



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT November 14, 2020

This was another week of most everything being higher in price --- only US wheat moved a little lower. Soybeans again were the strongest in the market with prices up by about USD 16 m/t while soymeal moved anywhere from USD 6 to 12 m/t higher. Corn prices didn't really do anything too exciting this week and were only up by a maximum of about USD 3 m/t. Wheat prices were a little lower with prices down between USD 1 and 3 m/t.

Corn prices had moved quite a bit higher early in the week after the WASDE report but did move back lower to being up just a little after everyone had had a chance to look closely at the WASDE numbers. Exports are saying that the WASDE report was bullish for corn and that the trend is to higher price levels in coming weeks --- especially if China jumps into the corn market or if the weather changes in South America.

The WASDE report on soybeans was also bullish with the US 2020/21 ending stocks of soybeans dropping by 35%, although world stocks will only be down slightly according to the USDA. Both Argentina and the US are projected to have smaller crops this year, but still more than last year. Other than China, the main factor for soybean prices these days is, much like for corn, the weather situation in South America.

Some grain experts have said that the WASDE report for wheat was a non-event with nothing new and interesting being reported. The report showed almost no change in world wheat production or in export and import numbers – just a nice quiet little, unexciting report.

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

US Gulf to Europe: Panamax (10,000 disch)	\$19/20.00	Steady	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$19/20.00	Steady	X
US Gulf Israel: Panamax m/t	\$27/28.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	steady	X
US Gulf Turkey: Panamax m/t	\$28/29.00	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	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	\$41/42.00	Down \$1.00	X
US Gulf China: Panamax	\$40/41.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$35/36.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Steady	X
US PNW China: Panamax	\$22/23.00	Down \$1.00	x
US East Coast Egypt: Panamax	\$34/35.00	Down \$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



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France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$22/23.00	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	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	Down \$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	\$34/35.00	Down \$1.00	X
Argentina to Japan: Panamax, with top-off	\$35/36.00	Steady	X
Argentina to Egypt: Panamax	\$29/30.00	Up \$2.00	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	\$31/31.50	Up \$2.00	X
Australia to Saudi Arabia: Panamax	\$35/36.00	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)	\$18/19.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$27/28.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$18/19.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$29/30.00	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)	\$18/19.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00	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 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	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$29/30.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$17/18.00	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	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1115	Down 81	X
Baltic Capesize Index (100,000 plus DWT)	1507	Down 232	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1198	Up 8	X
Baltic Supramax Index (50,000 to 60,000 DWT)	884	Down 17	X
Baltic Handisize Index (25,000 plus DWT)	586	Up 3	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 269/272	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 265/268	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 250/252	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 253/255	X
Wheat, Romania 12.5 pro	USD 257/259	X
Wheat, Superior, France, Rouen	USD 255/257	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 250/253	X
Wheat, feed, Black Sea	USD 250/252	X
Barley, France, Rouen port	USD 243/245	X
Barley, feed, Argentina, up river	USD 230/233	X
Barley, feed, Black Sea, 30,000+	USD 221/224	X
Corn, 2YC FOB NOLA USA	USD 222>>217	X
Corn, 3YC FOB USA Pacific northwest	USD 235>>229	X
Corn, FOB Argentina port, upriver	USD 220/223	X
Corn, FOB Brazil port	USD 230/233	X
Corn, FOB France – Atlantic	USD 240/242	X
Corn, FOB Romania	USD 237/240	X
Corn, FOB Russia	USD 236/239	X
Corn, FOB Ukraine, 30,000+ m/t	USD 240/243	X
Sorghum, FOB Argentina port	USD 159/162	X
Sorghum, FOB Texas	USD 281/283	X
Soymeal, 48% protein, FOB NOLA	USD 472/475	X
Soymeal, 48% protein, USA, Rotterdam	USD 497/500	X



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Soymeal, Argentina, Rotterdam	USD 493/496	X
Soymeal, 47% pro, FOB Argentina	USD 461/464	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 503/506	X
Soymeal, 48% protein, FOB Brazil	USD 466/469	X
Soybeans, FOB NOLA	USD 470/473	X
Soybeans, Argentina, FOB	USD 492/495	X
Soybeans, Brazil, FOB	USD 465/468 January New crop	X
Soybeans, Black Sea	USD 475/480	X
Corn Gluten Meal, USA FOB NOLA	USD 608/615 m/t Dec/Feb	X
Corn Gluten Feed, USA FOB NOLA	USD 214/219 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 272/275 m/t	X

There is certainly no weakness in corn byproduct prices as everything is following corn and soybeans higher. Prices for all byproducts for November and December are at a premium to early 2021 prices with some saying that panic buying by importers has pushed things higher.

One industry source was saying that Nov/Dec corn gluten meal was being moved higher by some exporters who sold short in hopes of lower prices and now are having to cover their needs quickly before the shipping slots all fill up.

There is no one out there who is looking for lower prices for Nov/Dec but there are some who feel that there may be a little lower price in Jan/Feb 2021 if the spot premium works out of the market.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 480/500 m/t CNF Asia
Australian MBM 50% protein	USD 530/550 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 560/570 m/t CNF Asia
Australian Poultry Meal, pet food	USD 900/920 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 520/530 m/t CNF China
	USD 460/480 to Indonesia
USA Feathermeal, 80% protein	USD 580/600 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

Meat and bone meal prices for major Asian buyers all moved higher this week – up by about USD 10 m/t on average. With soybean/soymeal prices continuing higher it is difficult to imagine any weakness in animal protein prices.

Both feathermeal and poultry byproduct meal were also trending higher as demand from importers has been very good.

In the US, domestic feathermeal prices were stronger on very good demand which also pushed export prices higher. US meat and bone meal prices were steady on the week but any further rally in vegetable protein prices should help to move MBM prices higher.

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



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So here we are off to fishing with the new Peru quota of 2.78 million m/t. So far only one day of fishing reported which totaled 22,200 m/t landed. The fishing period runs until the 31<sup>st</sup> of January 2021.

With the quota at this level, the fishmeal production at full quota would be up at 662,000 m/t with about 225,000 m/t of production presold.

Fishing started on November 12, so to the end of the season it will be about 64 days, which would mean an average of over 43,000 m/t of catch per day to reach the full quota level. This might be tough to achieve in January due to normally poor fishing, but we will have to see how the fishing goes for November and December before worrying too much about January.

Fishmeal prices are still steady, but the trade feeling seems to be that if fishing starts off strong then prices could slip lower. Everyone will be watching the daily catch numbers very closely and there are some in the trade who feel that the quota cannot be reached unless there is some exceptionally good early fishing.

We just have to watch what is happening in Peru for the next couple of weeks in order to have any idea what is happening with prices into 2021.

### 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	1,440
Peru fishmeal	64% protein	1,470
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,625

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	



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

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