



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT September 05, 2020

This weekend is a long holiday weekend in the US with markets closed on Monday for Labor Day. Labor Day is seen as the end of the summer in the US and Canada and the time for all children and young people to head back to school. And for most women, Labor Day is day that is end of wearing white summer slacks.

The corn market was very flat this week with little or no change in prices as opposed to soybeans which were up another USD 6 or 7 m/t and soymeal which was up by about USD 8 to 10 m/t. All wheat prices were down a little on Friday but on the week Hard Red Winter wheat was up by about USD 5 m/t.

Corn looks to be seeing better weather in the next few days with some dryness in the forecast. With the corn harvest not all that far away, there is still room for a bad weather that could affect the harvest and rally prices.

Soybeans remain strong on good export sales and the concern over the US soybean crop yields. Perhaps yields may not be as good as had been forecasted. However, most experts are saying that any drop in soybean yields will probably be very small.

While wheat prices did slip a little on Friday, prices are still very close to the five-month highs. Higher prices for wheat in the Black Sea could help to keep US prices steady to higher. Looking at the winter wheat planting situation – rainfall has improved in some areas which could mean better planting results.

Top 20 US Export Destinations for Grains and Oilseeds – 7 months to July 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	65,300				
Bangladesh				813,000	
Belgium					28,700
Brazil	434,200				
Burma					148,400
Cameroon			1,500		
Canada		1,004,700	3,500	92,600	598,700
China		857,500	2,856,2300	4,208,700	
Chile					
Colombia	422,300	3,426,800		325,200	822,000
Costa Rica		552,100		171,700	55,800
Cuba		29,000			
Denmark					
Djibouti			10,000		

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Dominican Rep		472,000			236,000
Ecuador	336,300				391,700
El Salvador		379,000			142,500
Egypt				2,436,100	
Eritrea			33,000		
Ethiopia	91,000		60,700		
France			45,700		
Germany					
Guatemala	354,900	807,200			271,800
Honduras		437,600			170,800
Indonesia	843,200			1,346,100	
Iraq					
Israel		466,600			77,000
Italy	560,600			164,200	
Jamaica		141,300			56,600
Japan	1,536,200	7,584,900	191,200	1,453,000	89,600
Kenya					
Madagascar			2,000		
Malaysia	219,500			375,700	
Mexico	1,959,200	8,783,400	262,000	2,723,400	1,048,700
Morocco		43,400			281,100
Netherlands				1,107,000	
New Zealand			34,700		
Nigeria	767,600				
Nicaragua		237,000			58,900
Pakistan				265,000	
Panama		271,100			111,900
Peru	142,700	553,500		144,700	234,600
Philippines	1,944,700	70,900			1,408,300
Portugal				26,500	
Saudi Arabia		632,600		65,100	
Somalia			45,500		
South Africa			4,200		
South Korea	862,000	2,483,700	500	276,500	
Spain				344,400	
Sri Lanka					104,300
Sudan			85,200		
Taiwan	679,600	567,2400		693,300	
Thailand	481,100			452,100	15,600
Trinidad		61,400			
Tunisia				62,500	
Venezuela					118,000
Vietnam		221,200		418,900	110,000
Yemen	484,400		7,100		
Zimbabwe					
Total all	15,910,200	31,641,200	3,598,000	19,064,000	7,781,500

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

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US Gulf to Europe: Panamax (10,000 disch)	\$20/21.00	Down \$1.00	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$20/21.00	Down \$1.00	X
US Gulf Israel: Panamax m/t	\$30/31.00	Steady	
US Gulf to Egypt: Panamax (6,000 disch)	\$30/31.00	Steady	X
US Gulf Turkey: Panamax m/t	\$31/32.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$41/42.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$40/41.00	Steady	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	Down \$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	Steady	X
US PNW China: Panamax	\$24/25.00	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
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	\$48/49.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$40/41.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$26/27.00	Up \$1.00	X
France/Germany to Saudi Arabia: Panamax	\$37/38.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$51/52.00	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	\$70/71.00	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	\$27/28.00	Up \$1.00	X
Argentina to Europe: Panamax	\$20/21.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$29/30.00	Down \$2.00	X
Argentina to Jordan: Panamax	\$58/59.00	Up \$1.00	X
Argentina to Saudi Arabia: Panamax	\$42/43.00	Steady	X
Argentina to South Africa: Panamax	\$58/59.00	Steady	x
Argentina to Spain: Panamax	\$20/21.00	Steady	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	\$33/34.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$33/34.00	Down \$1.00	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	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$39/40.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$58/59.00	Up \$1.00	X
Brazil to Spain: Panamax	\$24/25.00	Steady	X
Brazil to Turkey/Egypt: Panamax	\$29/30.00	Steady	X



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Australia to China: Panamax – round trip	\$17/18.00	Steady	X
Australia to Japan: Panamax – round trip	\$39/39.50	Up \$4.00	X
Australia to Saudi Arabia: Panamax	\$65/66.00	Up \$4.00	X
Ukraine to China: Panamax	\$29/30.00	Down \$1.00	X
Ukraine to Bangladesh, Panamax	\$58/59.00	Steady	X
Ukraine to India, Panamax	\$51/52.00	Up \$2.00	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)	\$15/16.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$17/18.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$20/21.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$37/38.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$51/52.00	Up \$1.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$20/21.00	Down \$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)	\$20/21.00	Down \$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	\$30/31.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$16/17.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$59/60.00	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)	1362	Down 126	X
Baltic Capesize Index (100,000 plus DWT)	1960	Down 258	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1473	Down 144	X
Baltic Supramax Index (50,000 to 60,000 DWT)	953	Down 5	X
Baltic Handisize Index (25,000 plus DWT)	569	Down 1	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 October 2020/December 2020

Wheat, USA Soft Red Winter, US Gulf	USD 244>>250	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 236>>240	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 215/217	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 217/219	X
Wheat, Romania 12.5 pro	USD 219/221	X
Wheat, Superior, France, Rouen	USD 227/229	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 241/243	X
Wheat, feed, Black Sea	USD 212/214	X
Barley, France, Rouen port	USD 204/206	X



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Barley, feed, Argentina, up river	USD 195/198	X
Barley, feed, Black Sea, 30,000+	USD 184/187	X
Corn, 2YC FOB NOLA USA	USD 180/183	X
Corn, 3YC FOB USA Pacific northwest	USD 192/195	X
Corn, FOB Argentina port, upriver	USD 176/179	X
Corn, FOB Brazil port	USD 186/189	X
Corn, FOB France – Atlantic	USD 203/205	X
Corn, FOB Romania	USD 183/186	X
Corn, FOB Russia	USD 183/186	X
Corn, FOB Ukraine, 30,000+ m/t	USD 180/183	X
Sorghum, FOB Argentina port	USD 140/143	X
Sorghum, FOB Texas	USD 237/240	X
Soymeal, 48% protein, FOB NOLA	USD 370/373	X
Soymeal, 48% protein, USA, Rotterdam	USD 395/398	X
Soymeal, Argentina, Rotterdam	USD 388/391	X
Soymeal, 47% pro, FOB Argentina	USD 360/363	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 394/397	X
Soymeal, 48% protein, FOB Brazil	USD 369/372	X
Soybeans, FOB NOLA	USD 396/399	X
Soybeans, Argentina, FOB	USD 391/394	X
Soybeans, Brazil, FOB	USD 420/423	X
Soybeans, Black Sea	USD 393/395	X
Corn Gluten Meal, USA FOB NOLA	USD 530>>550 m/t Oct>>DEC	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

US price for DDGS are moving higher again, at least in markets in the US, as local demand for DDGS is very good. Soymeal prices moved higher again this week which helped add some strength to DDGS prices. It is also reported that DDGS export demand from Asia is also picking up. It doesn't look like we will be seeing any weakness in DDGS prices in coming days.

Corn gluten meal price were a little weaker due to improvement in the supply situation. Export CGM prices dropped by about USD 20 m/t. There does seem to be a reasonable amount of export interest, but buyers are bidding well below current market prices.

Corn gluten feed prices were steady on the week.

USA exports of corn by-products – 7 months to July 2020 **– major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		3,400	
Bangladesh	65,000	14,400	900
Burma	20,100	800	

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Canada	217,400	30,100	
Chile		96,700	
China	76,000		
Colombia	94,000	46,300	13,900
Costa Rica	45,800		
Ecuador		1,700	
Egypt	97,000	43,000	
El Salvador	31,700	5,200	
Guatemala	35,700	4,300	
Honduras		4,200	
Indonesia	546,100	77,400	5,600
Ireland	128,500		151,400
Israel	133,200		103,800
Japan	276,900	10,300	
Malaysia	23,600	28,600	
Mexico	1,032,200	6,700	7,300
Morocco	105,600		35,800
New Zealand	112,900		7,200
Peru		4,900	
Philippines	148,600	1,100	
Portugal			5,000
South Korea	720,000	100	
Spain			
Sri Lanka		2,600	
Taiwan	140,300	20,700	100
Thailand	619,600	17,300	1,800
Tunisia		600	
Turkey	400,800		7,000
UK	104,200		26,800
Vietnam	670,900	9,700	2,200
Total all	6,351,400	443,300	376,500

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 400/420 m/t CNF Asia
Australian MBM 50% protein	USD 440/460 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 420/440 m/t CNF Asia
Australian Poultry Meal, pet food	USD 780/800 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 450/470 m/t CNF Asia
	USD 320/340 to Indonesia
USA Feathermeal, 80% protein	USD 420/440 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 800/820 m/t CNF Asia

Meat and Bone meal (MBM) prices tended to move higher in most of Asia this week – except for Indonesia where prices were steady. Supplies of MBM from both Australia and New Zealand are tightening. A number of slaughter houses are closed due to COVID-19 outbreaks.

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USA animal protein prices also moved a little higher with this said to be due to higher soymeal prices and the holiday weekend in the US. Reports say that there has been very good demand for feathermeal both in the US and for export.

Trade reports seem to feel that there will only be limited upside in animal protein prices as supply should be steady.

Looking at the US export table below it is easy to see there are limited countries that buy large amount of US animal proteins.

USA exports of animal protein – 7 months to July 2020 **– major destinations – in m/t**

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Canada	30,300	3,900
Chile	2,400	14,200
China	103,900	1,500
Colombia	1,400	
Ecuador	17,000	
Guatemala	4,400	
Honduras	4,300	300
Indonesia	124,700	25,200
Malaysia	6,300	
Mexico	112,200	
Peru	4,300	500
Philippines	31,700	500
Thailand	16,000	
Vietnam	77,900	6,600
Total exports	539,600	53,100

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Still no fishing in the south of Peru.

The IMARPE cruise is on the way – the full research cruise is expected to take about 3 weeks.

According to trade reports, the fishmeal future business has slacked off with about 115,000 m/t of next seasons fishmeal now booked. If the quota ends up at 2.0 million m/t then these presales will be about 25% of the next seasons production.

MSI Ceres mentioned in their weekly report this week that the average landings for the next season

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over 10 year was at 1.463 million m/t. On average this is quite a bit lower than the 2.0 mm/t that the trade expects as a quota. As MSI Ceres points out, it is one thing to have a quota and another to land the fish.

Fishmeal consumption in China is said to be very good as China is now in the Aqua season. Stocks in China are being sold off as quickly as possible as new supplies will be arriving in September/October.

According to the latest fishmeal export analysis for January/July, 88% of all Peru's fishmeal exports go to Asian nations with about 5% going to Europe and 5% to North and South America. Needless to say, Asia is where the business is. Of the 88% that goes to Asia, 76% is for China alone. These days fishmeal exports are mainly just one country business: China.

Looking at prices, there are no changes this week – fishmeal futures prices are steady.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,760
Danish fishmeal	64% protein	1,465
Peru fishmeal	64% protein	1,450
Chile fishmeal	67% protein	1,490
Iceland fishmeal	70% protein	1,730

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS
Minimum shipment of 200 m/t for fishmeal

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1120/1140 m/t	
67% protein standard steam	1210/1230 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	
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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