



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT November 07, 2020

The drop that we saw in grain prices last week ended up being just a one week price correction as the march to higher prices continue this week. Soybeans were the strongest item this week moving up by about USD 16 m/t with soymeal up by as much as USD 15 for early 2021 positions. Corn prices only moved up by USD 4 or 5 m/t with most US wheat prices moving up by close to USD 5 m/t.

Soybeans were up on strong export sales and weather concerns in South America. There is concern about La Nina driven drought in parts of Argentina. Dry weather in Brazil is also said to be a risk to the soybean harvest and may push it off for a couple of weeks. Chinese demands for soybeans seems to have moved to the US due to Chinese concern over the Brazil harvest. There was also quite a lot of speculation about what next week's WASDE report will say about soybeans and this helped push prices higher.

Corn prices in the US could have been higher as there seemed to be lots of bullish news for corn: increased import requirements by China, lower corn production by the Ukraine with the expectation than the Russian corn crop could also be lower. The WASDE numbers next week could also add to the bullish market for corn. Looking at the situation today there seems to be little reason to expect lower corn prices.

US Wheat prices moved higher on both market excitement and the expectation of tightening US wheat supplies.

Top 20 US Export Destinations for Grains and Oilseeds – 9 months to September 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	65,300				
Bangladesh				924,300	
Brazil	705,100				
Burma					176,200
Cameroon			2,700		
Canada		1,387,800	5,000	146,500	794,700
China		3,018,700	3,723,600	11,727,100	
Colombia	487,500	4,270,900		375,800	1,028,800
Costa Rica		663,200			
Djibouti			10,000		
Dominican Rep		472,000			352,300
Ecuador	366,400				422,600
El Salvador		443,400			179,800
Egypt				2,996,100	
Eritrea			33,000		
Ethiopia	128,400		60,700		
Guatemala	457,600	980,600			343,000
Honduras		517,600			231,000



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Indonesia	1,000,000			1,696,800	
Israel		488,400			
Italy	713,800			264,800	107,200
Jamaica		186,400			
Japan	1,986,100	8,860,800	194,500	1,805,800	164,200
Madagascar			7,700		
Malaysia	249,400			455,700	
Mexico	2,486,600	11,080,300	263,100	3,546,000	1,327,100
Morocco					348,000
Netherlands				1,970,800	
New Zealand		36,600			
Nigeria	1,054,800				
Nicaragua		272,700			
Pakistan				460,500	
Panama		345,300			137,000
Peru	176,100	637,900		191,900	262,900
Philippines	2,677,300		600		1,846,100
Portugal				71,500	
Saudi Arabia		704,100			
Somalia			46,800		
South Africa			4,200		
South Korea	1,071,400	2,883,400	1,000	346,400	
Spain				543,500	
Sri Lanka					127,500
Sudan			161,600		
Taiwan	890,600	652,200		823,500	
Thailand	629,300			517,700	16,100
Trinidad		67,000			
Venezuela					137,400
Vietnam				631,200	124,300
Yemen	741,100				
Zimbabwe			30,800		
Total all	21,345,800	40,044,100	4,589,200	31,579,100	9,753,300

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

US Gulf to Europe: Panamax (10,000 disch)	\$19/20.00	Steady	
US Gulf to Spain: Panamax m/t (5,000 disch)	\$19/20.00	Steady	
US Gulf Israel: Panamax m/t	\$27/28.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Down \$1.00	X
US Gulf Turkey: Panamax m/t	\$28/29.00	Down \$1.00	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	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	Steady	X
US Gulf Japan: Panamax	\$42/43.00	Down \$1.00	X
US Gulf China: Panamax	\$41/42.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$35/36.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Down \$1.00	X



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US PNW China: Panamax	\$23/24.00	Steady	X
US East Coast Egypt: Panamax	\$35/36.00	Up \$2.00	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	Up \$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	\$39/40.00	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	\$20/21.00	Up \$1.00	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	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	\$31/32.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	Steady	X
Brazil to China: Panamax	\$28/29.00	Steady	X
Brazil to Japan: Panamax	\$27/28.00	Steady	X
Brazil to Europe: Panamax	\$26/27.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$30/31.00	Steady	X
Brazil to Iran: Panamax	\$41/42.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$41/42.00	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	\$29/29.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$33/34.00	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	\$38/39.00	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)	\$27/28.00	Up \$4.00	X
Ukraine to Turkey: coaster (1,000 disch)	\$18/19.00	Down \$4.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$29/30.00	Up \$6.00	X



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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)	\$27/28.00	Up \$4.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$43/44.00	Up \$3.00	X
Black Sea to Iraq: Panamax (4,000 disch)	\$44/45.00	Steady	X
Black Sea to Iran: Panamax	\$34/35.00	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)	\$24/25.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$28/29.00	Down \$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)	\$19/20.00	Down \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1196	Down 87	X
Baltic Capesize Index (100,000 plus DWT)	1739	Down 136	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1190	Down 99	X
Baltic Supramax Index (50,000 to 60,000 DWT)	901	Down 48	X
Baltic Handisize Index (25,000 plus DWT)	583	Down 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 December 2020/February 2021

Wheat, USA Soft Red Winter, US Gulf	USD 272/274	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 270/272	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 251/253	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 255/257	X
Wheat, Romania 12.5 pro	USD 259/261	X
Wheat, Superior, France, Rouen	USD 256/258	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 248/251	X
Wheat, feed, Black Sea	USD 251/253	X
Barley, France, Rouen port	USD 241/243	X
Barley, feed, Argentina, up river	USD 224/227	X
Barley, feed, Black Sea, 30,000+	USD 221/224	X
Corn, 2YC FOB NOLA USA	USD 215/218	X
Corn, 3YC FOB USA Pacific northwest	USD 233/236	X
Corn, FOB Argentina port, upriver	USD 218/221	X
Corn, FOB Brazil port	USD 229/232	X
Corn, FOB France – Atlantic	USD 238/240	X
Corn, FOB Romania	USD 237/240	X
Corn, FOB Russia	USD 238/241	X
Corn, FOB Ukraine, 30,000+ m/t	USD 232/235	X



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Sorghum, FOB Argentina port	USD 159/162	X
Sorghum, FOB Texas	USD 281/283	X
Soymeal, 48% protein, FOB NOLA	USD 465/468	X
Soymeal, 48% protein, USA, Rotterdam	USD 490/493	X
Soymeal, Argentina, Rotterdam	USD 495/498	X
Soymeal, 47% pro, FOB Argentina	USD 453/456	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 496/499	X
Soymeal, 48% protein, FOB Brazil	USD 462/465	X
Soybeans, FOB NOLA	USD 458/461	X
Soybeans, Argentina, FOB	USD 484/487	X
Soybeans, Brazil, FOB	USD 460/465 January New crop	x
Soybeans, Black Sea	USD 475/480	X
Corn Gluten Meal, USA FOB NOLA	USD 605/615 m/t Dec/Feb	x
Corn Gluten Feed, USA FOB NOLA	USD 213/218 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 270>>260 m/t	x

USA DDGS prices continue strong due to high domestic demand from the feed industry but also push higher due to the rally in soymeal. Trade publications are saying that US DDGS prices will be steady to higher well into the first months of 2021. Export demand for DDGS is very good with export buyers taking advantage of lower ocean freight rates.

Corn gluten meal prices have also moved higher – following soymeal – with no one saying that prices will be coming down. Current US CGM CNF prices to some markets, like Egypt, are close to USD 200 m/t higher than they were only a few weeks ago. However, higher prices have not slowed the export demand as, for now, corn gluten meal is about the only high protein feed meal available. Fishmeal is in short supply until the new season and many import markets can't use animal proteins – so, this just keeps CGM prices strong.

USA exports of corn by-products – 9 months to September 2020 **– major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		4,400	
Bangladesh	108,600	18,800	1,000
Canada	290,800	38,900	
Chile		97,500	
China	168,900		
Colombia	147,100	59,800	20,500
Egypt	162,000	67,300	2,600
El Salvador	45,900	5,200	
Guatemala	44,000	4,500	
Honduras		5,100	
Indonesia	673,200	89,100	7,700
Ireland	224,800		242,200



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Israel	180,100		157,400
Japan	405,800	13,400	
Malaysia	32,300	37,500	
Mexico	1,265,600	10,100	11,800
Morocco	150,100		50,600
New Zealand	211,400		25,500
Oman		500	
Peru		6,600	
Philippines	230,100	1,400	
Portugal			5,000
South Korea	932,800	500	
Spain	64,700		
Sri Lanka		4,300	300
Taiwan	183,200	26,100	100
Thailand	712,500	22,600	1,900
Tunisia		600	
Turkey	567,300		31,900
UK	104,200		26,900
Vietnam	927,500	12,000	2,700
Total all	8,671,400	547,300	605,400

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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 880/900 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 530/540 m/t CNF China
	USD 470/490 to Indonesia
USA Feathermeal, 80% protein	USD 540/560 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 920/940 m/t CNF Asia

With the strong rally in soymeal prices again this week there was no reason at all for animal protein prices to move lower. Meat and bone meal prices were steady almost everywhere but could easily see a bump higher next week, especially if soymeal stays strong.

In Australia, domestic meat and bone meal prices look to want to move higher as the cattle slaughter levels are below average and vegetable protein prices are strong. Poultry meal prices from all origins were higher this week as pet food demand has become very good again.

USA export prices look like they want to move higher following the strength seen in domestic US prices. This week, no one is expecting lower prices. As with other markets, pet food demand for animal proteins is very strong and this, along with higher soymeal prices, is helping to push up US prices.



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USA exports of animal protein – 9 months to September 2020 **– major destinations – in m/t**

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Canada	40,700	5,200
Chile	2,400	18,200
China	135,400	1,500
Colombia	1,400	
Ecuador	22,800	
Guatemala	6,000	
Honduras	5,600	700
Indonesia	157,000	30,000
Malaysia	6,300	
Mexico	144,500	
Peru	6,300	700
Philippines	47,100	2,000
Thailand	17,500	
Vietnam	112,400	9,000
Total exports	710,500	67,800

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Nothing new to report from the IMARPE research cruise but the trade seems to feel that some information has been passed to the government for pre-quota analysis. According to the MSI Ceres report this week, there was an operational problem with the research vessel which has delayed things a little. Everyone had expected results and a quota this week but now it looks like next week – we hope.

Prices in Peru are steady with little or no market activity --- both buyers and sellers are waiting for the word on the new quota. The average guess for the quota is still at about 2.0 million m/t. The trade also seems to feel that the current price levels are based on an assumed quota of 2.0 mm/t with no one expecting any prices changes if that is the actual quota level. So, the assumption for this week is for steady prices until we get well into the next season with the fishing success then setting the price trend.

Nothing more to say on Peru fishmeal this week as we are all just holding our breath as we wait for the new quota and the start date.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,575
Danish fishmeal	64% protein	1,450



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Peru fishmeal	64% protein	1,470
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,560

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	1250/1270 m/t	
67% protein standard steam	1330/1350 m/t	
67% protein 150 TVN	1400/1420 m/t	1430/1450 m/t
67% protein 120 TVN	1450/1470 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	2150/2250	2200/2300
Fish oil, crude drums	2200/2300	
Fish oil, flexi tank	2300/2400	
Fish oil, Omega 3: 28%EPA/DHA	2400/2500	

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

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