



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT October 03, 2020

Another good rally in grain/oilseed prices this week with everything moving higher. Corn prices were up by USD 5 to 7 m/t, soybeans up by USD 7 or 8 m/t, soymeal up by USD 14 m/t and winter wheat up by USD 10 to 13 m/t. Only US spring wheat seemed to be able to get by with a small rally – only being up by about USD 1 m/t.

The market closed on Friday with a little weakness after a couple of weeks of strength. This probably doesn't mean lower prices just that buyers and sellers took a rest on Friday. There is a feeling that the announcement of Donald Trump having Covid 19 will push prices higher on Monday as everyone gets over excited and perhaps over concerned.

There was some comment in trade reports that corn could see a small pull back in prices due to harvest pressure, but some experts were saying that the USDA will likely lower its corn yield forecast next week which could end any small weakness in corn prices.

Soybean prices were also lower just a little on Friday on some strong harvest pressure, but prices were still up significantly on the week. Like corn, experts are thinking that the USDA will lower its soybean crop yield numbers in this week's report.

Wheat prices were strong all week in the US but this week wheat prices everywhere were very strong. One would have great difficulty in finding a wheat exporting country where wheat prices had moved lower. The stories of new wheat export quota from Russia for 2021 added to the upward pressure on wheat prices. However, a number of experts commented that a restrictive quota seems highly unlikely, especially as Russia is trying to expand its North Africa/Middle East wheat business. As with most other items, it looks like we are in for steady to higher wheat prices.

### **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	\$28/29.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Steady	X
US Gulf Turkey: Panamax m/t	\$29/30.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$40/41.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$39/40.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$42/43.00	Corrected	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$41/42.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$39/40.00	Down \$2.00	X
US Gulf Japan: Panamax	\$43/44.00	Steady	X
US Gulf China: Panamax	\$42/43.00	Steady	X
US PNW South Africa – 40,000 m/t	\$35/36.00	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	\$37/38.00	Up \$2.00	X
US East Coast Nigeria: Handisize	\$61/62.00	Steady	X



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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 \$2.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	Steady	X
France/Germany to China: Panamax	\$40/41.00	Up \$1.00	X
France/Germany to Egypt: Panamax (10,000 dis)	\$18/19.00	Steady	X
France/Germany to India: Panamax	\$36/37.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$40/41.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$23/24.00	Down \$2.00	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	Steady	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	Steady	X
Argentina to South Africa: Panamax	\$27/28.00	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	\$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	Down \$2.00	X
Brazil to Japan: Panamax	\$32/33.00	Down \$2.00	X
Brazil to Europe: Panamax	\$26/27.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$35/36.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$40/41.00	Steady	X
Brazil to Spain: Panamax	\$26/27.00	Steady	X
Brazil to Turkey/Egypt: Panamax	\$31/32.00	Steady	X
Australia to China: Panamax – round trip	\$17/18.00	Steady	X
Australia to Japan: Panamax – round trip	\$27/27.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$29/30.00	Up \$2.00	X
Ukraine to China: Panamax	\$30/31.00	Steady	X
Ukraine to Bangladesh, Panamax	\$44/45.00	Steady	X
Ukraine to India, Panamax	\$39/40.00	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)	\$23/24.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$18/19.00	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)	\$15/16.00	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)	\$23/24.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$43/44.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$44/45.00	Steady	x



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Black Sea to Europe: Panamax (8,000 disch)	\$21/22.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Down \$1.00	X
Black Sea to Spain: Panamax (8,000 disch)	\$21/22.00	Steady	X
Black Sea to Jordan: Panamax (5,000 disch)	\$26/27.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$32/33.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$15/16.00	Steady	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	Steady	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	2020	Up 353	X
Baltic Capesize Index (100,000 plus DWT)	3987	Up 1072	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1373	Down 7	X
Baltic Supramax Index (50,000 to 60,000 DWT)	991	Down 1	X
Baltic Handisize Index (25,000 plus DWT)	593	Up 8	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 258/261	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 253/256	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 234/236	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 235/237	X
Wheat, Romania 12.5 pro	USD 233/235	X
Wheat, Superior, France, Rouen	USD 234/236	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 226/229 new	X
Wheat, feed, Black Sea	USD 233/235	X
Barley, France, Rouen port	USD 213/215	X
Barley, feed, Argentina, up river	USD 200/203 Nov	X
Barley, feed, Black Sea, 30,000+	USD 200/203 Nov	X
Corn, 2YC FOB NOLA USA	USD 197/199	X
Corn, 3YC FOB USA Pacific northwest	USD 210/212	X
Corn, FOB Argentina port, upriver	USD 198/201	X
Corn, FOB Brazil port	USD 201/204	X
Corn, FOB France – Atlantic	USD 208/210	X
Corn, FOB Romania	USD 195/198	X
Corn, FOB Russia	USD 193/196	X
Corn, FOB Ukraine, 30,000+ m/t	USD 197/200	X
Sorghum, FOB Argentina port	USD 148/151	X
Sorghum, FOB Texas	USD 266/269	X
Soymeal, 48% protein, FOB NOLA	USD 417/420	X
Soymeal, 48% protein, USA, Rotterdam	USD 442/445	X
Soymeal, Argentina, Rotterdam	USD 438/441	X



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Soymeal, 47% pro, FOB Argentina	USD 407/410	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 436/439	X
Soymeal, 48% protein, FOB Brazil	USD 411/414	X
Soybeans, FOB NOLA	USD 425/428	X
Soybeans, Argentina, FOB	USD 429/432	X
Soybeans, Brazil, FOB	USD 454/457	X
Soybeans, Black Sea	USD 428/431	X
Corn Gluten Meal, USA FOB NOLA	USD 540>>560 m/t Oct>>DEC	X
Corn Gluten Feed, USA FOB NOLA	USD 205/210 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 235/238 m/t	x

There was certainly no weakness in corn byproduct prices this week as the rally in corn and soymeal prices kept the market strong. Export business was said to be very good late in the week as buyers jumped in for both DDGS and corn gluten meal as they expected even higher prices in weeks to come.

Depending on the supplier and the shipment month, DDGS prices were up as much as USD 16 m/t for some positions. Corn gluten meal also showed strength with some exporters up by as much as USD 30 m/t in containers. It looks like buyers that were waiting for lower price may have waited a little too long as most experts seem to feel that we will be seeing these prices and higher up to the end of 2020.

## 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 430/450 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/820 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 520/540 m/t CNF China USD 400/420 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 900/920 m/t CNF Asia

Prices for animal proteins have not moved up as quickly as soymeal prices but it will happen. Late reports say that meat and bone meal offers were up by about USD 20 m/t from Australia which is not as yet reflected in the prices above. Poultry meal prices from Australia are also expected to move higher.

Domestic USA prices were all up a little this week as the market did follow soymeal prices with experts saying that prices should continue higher next week as they are still lagging behind the rally in soymeal.

Looking at all the trade reports at the end of the week, no one is looking for softer prices. With soymeal prices expected to stay up for the balance of 2020 then we expect to see animal protein prices steady to higher.



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## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

All is quiet in Peru with no fishing being done and the IMARPE cruise still underway. Word is that the cruise will end by mid-November but that is actually quite late to start the fishing season. There was some mention that the fishing could start earlier if preliminary IMARPE results look OK.

Also, nothing much happening with new sales ---- producers seem to have sold as much in advance as they want while buyers are also hanging back waiting to see how things go for the new fishing season. Pre-season sales are still said to be about 150,000 m/t.

With China off on holidays for a few days, markets are noticeably quiet.

Statistics from China show that Peru is still the number one fishmeal supplier with 35% of the business from January to August – a total of 294,000 m/t of Peru fishmeal imported. Chile comes second with 10.7% - 88,800 m/t – followed by Vietnam with 9.4% - 77,900 m/t – and Thailand at 7.6% - 62,900 m/t. The next two major suppliers are Russia and Mozambique at about 60,000 m/t each. In all China lists 22 countries as supplying fishmeal so far in 2020.

## PERU "INDICATION" FISHMEAL PRICES:

### European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,585
Danish fishmeal	64% protein	1,435
Peru fishmeal	64% protein	1,450
Chile fishmeal	67% protein	1,490
Iceland fishmeal	70% protein	1,530

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	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	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine



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