



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT September 19, 2020

A strong move higher at the end of the week resulted in most everything being higher.

Soybeans and soymeal were the biggest movers with soybeans up by USD 18 to 20 m/t and soymeal up by close to USD 20 m/t. Corn was not quite as strong but still was able to move up by about USD 5 m/t. Wheat too was strong with winter wheat moving up by about USD 12 m/t with spring wheat up by about USD 7 m/t.

It has really been an all week rally with strong export markets said to be the main driver behind the price rally. With corn, the market is said to be excited about large export sales and concerned about the possibility of dropping production. There was also a mention that limited grain storage/handling space in the US is pushing the grain basis higher which just adds to export prices. The US is harvesting corn in some states and weather looks particularly good for a nice easy harvest – for now.

Soybeans/soymeal was almost totally up due to China. China is reported to have cancelled some Brazil business and switched to US, where prices are more attractive. Interestingly, while futures prices were up on Friday the actual futures trading volume was down by about 33%. Money funds are reported to be big buyers of grain/oilseed futures. The trade reports that the cash market basis for soybeans to the US West Coast are at record high levels as China demand is pushing everything higher.

US wheat prices spent the week following world prices higher – with most every wheat exporter showing higher prices due to one problem or another it was easy for US wheat just to follow along. A number of trade reports were saying that one good reason for higher world wheat prices is the possible new crop problems with winter wheat in several countries where drought-like conditions could result in much lower winter wheat (and barley crops) in 2021.

Looking at grains and oilseeds this week there is no one seeming to be expecting lower prices.

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

US Gulf to Europe: Panamax (10,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$19/20.00	Down \$1.00	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)	\$40/41.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$40/41.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$59/60.00	Up \$2.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$41/42.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$40/41.00	Corrected	X
US Gulf Japan: Panamax	\$44/45.00	Steady	X
US Gulf China: Panamax	\$43/44.00	Steady	X
US PNW South Africa – 40,000 m/t	\$35/36.00	Corrected	X
US PNW Japan: Panamax	\$24/25.00	Steady	X

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US PNW China: Panamax	\$23/24.00	Steady	X
US East Coast Egypt: Panamax	No info		X
US East Coast Nigeria: Handisize	\$59/60.00	Down \$2.00	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)	\$20/21.00	Down \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	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	\$35/36.00	Steady	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)	\$25/26.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$37/38.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$41/42.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$55/56.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Steady	X
Argentina to China: Panamax, with top-off	\$36/37.00	Down \$1.00	X
Argentina to Japan: Panamax, with top-off	\$36/37.00	Steady	X
Argentina to Egypt: Panamax	\$27/28.00	Steady	X
Argentina to Europe: Panamax	\$20/21.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$28/29.00	Steady	X
Argentina to Jordan: Panamax	\$40/41.00	Steady	X
Argentina to Saudi Arabia: Panamax	\$40/41.00	Down \$1.00	X
Argentina to South Africa: Panamax	\$27/28.00	Up \$1.00	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	\$32/33.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	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	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$35/36.00	Corrected	x
Brazil to Saudi Arabia 30/40,000 m/t	\$39/40.00	Up \$1.00	X
Brazil to Spain: Panamax	\$24/25.00	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	\$23/23.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$25/26.00	Up \$2.00	X
Ukraine to China: Panamax	\$30/31.00	Up \$2.00	X
Ukraine to Bangladesh, Panamax	\$42/43.00	Up \$2.00	X
Ukraine to India, Panamax	\$38/39.00	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)	\$22/23.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$17/18.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$16/17.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00	Up \$1.00	X



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Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$22/23.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$42/43.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$42/43.00	Up \$2.00	X
Black Sea to Europe: Panamax (8,000 disch)	\$21/22.00	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)	\$21/22.00	Up \$2.00	X
Black Sea to Jordan: Panamax (5,000 disch)	\$26/27.00	Up \$2.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Down \$1.00	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$30/31.00	Up \$2.00	X
Black Sea to Turkey – 30,000 m/t	\$17/18.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$30/31.00	Steady	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)	1296	Up 27	X
Baltic Capesize Index (100,000 plus DWT)	1900	Up 82	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1315	Down 22	X
Baltic Supramax Index (50,000 to 60,000 DWT)	941	Up 18	X
Baltic Handisize Index (25,000 plus DWT)	558	Down 4	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 257/260	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 250/253	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 232/234	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 235/237	X
Wheat, Romania 12.5 pro	USD 230/232	X
Wheat, Superior, France, Rouen	USD 232/234	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 245/248	X
Wheat, feed, Black Sea	USD 227/229	X
Barley, France, Rouen port	USD 211/213	X
Barley, feed, Argentina, up river	USD 208/210 Nov	X
Barley, feed, Black Sea, 30,000+	USD 201/204 Nov	X
Corn, 2YC FOB NOLA USA	USD 196/198	X
Corn, 3YC FOB USA Pacific northwest	USD 210/212	X
Corn, FOB Argentina port, upriver	USD 192/195	X
Corn, FOB Brazil port	USD 200/203	X
Corn, FOB France – Atlantic	USD 208/210	X
Corn, FOB Romania	USD 190/192	X
Corn, FOB Russia	USD 186/189	X
Corn, FOB Ukraine, 30,000+ m/t	USD 193/195	X
Sorghum, FOB Argentina port	USD 147/150	X
Sorghum, FOB Texas	USD 254/257	X

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Soymeal, 48% protein, FOB NOLA	USD 400/403	X
Soymeal, 48% protein, USA, Rotterdam	USD 425/428	X
Soymeal, Argentina, Rotterdam	USD 423/426	X
Soymeal, 47% pro, FOB Argentina	USD 398/401	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 423/426	X
Soymeal, 48% protein, FOB Brazil	USD 399/402	X
Soybeans, FOB NOLA	USD 436/439	X
Soybeans, Argentina, FOB	USD 430/433	X
Soybeans, Brazil, FOB	USD 454/457	X
Soybeans, Black Sea	No info	X
Corn Gluten Meal, USA FOB NOLA	USD 550>>570 m/t Oct>>DEC	X
Corn Gluten Feed, USA FOB NOLA	USD 195/200 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 233/237 m/t	x

A rally in grain prices couple with a little tightness in supply has pushed the prices for all corn by-products higher this week. Export buyers for DDGS and corn gluten meal seemed to be highly active in the market once corn started to move up, but this added buying interest only seemed too push prices higher.

DDGS export prices are up by at least USD 8 m/t with corn gluten meal seeing another USD 20 or so added to export prices. Demand for both is said to be strong from Asia – demand that is expected to continue.

I don't see any reports this week that are looking for lower prices in the near term.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 410/430 m/t CNF Asia
Australian MBM 50% protein	USD 455/475 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 500/520 m/t CNF Asia
	USD 345/365 to Indonesia
USA Feathermeal, 80% protein	USD 480/500 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 440/460 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 840/860 m/t CNF Asia

Meat and bone meal prices moved higher most everywhere this week as supply continued to tighten from Australia and New Zealand while soymeal prices raced higher. Slaughter numbers in OZ and NZ are said to be down by 23% from last year.

USA domestic prices moved higher as sellers took advantage of higher soymeal prices. MBM prices were up as were poultry meal prices.

Market reports seem to feel that prices will continue to move higher as long as soymeal is strong and if supply remains a little tight.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

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Still no fishing in the south of Peru. The 435,000 m/t quota is still wide open.

There are some reports in the trade that China has done more pre-season buying but at prices USD 20 m/t higher than those shown below. So far this is only rumor but may be fact soon. MSI Ceres was saying this week that pre-season sales could reach as high as 235,000 m/t of fishmeal.

China is said to have low fishmeal stocks in the port and very high daily offtake. However, there are scads of fishmeal on the way to China so any low stock numbers should only be temporary. China has some national holidays coming in early October so the high offtake may just be pre-holiday buying by feed producers.

Peru's January to August exports of fishmeal reached 544,000 m/t with 90% (488,500 m/t) going to Asia, about 5% (25,300 m/t) to Europe and 4% (23,400 m/t) to the Americas. Ah, what would the fishmeal industry do without Asia, in particular without China which is 77% (420,400 m/t) of all fishmeal exports.

Not a great deal to say between fishing season but the IMARPE cruise is chugging along and should be finished shortly. Let's hope that they found lots of anchovies.

According to press reports, Peru is #5 in the world for COVID-19 cases and #2 in South America after Brazil.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,660
Danish fishmeal	64% protein	1,460
Peru fishmeal	64% protein	1,450
Chile fishmeal	67% protein	1,490
Iceland fishmeal	70% protein	1,620

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	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	2000/2100	1900/2000
Fish oil, crude drums	2050/2150	
Fish oil, flexi tank	2150/2250	
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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