



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT October 17, 2020

Covid-19 certainly seems to be on the rampage again. Here in Europe we have seen some countries experience a doubling of new cases in a week and almost every country has new case levels higher than seen in the peak last spring. We have not seen a great deal of effect on the grain/protein business, but port delays are always a risk as staffing problems get more complicated.

As an aside, some businesses are doing very well, the owner of a local wine/whiskey shop told me that he is having his best year in 15 years.

Other than soybeans, grain markets were higher this week with wheat being the item with the most strength. Wheat prices were up by between USD 6 and 10 m/t as fear of a La Nina event got the market moving higher. The concerns for what are still the drought in the US and Argentina and the effect that could have on the 2020/21 crop. The La Nina event is expected to make the drought situation even worse. World wheat demand is very strong which pulls US markets along. Looks like no chance of significantly lower prices until we get some improvement in the drought.

Corn prices were only up by about USD 3 m/t this week, nothing fantastic, just another week of slightly higher prices. Corn experts say that we are in a bull market and that for now there is little to indicate that price should move lower.

Soybeans were down on the week by about USD 5 m/t as needed rainfall in Brazil softened prices. Although the week was down the trend is still up as China buys up all the world's soybeans.

Top 20 US Export Destinations for Grains and Oilseeds – 8 months to August 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	65,300				
Bangladesh				871,400	
Belgium					45,000
Brazil	462,900				
Burma					156,300
Cameroon			1,500		
Canada		1,191,500	4,200	115,000	696,900
China		2,035,000	3,265,900	6,659,000	
Chile	322,100				
Colombia	449,900	3,845,600		348,400	929,900
Costa Rica		587,100		201,200	
Cuba		29,000			



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Denmark					38,300
Djibouti			10,000		
Dominican Rep	168,900	472,000			301,400
Ecuador	344,400				422,600
El Salvador	86,200	402,400			171,500
Egypt				2,592,500	
Eritrea			33,000		
Ethiopia	91,000		60,700		
France				59,600	
Germany					
Guatemala	408,600	912,000			314,000
Honduras	184,400	492,900			188,600
Indonesia	926,900			1,520,000	
Iraq					
Israel		480,700		69,500	100,200
Italy	603,100			208,700	
Jamaica		172,100			66,600
Japan	1,797,800	8,396,700	191,200	1,616,800	134,100
Kenya					
Madagascar			6,200		
Malaysia	247,800			409,600	
Mexico	2,211,700	10,043,600	262,200	3,049,600	1,179,200
Morocco		52,200			281,100
Netherlands				1,740,800	
New Zealand		36,600	34,700		
Nigeria	967,600				
Nicaragua		250,300			78,800
Pakistan				265,000	
Panama		320,600			127,200
Peru	142,700	553,500		144,700	234,700
Philippines	2,313,500	87,200			1,640,600
Portugal				26,500	
Saudi Arabia		704,100		65,100	
Somalia			46,700		
South Africa			4,200		
South Korea	927	2,610,200	500	283,100	
Spain				463,500	
Sri Lanka					117,800
Sudan			161,600		
Taiwan	792,200	617,900		756,200	
Thailand	542,700			479,500	16,000
Trinidad		67,000			
Tunisia				62,500	
UK				19,700	
Venezuela					136,800
Vietnam	403,500	221,600		446,000	116,400
Yemen	697,100		7,100		
Zimbabwe			30,800		
Total all	18,507,800	36,231,300	4,123,300	23,682,400	8,789,000

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

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	\$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	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	\$35/36.00	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	\$35/36.00	Steady	X
US East Coast Nigeria: Handisize	\$61/62.00	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 \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	Steady	X
France/Germany to China: Panamax	\$40/41.00	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	Steady	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$23/24.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$38/39.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$41/42.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$19/20.00	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	\$35/36.00	Steady	X
Argentina to Japan: Panamax, with top-off	\$35/36.00	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	\$32/33.00	Up \$1.00	X
Brazil to Japan: Panamax	\$31/32.00	Up \$1.00	X
Brazil to Europe: Panamax	\$26/27.00	Steady	X



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Brazil to Morocco: 25/30,000 m/t	\$33/34.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$42/43.00	Up \$2.00	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	Steady	X
Australia to Saudi Arabia: Panamax	\$29/30.00	Steady	X
Ukraine to China: Panamax	\$30/31.00	Steady	X
Ukraine to Bangladesh, Panamax	\$44/45.00	Steady	X
Ukraine to India, Panamax	\$37/38.00	Down \$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)	\$23/24.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$22/23.00	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 disch)	\$16/17.00	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)	\$40/41.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$44/45.00	Steady	X
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	Steady	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	\$31/32.00	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 Handysize included)	1477	Down 415	X
Baltic Capesize Index (100,000 plus DWT)	2406	Down 1149	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1323	Down 116	x
Baltic Supramax Index (50,000 to 60,000 DWT)	976	Down 6	X
Baltic Handysize Index (25,000 plus DWT)	599	Up 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 November 2020/January 2021

Wheat, USA Soft Red Winter, US Gulf	USD 278/280	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 273/275	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 244/246	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 250/252	X
Wheat, Romania 12.5 pro	USD 245/247	X
Wheat, Superior, France, Rouen	USD 248/250	X



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Wheat, milling, 12.0%, Argentina, Upriver	USD 232/235	X
Wheat, feed, Black Sea	USD 244/246	X
Barley, France, Rouen port	USD 234/236	X
Barley, feed, Argentina, up river	USD 208/211	X
Barley, feed, Black Sea, 30,000+	USD 211/214	X
Corn, 2YC FOB NOLA USA	USD 216>>208	X
Corn, 3YC FOB USA Pacific northwest	USD 225>>217	X
Corn, FOB Argentina port, upriver	USD 217/219	X
Corn, FOB Brazil port	USD 228/230	X
Corn, FOB France – Atlantic	USD 224/226	X
Corn, FOB Romania	USD 223/225	X
Corn, FOB Russia	USD 225/227	X
Corn, FOB Ukraine, 30,000+ m/t	USD 223/225	X
Sorghum, FOB Argentina port	USD no prices	X
Sorghum, FOB Texas	USD 277/280	X
Soymeal, 48% protein, FOB NOLA	USD 437/440	X
Soymeal, 48% protein, USA, Rotterdam	USD 462/465	X
Soymeal, Argentina, Rotterdam	USD 469/472	X
Soymeal, 47% pro, FOB Argentina	USD 432/435	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 472/475	X
Soymeal, 48% protein, FOB Brazil	USD 441/444	X
Soybeans, FOB NOLA	USD 448/451	X
Soybeans, Argentina, FOB	USD 457/460	X
Soybeans, Brazil, FOB	USD 495/498	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 560>>580 m/t Nov>>Dec	X
Corn Gluten Feed, USA FOB NOLA	USD 220/225 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 256>>248 m/t	X

DDGS export prices are reported to be up by about USD 7 m/t this week, following corn and protein prices higher. As stated by the US Grains Council, the current DDGS price levels are at 115% of cash corn which is higher than the three year average level of 109%. DDGS export demand continues to be very good.

Corn gluten meal price continued higher this week as is expected with higher protein prices and much higher fishmeal prices. These days no one is forecasting a drop in corn gluten meal prices.

As usual, corn gluten feed chugs along with nothing much exciting happening.

USA exports of corn by-products – 8 months to August 2020 **– major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
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Australia		4,000	
Bangladesh	86,800	17,000	1,000
Burma	32,200	1,000	
Canada	257,400	34,500	
Chile		96,700	
China	126,800		
Colombia	111,900	47,300	14,200
Costa Rica	54,600		
Ecuador		2,100	
Egypt	105,700	51,400	1,700
El Salvador	45,900	5,200	
Guatemala	44,000	4,300	
Honduras		4,500	
Indonesia	606,100	81,700	7,500
Ireland	169,300		198,600
Israel	151,600		114,100
Japan	290,800	12,700	
Malaysia	32,300	33,500	
Mexico	1,171,000	8,900	9,600
Morocco	127,200		42,600
New Zealand	174,400		19,500
Oman		500	
Peru		5,700	
Philippines	182,300	1,300	
Portugal			5,000
South Korea	831,000	500	
Spain	20,700		
Sri Lanka		4,300	300
Taiwan	165,400	23,800	100
Thailand	661,800	20,400	1,800
Tunisia		600	
Turkey	481,100		11,400
UK	104,200		26,900
Vietnam	802,800	11,000	2,700
Total all	7,447,600	484,500	469,600

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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 525/545 m/t CNF China
	USD 400/420 to Indonesia
USA Feathermeal, 80% protein	USD 510/530 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

There were reports this week that prices for meat and bone meal into Indonesia may have taken a jump higher, although this is not seen in published prices. Buyers are said to be favoring origins with



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shorter shipping times than the US and seem willing to pay the higher prices asked for Australian and New Zealand supplies.

Higher soybean/soymeal prices have also kept meat and bone meal prices steady to higher in most export markets.

In the US markets prices for all animal proteins were quite steady – demand remained good but there was adequate supply.

The strength in all protein markets, animal and vegetable, should mean that for now we will be looking for steady to higher prices.

USA exports of animal protein – 8 months to August 2020 **– major destinations – in m/t**

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Canada	35,900	4,700
Chile	2,400	16,400
China	120,300	1,500
Colombia	1,400	
Ecuador	20,400	
Guatemala	5,600	
Honduras	4,800	400
Indonesia	124,700	26,800
Malaysia	6,300	
Mexico	131,800	
Peru	5,100	500
Philippines	39,100	1,200
Thailand	16,900	
Vietnam	96,700	8,500
Total exports	629,500	60,600

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishmeal prices in Peru are reported to have made a jump higher as China got back into the market after their holiday period. There was not a great many new bookings, only about 10,000 m/t, but all seemed to be at significantly higher prices – up by about USD 80 m/t. There were comments in trade reports that producers should find the new price levels extremely attractive and may get them interested in selling more product.

The IMARPE research cruise is moving along but has fallen a little behind schedule.

A new research cruise is to be conducted in the South of Peru to determine if the Southern fishing area can be expanded. The restricted fishing area this year has meant that there has been no catch at all in the South since its fishing period was opened on August 01.



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As a closing note, MSI Ceres has reiterated that they think the fishmeal presales could reach 200,000 m/t and currently may be as high as 175,000 m/t. They also pointed out that prices have moved up by USD 200 m/t since presales began and they ask if prices will go higher.

Also, seems that there are a number of reasons for the price strength: questions about the size of the next quota, worries about a La Nina, concern over a late quota and the risk of poor fishing. Most buyers seem to feel that it is better to be long fishmeal these days rather than wait for the new quota.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,590
Danish fishmeal	64% protein	1,430
Peru fishmeal	64% protein	1,450
Chile fishmeal	67% protein	1,490
Iceland fishmeal	70% protein	1,600

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	1220/1240 m/t	
67% protein standard steam	1330/1350 m/t	
67% protein 150 TVN	1430/1450 m/t	1380/1400 m/t
67% protein 120 TVN	1480/1500 m/t	1430/1450 m/t
67% protein 1000 hist, 120 TVN	1530/1550 m/t	1480/1500 m/t
68% protein 500 hist, 120 TVN	1580/1600 m/t	1550/1570 m/t
Fish oil, crude bulk	2100/2200	2100/2200
Fish oil, crude drums	2150/2250	
Fish oil, flexi tank	2250/2350	
Fish oil, Omega 3: 28%EPA/DHA	2400/2500	

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

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