



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 November 21, 2020

The coming week is a short work week in the USA due to the US Thanksgiving holiday on Thursday which some companies will continue into Friday.

Looking back at this week, it was a up week for everything but wheat: corn was up by USD 3 or 4 m/t, soybeans were up by at least USD 12 m/t and soymeal was about USD 7 m/t higher.

According to trade reports at the end of the week much of the rally in the market was related to concerns over the weather in South America – where everything seems to be bone dry.

There was some comment in the trade that soybeans could be reaching to top of its uptrend as volume in futures has slacked off and some "longs" have been liquidating and taking their profits on the rally. Of course, much of this "long" situation may just be due to the short work week this week and the increased risk that traders and speculators see in a 4 day weekend.

With corn, there was very little exciting news in the market and prices seem to be continuing along slowly in the trend to higher levels. As soon as corn futures sell off a bit there seems to be a good level of buying interest, so corn prices seem to be quite happy at this level as it wends its way to higher prices.

Wheat didn't do too much this week but there were some trade comments that the long term bullish wheat market may just be getting close to turning into a bear market. If not totally a bear market than at least decent drop in prices from current levels.

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	\$42/43.00	Up \$1.00	X
US Gulf China: Panamax	\$41/42.00	Up \$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	Steady	X
US East Coast Egypt: Panamax	\$32/33.00	Down \$2.00	X
US East Coast Nigeria: Handisize	no prices	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)	\$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	\$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	\$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	Up \$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	\$29/30.00	Up \$1.00	X
Brazil to Japan: Panamax	\$28/29.00	Up \$1.00	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	Steady	X
Australia to Saudi Arabia: Panamax	\$35/36.00	Steady	X
Ukraine to China: Panamax	\$30/31.00	Steady	X
Ukraine to Bangladesh, Panamax	\$44/45.00	Steady	X
Ukraine to India, Panamax	\$38/39.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00	Steady	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) -	\$23/24.00	Down \$6.00	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)	\$18/19.00	Steady	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)	\$40/41.00	Down \$3.00	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	\$30/31.00	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	Steady	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1134	Up 19	X
Baltic Capesize Index (100,000 plus DWT)	1430	Down 77	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1326	Up 128	X
Baltic Supramax Index (50,000 to 60,000 DWT)	915	Up 31	X
Baltic Handisize Index (25,000 plus DWT)	598	Up 12	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 268/271	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 263/266	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 251/253	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 256/258	X
Wheat, Romania 12.5 pro	USD 253/255	X
Wheat, Superior, France, Rouen	USD 256/258	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 262/265	X
Wheat, feed, Black Sea	USD 251/253	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 222/225	X
Corn, 2YC FOB NOLA USA	USD 222>>216	X
Corn, 3YC FOB USA Pacific northwest	USD 233>>223	X
Corn, FOB Argentina port, upriver	USD 230/233	X
Corn, FOB Brazil port	USD 236/239	X
Corn, FOB France – Atlantic	USD 243/245	X
Corn, FOB Romania	USD 237/240	X
Corn, FOB Russia	USD 236/239	X
Corn, FOB Ukraine, 30,000+ m/t	USD 234/237	X
Sorghum, FOB Argentina port	USD 168/171	X
Sorghum, FOB Texas	USD 286/288	X
Soymeal, 48% protein, FOB NOLA	USD 476/478	X
Soymeal, 48% protein, USA, Rotterdam	USD 501/503	X



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Soymeal, Argentina, Rotterdam	USD 499/501	X
Soymeal, 47% pro, FOB Argentina	USD 460/463	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 503/506	X
Soymeal, 48% protein, FOB Brazil	USD 461/464	X
Soybeans, FOB NOLA	USD 477/480	X
Soybeans, Argentina, FOB	USD 503/506	X
Soybeans, Brazil, FOB	USD 466/467 January New crop	X
Soybeans, Black Sea	USD 475/480	X
Corn Gluten Meal, USA FOB NOLA	USD 640/650 m/t Dec/Feb	X
Corn Gluten Feed, USA FOB NOLA	USD 226/230 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 275/280 m/t	x

With both corn and soybeans moving higher this week it is easy to see why corn byproducts also moved higher --- all byproducts had a very strong week. Also, in addition to the increase in FOB USA prices have been the higher freight levels for shipment in containers as exporters are having to scramble to find available containers and shipping slots for any ag shipments in containers. US corn gluten meal prices to Egypt are up by in excess of USD 200 m/t CNF versus prices that we saw only a few weeks ago and this is a combination of high FOB prices plus sky-high container freight. Anyone who buys ag products from the US in containers these days will be paying quite a premium.

DDGS continues to move higher since it follows corn/soybean prices. Depending on who you talk to, DDGS export prices are up by USD 5 to 10 m/t. Corn gluten meal is very strong and even poor old corn gluten feed was able to put on a rally to higher levels.

As with almost everything, no one is forecasting lower prices in the near term. Certainly not as long as demand stays strong and corn and soybeans keep moving higher.

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 500/520 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 (MBM) export prices were trending higher again this week following the never-ending rally in soybean prices. The situation is made even stronger by some contraction in the MBM supply while demand keeps moving higher. Demand is said to be especially high from pet food producers and aquaculture operations. With the December holiday season just around the corner, no one is expecting lower prices as supply is going to get even tighter as production is slowed for the holidays.

Domestic USA prices moved higher in a pre-Thanksgiving holiday rush to buy – this is on November 26 with many companies closed for the 26th and 27th making it into a 4 day weekend and a three day work week.



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There is no reason again this week to expect any lower prices for animal protein.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru looks to be doing quite well with the total landed up to the 19 Of November at just over 318,000 m/t, getting the remaining quota down to 2.46 million m/t.

Export fishmeal prices in Peru have dropped by about USD 100 m/t as buyers and sellers start to get used to the high fishing quota. There are now a number of mini-bans in place that will have some effect on the catch numbers for the coming week. Trade reports seem to feel that prices may be steady at this new lower level and point out that the soymeal/fishmeal value ratio is at the lowest level, favoring fishmeal, in quite a long time.

According to the MSI Ceres report this week about 140,000 m/t of new fishmeal business was done this past week, bringing the total sold up to 360,000 m/t – 55% of full quota fishmeal production. The trade says that some producers have stopped selling until they see how the longer term fishing situation develops. There have been years in the past when producers sold more fishmeal than was ever produced – having a generous quota doesn't mean that every ton of fish will be landed. Caution is the buzzword early in the fishing season.

The political situation in Peru has gotten very and in the past week and we all are hoping that things can be solved and that there will be no effect on the fishing industry. A new country president has been named -- the next election will be held in April 2021. It is also reported that a high percentage of the new President's new cabinet members have no strong party affiliation which may make getting things done a little easier.

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	1,465
Chile fishmeal	67% protein	1,515
Iceland fishmeal	70% protein	1,620

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	1200/1220 m/t	
67% protein standard steam	1280/1300 m/t	
67% protein 150 TVN	1350/1370 m/t	1380/1400 m/t
67% protein 120 TVN	1400/1420 m/t	1430/1450 m/t
67% protein 1000 hist, 120 TVN	1450/1470 m/t	1480/1500 m/t



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68% protein 500 hist, 120 TVN	1500/1520 m/t	1550/1570 m/t
Fish oil, crude bulk	2100/2150	2200/2300
Fish oil, crude drums	2150/2200	
Fish oil, flexi tank	2250/2300	
Fish oil, Omega 3: 28%EPA/DHA	2400/2500	

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

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