



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: wbacon@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office : Phone +33.6.8068.4564
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

WEEKLY USA GRAIN AND PROTEIN REPORT October 24, 2020

As has been the recent pattern, grain and oilseed prices moved higher again this week. Corn was up by about USD 7 m/t, soybeans up by close to USD 12 m/t, soymeal up by about USD 18 m/t, winter wheat was up by about USD 4 m/t and spring wheat jumped by USD 6 m/t.

The upward pressure on corn prices was due mainly to the expectation of additional corn requirements from China. China has taken 12 million m/t of US corn so far but fast growing feed demand in China could push this quite a bit higher. Normally at this time of the year we are looking at low corn prices as harvest pressure pushes price down but certainly not this year.

US soybeans are currently the lowest cost soybeans in world markets which should keep export demand ticking along nicely and with strong export demand then lower prices are not expected.

World wheat prices are moving higher everywhere which is helping to move all wheat prices higher. Experts feel that wheat prices will continue to rally. A good chunk of international and domestic demand is Covid-19 related, as lockdowns look more likely, it is expected that demand for wheat flour will move strongly higher, so millers everywhere are building wheat supplies.

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 | \$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 | \$40/41.00 | Down \$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 | \$35/36.00 | Steady | 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 | Steady | 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 |



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| | | | |
|---|------------|-------------|---|
| 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 | Steady | 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 Libya: 25/30,000 m/t | \$33/34.00 | New | 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 | \$31/32.00 | Down \$1.00 | x |
| | | | |
| Brazil to Algeria/Tunisia: 25/30,000 m/t | \$32/33.00 | Steady | X |
| Brazil to China: Panamax | \$30/31.00 | Down \$2.00 | X |
| Brazil to Japan: Panamax | \$29/30.00 | Down \$2.00 | X |
| Brazil to Europe: Panamax | \$26/27.00 | Steady | X |
| Brazil to Morocco: 25/30,000 m/t | \$31/32.00 | Down \$2.00 | X |
| Brazil to Iran: Panamax | \$41/42.00 | New | X |
| Brazil to Saudi Arabia 30/40,000 m/t | \$40/41.00 | Down \$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 | \$30/31.00 | Up \$1.00 | X |
| | | | |
| Ukraine to China: Panamax | \$30/31.00 | Steady | X |
| Ukraine to Bangladesh, Panamax | \$44/45.00 | Steady | X |
| Ukraine to India, Panamax | \$38/39.00 | 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) | \$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) - | \$23/24.00 | Down \$2.00 | 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) | \$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 Iran: Panamax | \$34/35.00 | New | 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) | \$25/26.00 | Down \$1.00 | X |
| Black Sea to Libya: 25/35,000 m/t | \$25/26.00 | Steady | X |



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|---|------------|-------------|---|
| Black Sea to Saudi Arabia – Jeddah – Panamax | \$29/30.00 | Down \$2.00 | 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) | 1415 | Down 62 | x |
| Baltic Capesize Index (100,000 plus DWT) | 2261 | Down 145 | X |
| Baltic Panamax Index (60,000 to 80,000 DWT) | 1274 | Down 49 | X |
| Baltic Supramax Index (50,000 to 60,000 DWT) | 972 | Down 4 | X |
| Baltic Handisize Index (25,000 plus DWT) | 597 | Down 2 | 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 280/283 | X |
| Wheat, USA Hard Red Winter 11 protein, US Gulf | USD 274/277 | X |
| Wheat, Ukraine 11.5 pro, 30,000+ m/t | USD 250/252 | X |
| Wheat, Russia 12.5 pro, 30,000+ m/t | USD 257/259 | X |
| Wheat, Romania 12.5 pro | USD 253/255 | X |
| Wheat, Superior, France, Rouen | USD 251/253 | X |
| Wheat, milling, 12.0%, Argentina, Upriver | USD 251/253 | X |
| Wheat, feed, Black Sea | USD 252/255 | X |
| | | |
| Barley, France, Rouen port | USD 238/240 | X |
| Barley, feed, Argentina, up river | USD 230/232 | X |
| Barley, feed, Black Sea, 30,000+ | USD 216/218 | X |
| | | |
| Corn, 2YC FOB NOLA USA | USD 222>>213 | X |
| Corn, 3YC FOB USA Pacific northwest | USD 232>>226 | X |
| Corn, FOB Argentina port, upriver | USD 232/235 | X |
| Corn, FOB Brazil port | USD 237/240 | X |
| Corn, FOB France – Atlantic | USD 235/237 | X |
| Corn, FOB Romania | USD 225/228 | X |
| Corn, FOB Russia | USD 225/228 | X |
| Corn, FOB Ukraine, 30,000+ m/t | USD 236/239 | X |
| Sorghum, FOB Argentina port | USD 164/167 | X |
| Sorghum, FOB Texas | USD 282/285 | X |
| | | |
| Soymeal, 48% protein, FOB NOLA | USD 457/460 | X |
| Soymeal, 48% protein, USA, Rotterdam | USD 462/485 | X |
| Soymeal, Argentina, Rotterdam | USD 492/495 | X |
| Soymeal, 47% pro, FOB Argentina | USD 461/464 | X |
| Soymeal, 48% protein, Brazil, Rotterdam | USD 487/490 | X |
| Soymeal, 48% protein, FOB Brazil | USD 455/458 | X |
| Soybeans, FOB NOLA | USD 453/456 | X |
| Soybeans, Argentina, FOB | USD 479/482 | X |



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| | | |
|------------------------------------|------------------------------|---|
| Soybeans, Brazil, FOB | USD 507/510 | X |
| Soybeans, Black Sea | USD 475/480 | X |
| | | |
| Corn Gluten Meal, USA FOB NOLA | USD 590>>610 m/t Nov>>Jan | X |
| Corn Gluten Feed, USA FOB NOLA | USD 220/225 m/t | X |
| DDGS corn, 35 profat, USA FOB NOLA | USD 265>>255 m/t | x |
| | | |

Both DDGS and corn gluten meal prices were up very strongly this week following both soymeal prices and pushed higher by demand as buyers try to cover their needs before prices go even higher. The market is expecting higher prices, so buyers are piling in to cover everything to early 2021.

There is a complication with corn by products this week as it was announced the Hapag Lloyd will no longer carry agricultural products in containers - this could affect the supply of DDGS and corn gluten meal to some markets where Hapag had been a major freight supplier – markets like Egypt come to mind. It will take a little time to determine which container line will be able to pick up the container ag product business and how it may affect freight costs. Interestingly, our last CGM shipments on Hapag Lloyd arrived at the destination early this week.

Container shipments, minimum 200 m/t

| | |
|---|---------------------------|
| Australian MBM 45% protein | USD 470/490 m/t CNF Asia |
| Australian MBM 50% protein | USD 520/540 m/t CNF Asia |
| Australian Feathermeal, 80% protein | USD 510/530 m/t CNF Asia |
| Australian Poultry Meal, pet food | USD 860/880 m/t CNF Asia |
| USA Meat & Bone meal, 50% protein | USD 525/545 m/t CNF China |
| | USD 420/440 to Indonesia |
| USA Feathermeal, 80% protein | USD 520/540 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 |

As soymeal prices continue to move higher then animal protein prices follow along. Every exporting market has higher prices this week. Most experts feel that animal protein prices will continue to move higher in coming weeks --- especially if soymeal and fishmeal prices continue strong.

The domestic US situation is the same as the international situation with prices for everything moving higher --- all of it being soymeal related. Demand is good as is supply but all protein prices just keep on climbing higher as vegetable proteins rally.

There is little expectation of lower prices in the near term – perhaps in 2021.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The North and Center Peru IMARPE cruise should be finished by the end of October with the South section finished by the 15th of November. The trade expects that the new quota will be announced in very early November with fishing starting in the North by about the 7th of November. According to trade reports this week, looks like the experts feel the new quota will be no higher than 1.8 million m/t – this will yield about 428,000 m/t of fishmeal. With preseason sales of about 200,000 m/t, close to 50% of the new production is now sold.

Fishmeal prices made another jump higher this week – up by at least USD 30 m/t.



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The last of the shipments of fishmeal are being completed so the next couple of weeks can be spent sweeping out the warehouses.

The IFFO held their conference on the WWW this week and comments from the trade were very good. However, for 2021 everyone is hoping for a live event. Zooming is OK but in person is better.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

| Type | Protein % | Price per m/t USD |
|------------------|-------------|-------------------|
| Herring fishmeal | 72% protein | 1,580 |
| Danish fishmeal | 64% protein | 1,440 |
| Peru fishmeal | 64% protein | 1,440 |
| Chile fishmeal | 67% protein | 1,480 |
| Iceland fishmeal | 70% protein | 1,590 |

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 | 1250/1270 m/t | |
| 67% protein standard steam | 1350/1370 m/t | |
| 67% protein 150 TVN | 1450/1470 m/t | 1430/1450 m/t |
| 67% protein 120 TVN | 1500/1520 m/t | 1480/1500 m/t |
| 67% protein 1000 hist, 120 TVN | 1550/1570 m/t | 1530/1550 m/t |
| 68% protein 500 hist, 120 TVN | 1600/1620 m/t | 1600/1620 m/t |
| Fish oil, crude bulk | 2100/2200 | 2200/2300 |
| 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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

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