



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT November 16, 2019

About the only item that showed any strength at all this week was soymeal and it was only up by a couple of dollars a ton. Corn prices slipped lower by about USD 3 m/t while soybeans did drop close to USD 5 m/t, most wheat was down by a couple of dollars a ton.

Soybean futures prices did jump a little on Friday as there seemed to be a bit more positive news from the US/China trade "talks". Export sales of soybeans were good and China was once again a strong buyer. Soybean planting in South America is quite good so no reason for a price rally on that this week. Soymeal prices are said to have increased a bit on the demand for feed caused by snow in parts of the US.

Even with good exports, corn futures moved lower and barge prices in New Orleans also dropped. The Harvest pressure continues to build on corn prices and there is certainly no apparent reason for corn prices to move higher. The weather for the corn harvest is expected to be good this week but the Ag Perspectives Report said that a shortage of propane is making grain drying much more difficult. Farmers are also not selling much corn these days which may just hold corn prices steady.

Wheat futures prices just seemed to slip lower on lower than expected export sales and worries over how competitive US wheat will be in the export market in 2020 – wheat sales from the Black Sea are very strong and US wheat exports just seem to be lagging behind. And with very good wheat stocks almost everywhere there seems to be no good reason for any price rally.

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

As can be seen from most of the freight indications below the trend is still to lower prices. Even most of the trade reports this week are saying that there seems to be little reason for ocean freight prices to move higher. The anticipated January price rally due to the new low sulphur requirements for vessels looks to be something that won't happen or if it does won't be as major as had been expected. There is even some talk that the new requirements may be delayed due to the shortages of low sulphur bunker fuel and the very slow conversion of existing vessels to low sulphur fuel or to installing scrubbers to get rid of much of the sulphur.

US Gulf to Europe: 60/70,000 (10,000 disch)	\$19/20.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$19/20.00		X
US Gulf Israel: 50,000 m/t	\$29/30.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$35/37.00	Down \$2.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00	Down \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$55/56.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$39/40.00		X
US Gulf South Africa: 45,000 m/t	\$42/43.00		X
US Gulf Japan: Panamax	\$47/48.00	Down \$1.00	X
US Gulf China: Panamax	\$46/47.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Down \$1.00	X

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US PNW Japan: Panamax	\$25/26.00	Down \$1.00	X
US PNW China: Panamax	\$24/25.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		
US East Coast Nigeria: Handisize	\$57/58.00	Up \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$40/41.00		X
France/Germany to China: 50,000 m/t	\$38/39.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$31/32.00	Down \$1.00	x
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00		X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$16/17.00		X
France/Germany to Saudi Arabia: 50/60,000	\$31/32.00		X
France/Germany to South Africa: 30,000 m/t	\$43/44.00	Down \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$18/19.00		X
France/Germany to Yemen: 30,000 m/t	\$52/53.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$32/33.00		X
Argentina to China: 50,000 m/t, with top-off	\$37/38.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$24/25.00		X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00		X
Argentina to Jordan: 50,000 m/t	\$41/42.00	Down \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00	Down \$2.00	X
Argentina to South Africa 50,000 m/t	\$42/43.00		X
Argentina to Spain: 50,000 m/t	\$23/24.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$32/33.00		X
Argentina to US Gulf: 25/35,000 m/t	\$19/20.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$38/39.00		X
Brazil to China: 55,000 m/t	\$34/35.00	Down \$2.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Down \$2.00	X
Brazil to Europe: 50,000 m/t	\$28/29.00		X
Brazil to Morocco: 25/30,000 m/t	\$35/36.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$43/44.00	Down \$1.00	X
Brazil to Spain: 50,000 m/t	\$28/29.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00		X
Australia to China: 40-55,000 m/t – round trip	\$20/20.50	Down \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$31/32.00	Down \$1.00	X
Ukraine to China: 50,000 m/t	\$31/32.00		X
Ukraine to Bangladesh: 45,000 m/t	No prices		X
Ukraine to India: 45/50,000 m/t	No prices		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00		X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00		X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$43/44.00		X



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Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$40/41.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$20/21.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$22/23.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$26/27.00		X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$32/33.00	Up \$2.00	X
Black Sea to South Africa – 30,000 m//t	\$41/42.00		X
Black Sea to Turkey – 30,000 m/t	\$16/17.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$22/23.00	Up \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1357	Down 21	X
Baltic Capesize Index (100,000 plus DWT)	2635	Up 191	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1118	Down 172	X
Baltic Supramax Index (50,000 to 60,000 DWT)	735	Down 89	X
Baltic Handisize Index (25,000 plus DWT)	509	Down 30	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 2019/January 2020

Wheat, USA Soft Red Winter, US Gulf	USD 227/230	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 208/211	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 203/206	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 207/210	X
Wheat, Romania 12.5 pro	USD 206/209	X
Wheat, Superior, France, Rouen	USD 200/202	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 193/196	X
Wheat, feed, Black Sea	USD 197/200	X
Barley, France, Rouen port	USD 185/188	X
Barley, feed, Argentina, up river	USD 183/186	X
Barley, feed, Black Sea, 30,000+	USD 187/190	X
Corn, 2YC FOB NOLA USA	USD 173/176	X
Corn, 3YC FOB USA Pacific northwest	USD 188/191	X
Corn, FOB Argentina port, upriver	USD 166/169	X
Corn, FOB Brazil port	USD 175/178	X
Corn, FOB France – Atlantic	USD 186/189	X
Corn, FOB Romania	USD 165/168	X
Corn, FOB Russia	USD 170/173	X
Corn, FOB Ukraine, 30,000+ m/t	USD 162/165	X
Sorghum, FOB Argentina port	USD 142/145	X
Sorghum, FOB Texas	USD 180/183	X
Soymeal, 48% protein, FOB NOLA	USD 344/347	X



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Soymeal, 48% protein, USA, Rotterdam	USD 369/372	X
Soymeal, Argentina, Rotterdam	USD 351/354	X
Soymeal, 47% pro, FOB Argentina	USD 320/323	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 349/352	X
Soymeal, 48% protein, FOB Brazil	USD 326/329	X
Soybeans, FOB NOLA	USD 359/362	X
Soybeans, Argentina, FOB	USD 351/354	X
Soybeans, Brazil, FOB	USD 367/370	X
Soybeans, Black Sea	USD 362/365	X
Corn Gluten Meal, USA FOB NOLA	USD 505/515 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 195/198 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 207/210 m/t	x

Logistics problems in the US continue to push export prices up a little on corn by-products --- winter storms in the US are making transport to export ports a little more difficult. According to the Us Grains Council report this week DDGS prices in NOLA are as much as USD 9 m/t higher. Most export buying interest these days seems to be a little further out like into early 2020.

Much of the buying interest from Asia seems to be at prices lower than anyone is interested in booking.

Overall, except for logistics problems in the US, there doesn't seem to be any good reason for prices to move higher.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 360/370 m/t CNF Asia
Australian MBM 50% protein	USD 400/410 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 700/710 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 400/410 m/t CNF Asia USD 350/360 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 380/400 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/650 m/t CNF Asia

Meat and bone meal prices into Indonesia were reported to be weaker due to what is said to be heavy supply along with reduced demand due to African Swine Fever (ASF). Most of Asia can now buy MBM at the same low price level as Indonesia. Every major originating country is lowering their prices for MBM and there also seems to be some price weakness in both poultry meal and feather meal.

Prices in the US domestic market were steady this week, but most experts are saying that prices will probably trend lower until we get into 2020 or until something happens to push soy meal prices higher. According to the Jacobsen Report the only animal protein that showed softer prices this week was poultry meal – this they say was due to larger supplies of higher ash poultry meal



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

So, here we go, another Peru fishing season and one with a larger quota than had been expected. The new northern quota is 2.786 million m/t of catch which should represent about 630,000 m/t of fishmeal and about 86,000 m/t of fishoil.

Trade reports say that this is the largest quota for this period in 15 years.

Looking at various reports it seems that the experts think that about 50% of the quota fishmeal production is pre-sold but that still leaves a good chunk to sell. One could probably expect that we will see some weakness in prices if the daily catch fissures are good. So far in the preliminary catch are the daily number have been around 40,000 m/t of fish per day with about 400 vessels out fishing. Up to the end of last Thursday that total catch was just under 290,000 m/t.

At least one trade report was trying to take the edge of a possible bearish price trend by saying that although it is a very big quota the difficulty in handling this much tonnage may make the quota difficult to fill – especially if most of the fish are in a limited area.

All in all, one suspects that there is going to be a good deal of buyer price pressure and that China, the number one market, is going to be pushing hard on exporters for lower prices.

It is interesting to note that, just prior to the new quota announcement, prices had crept higher by about USD 50 m/t. Current buyers' bids for Super Prime are said to be at or below USD 1250 m/t, but no actual sales have been reported.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,800
Danish fishmeal	64% protein	1,350
Peru fishmeal	64% protein	1,425
Chile fishmeal	67% protein	1,515
Iceland fishmeal	70% protein	1,730

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	1050/1070 m/t	
67% protein standard steam	1100/1120 m/t	
67% protein 150 TVN	1150/1170 m/t	No prices
67% protein 120 TVN	1200/1220 m/t	1200/1220
67% protein 1000 hist, 120 TVN	1250/1270 m/t	1250/1270
68% protein 500 hist, 120 TVN	1300/1320 m/t	1300/1320



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Fish oil, crude bulk	1800/1850	
Fish oil, crude drums	1850/1900	
Fish oil, flexi tank	1950/2000	
Fish oil, Omega 3: 28%EPA/DHA	2000/2200	

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

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