very good – the market does expect that animal proteins in the US will move higher to keep pace with US soymeal prices.

Jacobsen also mentions that pet food grade poultry meal prices in the US re quite weak since there seems to be below average demand from pet food producers. But they say the weakness is just a seasonal thing and will change.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

No reported landing of any catch in the southern Peru quota area. The quota for the area is 435,000 m/t of catch and the season began on august 01, 2020. It seems that there are no vessels fishing.

The final, final numbers for the northern region look to be at 2.36 million m/t which should yield about 563,000 m/t of fishmeal.

According to trade information there is nothing left to sell in Peru – not even floor sweepings.

According to numbers from MSI Ceres the catch by company is as follows, major companies only:

CFG-Copeinca	515,000 m/t
Tasa	494,000 m/t
Exalmar	426,000 m/t
Hayduk	278,900 m/t
Diamante	265,000 m/t
Austral	173,000 m/t
Centiela	86,000 m/t

There are reports of a possible El Nino/La Nina event later in 2020 but the risk of a serious event is extremely low.

Also, looking at the next season – the average quota estimate seems to be at 2.0 million m/t.

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	1,460
Peru fishmeal	64% protein	1,455
Chile fishmeal	67% protein	1,495
Iceland fishmeal	70% protein	1,820

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	1300/1320 m/t	1320/1340 m/t
67% protein 120 TVN	1350/1370 m/t	1370/1390 m/t
67% protein 1000 hist, 120 TVN	1400/1420 m/t	1420/1440 m/t
68% protein 500 hist, 120 TVN	1450/1470 m/t	1450/1470 m/t
Fish oil, crude bulk	2100/2200	1900/2000

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Fish oil, crude drums	2150/2250	
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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