



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT August 29, 2020

Aha, a week of positive prices with everything making a move higher. Corn prices were up by USD 6 to 8 m/t, soybeans up by USD 16 to 19 m/t, soymeal up by USD 12 to 14 m/t. Even most wheat prices were able to move higher by about USD 6 m/t. Certainly an up week.

The push higher in the markets had a lot of basis in the weather report for the next few days --- looks like hot and dry for areas that would prefer a little cooler and a lot wetter. With soybeans, the experts are saying that the crop condition report next week should show that soybeans are suffering with expected drops in soybean crop yields. So, with soybeans, we have very good exports, poor crop weather and lower yields – all factors for higher prices.

Corn prices were higher for about the same reasons as soybeans – good export demand along with a poor weather forecast and crop yield concerns. Reports say that Iowa, a major grain state, has been hit extremely hard by the current drought with 96% of the state in drought conditions, the worst conditions in 7 years.

One thing that higher US corn prices accomplished is that the EU import levy, that was tacked on last week, has now dropped back to zero by the end of the week.

And then there is wheat – with all the same weather and drought factors in the US that are seen to be affecting corn and soybeans. The current drought may be a factor in the planting of winter wheat as the soil moisture level could be too low for a good winter crop start – this is pushing prices up a little. On the other side of the coin, the harvest of spring wheat is said to be falling behind due to heavy rains in some areas.

All in all, it is just that darn weather again that is pushing prices higher.

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

US Gulf to Europe: Panamax (10,000 disch)	\$21/22.00	Up \$1.00	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$21/22.00	Up \$1.00	X
US Gulf Israel: Panamax m/t	\$30/31.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$30/31.00	Up \$1.00	X
US Gulf Turkey: Panamax m/t	\$31/32.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$41/42.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$40/41.00	Up \$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)	\$42/43.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$41/42.00	Steady	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	\$25/26.00	Up \$1.00	X
US PNW China: Panamax	\$24/25.00	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 \$2.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$57/58.00	Steady	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	\$47/48.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$39/40.00	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: Panamax	\$37/38.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$50/51.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Steady	x
France/Germany to Yemen: 30,000 m/t	\$69/70.00	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	\$26/27.00	Up \$1.00	X
Argentina to Europe: Panamax	\$20/21.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$31/32.00	Steady	X
Argentina to Jordan: Panamax	\$57/58.00	Up \$1.00	X
Argentina to Saudi Arabia: Panamax	\$42/43.00	Steady	X
Argentina to South Africa: Panamax	\$58/59.00	Up \$1.00	X
Argentina to Spain: Panamax	\$20/21.00	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	\$24/25.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$39/40.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$57/58.00	Up \$1.00	X
Brazil to Spain: Panamax	\$24/25.00	Up \$1.00	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	\$35/35.50	Up \$3.00	X
Australia to Saudi Arabia: Panamax	\$61/62.00	Up \$3.00	X
Ukraine to China: Panamax	\$30/31.00	Up \$3.00	X
Ukraine to Bangladesh, Panamax	\$58/59.00	Up \$1.00	X
Ukraine to India, Panamax	\$49/50.00	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)	\$20/21.00	Up \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$37/38.00	Up \$2.00	X



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Black Sea to Iraq: Panamax (4,000 disch)	\$50/51.00	Up \$3.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$22/23.00	Up \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Steady	X
Black Sea to Spain: Panamax (8,000 disch)	\$22/23.00	Up \$2.00	X
Black Sea to Jordan: Panamax (5,000 disch)	\$26/27.00	Steady	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	Down \$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	\$58/59.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Steady	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1488	Up 7	X
Baltic Capesize Index (100,000 plus DWT)	2218	Up 58	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1617	Down 36	X
Baltic Supramax Index (50,000 to 60,000 DWT)	958	Down 4	x
Baltic Handisize Index (25,000 plus DWT)	570	Up 24	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 244>>249	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 238>>243	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 207/210	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 226/228	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 241/243	X
Wheat, feed, Black Sea	USD 203/206	X
Barley, France, Rouen port	USD 205/208	X
Barley, feed, Argentina, up river	USD 195/198	X
Barley, feed, Black Sea, 30,000+	USD 183/186	X
Corn, 2YC FOB NOLA USA	USD 179/182	X
Corn, 3YC FOB USA Pacific northwest	USD 192/195	X
Corn, FOB Argentina port, upriver	USD 175/178	X
Corn, FOB Brazil port	USD 186/189	X
Corn, FOB France – Atlantic	USD 197/200	X
Corn, FOB Romania	USD 172/175	X
Corn, FOB Russia	USD 178/181	X
Corn, FOB Ukraine, 30,000+ m/t	USD 180/183	X
Sorghum, FOB Argentina port	USD 140/143	X
Sorghum, FOB Texas	USD 234/237	X
Soymeal, 48% protein, FOB NOLA	USD 357/360	X
Soymeal, 48% protein, USA, Rotterdam	USD 382/385	X



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Soymeal, Argentina, Rotterdam	USD 381/384	X
Soymeal, 47% pro, FOB Argentina	USD 351/354	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 381/384	X
Soymeal, 48% protein, FOB Brazil	USD 355/358	X
Soybeans, FOB NOLA	USD 386/389	X
Soybeans, Argentina, FOB	USD 385/388	X
Soybeans, Brazil, FOB	USD 413/416	X
Soybeans, Black Sea	USD 393/395	X
Corn Gluten Meal, USA FOB NOLA	USD 540>>560 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 220/225 m/t	x

As expected, higher corn prices are having an effect on corn byproduct prices. DDGS in the US is seen to be about USD 7 m/t higher on the week. According to trade reports, demand for DDGS has been good both for domestic and export markets – so, for now, no one is looking to lower prices.

With corn gluten meal, the situation is a little more difficult with there seeming to be quite a wide spread on export prices depending on who you are talking to. Variations between suppliers show a spread of about USD 30 m/t. However, the big run up in CGM prices looks to be under control for now with prices representing what is happening in the protein market more closely.

It is expected that corn byproduct prices will continue to follow whatever is happening in the corn and protein markets --- and for now that is to higher prices.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 385/400 m/t CNF Asia
Australian MBM 50% protein	USD 430/445 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 430/450 m/t CNF Asia
	USD 340/360 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

Meat and bone meal prices to major markets in Asia have moved higher by about USD 20 m/t this week. Increases in world soymeal prices along with higher domestic prices in Australia and New Zealand helped to push prices higher. However, experts say that continued low prices from the US keep prices from moving much higher. If the main source of supply was from OZ and New Zealand, then price for MBM would be higher.

The US domestic market seems to be following along with what soymeal prices are doing with some experts looking for an increase in US meat and bone meal prices They see MBM as being priced too low. Both poultry meal and feathermeal prices were steady on the week.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

There were no landings at all in the southern region of Peru. The season has been open for about four weeks with no catch recorded.

The next IMARPE biomass analysis cruise is expected to begin on September 01 looking at egg and larvae count followed by an "acoustic research study" – these two items should take up to 45 day to complete.

Fishmeal prices in Peru moved up by about USD 20 m/t this week --- all the old stock is sold so this is the pricing for next season's fishmeal production. Trade experts feel that there is room for prices to continue higher --- not just from Peru but from most fishmeal origins. The feeling is that the prices will trend higher until we get a good idea of the conditions for the next quota --- good conditions and the price could drop – average or poor conditions would certainly mean higher prices.

The latest export numbers for Peru show total exports for 2020 to the end of July at about 361,000 m/t of fishmeal --- 87% going to Asia and 6% to Europe. As usual, the main importer was China at 265,000 m/t, just over 73% of total Peru fishmeal exports. Japan is the next largest with 22,700 m/t followed by Germany with 15,700 m/t and then Vietnam at 12,200 m/t.

Both charts shown below are courtesy of MSI Ceres (www.msi.ceres.com) and info@msiceres.com

PERUVIAN FISHMEAL EXPORTS JAN/JULY 2020 (JLY SUB REVISIONS)							REGION (MT)	SHARE (%)
REGION/COUNTRY	JAN /MARCH (MT)	APRIL/MAY (MT)	JUNE (MT)	JULY (*) (MT)	SUB TOTAL (MT)	SHARE (%)		
ASIA							314,039	86.90
China	122,618	16,500	37,654	88,590	265,362	73.43		
Japan	14,808	1,959	1,676	4,217	22,660	6.27		
Vietnam	9,052	527	-	2,629	12,208	3.38		
Taiwan	4,590	679	2,241	1,974	9,484	2.62		
Korea	1,146	1,263	-	431	2,840	0.79		
Philippines	418	105	212	-	735	0.20		
Thailand	349	-	-	-	349	0.10		
Indonesia	200	-	201	-	401	0.11		
EUROPE							21,340	5.91
Germany	7,914	-	7,761	-	15,675	4.34		
Spain	753	550	-	-	1,303	0.36		
Denmark	2,338	249	-	539	3,126	0.87		
France	544	-	224	100	868	0.24		
Czech Republic	368	-	-	-	368	0.10		
AMERICAS							20,671	5.72
Ecuador	4,586	2,907	525	955	8,973	2.48		
Chile	4,475	-	-	-	4,475	1.24		
Canada	2,678	1,014	-	-	3,692	1.02		
Guatemala	502	422	212	-	1,136	0.31		
Honduras	316	265	-	-	581	0.16		
Costa Rica	528	396	-	-	924	0.26		
Cuba	391	-	248	-	639	0.18		
Colombia	50	-	50	-	100	0.03		
USA	-	-	-	-	-	-		
Venezuela	-	151	-	-	151	0.04		
OCEANIA							5,330	1.47
Australia	2,382	1,284	407	1,206	5,279	1.46		
New Caledonia	-	51	-	-	51	0.01		
TOTAL	181,006	28,322	51,411	100,641	361,380	100.00		

(*) July subject further revisions next week.

Looking at China's imports, while China is 73% of Peru's fishmeal exports, Peru is only 30% of China's fishmeal imports – but Peru is still the largest shipper of fishmeal to China.



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CHINA FISHMEAL IMPORTS / ALL ORIGINS (MT)						
RANK	ORIGIN	J/F/M (MT)	A/M/J (MT)	JULY (MT)	JAN/JULY (MT)	SHARE %
#1	PERU	117,491	74,189	9,742	201,422	30.04
#2	CHILE	22,290	30,274	25,761	78,325	11.68
#3	VIETNAM	18,837	35,594	12,944	67,375	10.05
#4	RUSSIA	22,517	28,428	5,338	56,283	8.40
#5	THAILAND	15,605	29,648	7,660	52,913	7.89
#6	MAURITANIA	10,465	24,788	15,150	50,403	7.52
#7	USA	6,380	21,328	6,468	34,176	5.10
#8	MEXICO	7,011	18,033	7,223	32,267	4.81
#9	MYANMAR	6,745	10,467	2,790	20,002	2.98
#10	PAKISTAN	8,406	8,532	1,284	18,222	2.72
#11	MALAYSIA	1,154	7,895	4,243	13,292	1.98
#12	SOUTH AFRICA	690	6,628	4,915	12,233	1.82
#13	ECUADOR	4,462	1,858	1,707	8,027	1.20
#14	MOROCCO	-	4,688	1,525	6,213	0.93
#15	PANAMA	3,160	2,804	-	5,964	0.89
#16	CONGO	3,107	1,382	-	4,489	0.67
#17	DENMARK	458	1,661	1,092	3,211	0.48
#18	NEW ZEALAND	1,945	633	487	3,065	0.46
#19	NAMIBIA	400	502	302	1,204	0.18
#20	ARGENTINA	407	532	-	939	0.14
#21	MAURITIUS	300	100	-	400	0.06
TOTAL		251,830	309,964	108,631	670,425	100

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,765
Danish fishmeal	64% protein	1,470
Peru fishmeal	64% protein	1,445
Chile fishmeal	67% protein	1,485
Iceland fishmeal	70% protein	1,755

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	1120/1140 m/t	
67% protein standard steam	1220/1240 m/t	
67% protein 150 TVN	1320/1340 m/t	1320/1340 m/t
67% protein 120 TVN	1370/1390 m/t	1370/1390 m/t
67% protein 1000 hist, 120 TVN	1420/1440 m/t	1420/1440 m/t
68% protein 500 hist, 120 TVN	1470/1490 m/t	1450/1470 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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