



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT November 23, 2019

So, a down week for everything but US wheat – corn is down by USD 1 or 2 m/t, while soybeans dropped by USD 7 to 9 m/t and soymeal down by around USD 8 to 10 m/t. US winter wheat was up by about USD 3 to 6 m/t.

There wasn't all that much reason for corn prices to drift lower this week – actually there wasn't much reason for any change with corn. US harvest corn yields are said to still be quite good, even slightly above the latest USDA yield estimate. There were some stories this week that dropping ethanol stocks could increase corn demand which may stop the corn price slide. It is also reported that more northern USA corn is moving south to New Orleans rather than to the Pacific Northwest which is pushing NOLA export prices lower while PNW prices move higher.

Soybeans and soymeal continued lower on expectations of very good South American soybean crops and the lack of anything new on the USA/China trade situation. The US has a trade delegation off to China next week, but this may not mean an agreement with China. Everyone expects a trade agreement to be reached but all the speculation is about when it will be reached. Of course, we are all assuming that an agreement will save soybeans, but it may not – it all depends on what can be compromised on between the two sides.

Today there seems to be little reason for soybean/soymeal prices to move higher – we need some exciting news that might get things bullish.

Wheat prices were up a little with the only reason seeming to be the December wheat futures contract winding down and a lack of deliveries on the contract. Trade reports seemed to focus more on slightly higher world prices for wheat, led by Black Sea prices as the factor behind some push in US wheat prices. Wheat prices are very, very close to their lows for the year so a rally in prices may just be expected.

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

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		X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00		X
US Gulf Turkey: 50,000 m/t	\$30/31.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$35/37.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00		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	\$46/47.00	Down \$1.00	X
US Gulf China: Panamax	\$45/46.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00		X
US PNW Japan: Panamax	\$25/26.00		X

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US PNW China: Panamax	\$24/25.00		X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00	Down \$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	\$37/38.00	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		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		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)	\$31/32.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$37/38.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00		X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$24/25.00	Up \$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		X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00		x
Argentina to South Africa 50,000 m/t	\$42/43.00		X
Argentina to Spain: 50,000 m/t	\$24/25.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$31/32.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$19/20.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$37/38.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$34/35.00		X
Brazil to Japan: 55,000 m/t	\$33/34.00		X
Brazil to Europe: 50,000 m/t	\$29/30.00	Up \$1.00	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		X
Brazil to Spain: 50,000 m/t	\$29/30.00	Up \$1.00	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		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		X
Ukraine to China: 50,000 m/t	\$31/32.00		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$15/16.00	Down \$2.00	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)	\$15/16.00	Down \$2.00	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
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$39/40.00	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)	\$20/21.00	Down \$2.00	X



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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)	\$24/25.00	Down \$2.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$29/30.00	Down \$3.00	X
Black Sea to South Africa – 30,000 m//t	\$41/42.00		X
Black Sea to Turkey – 30,000 m/t	\$14/15.00	Down \$2.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	Down \$3.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1284	Down 73	X
Baltic Capesize Index (100,000 plus DWT)	2493	Down 142	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1129	Up 11	X
Baltic Supramax Index (50,000 to 60,000 DWT)	747	Up 12	X
Baltic Handisize Index (25,000 plus DWT)	494	Down 15	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 237/239	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 212/215	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 206/208	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 209/211	X
Wheat, Romania 12.5 pro	USD 206/208	X
Wheat, Superior, France, Rouen	USD 203/205	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 196/198	X
Wheat, feed, Black Sea	USD 200/202	X
Barley, France, Rouen port	USD 186/188	X
Barley, feed, Argentina, up river	USD 185/187	X
Barley, feed, Black Sea, 30,000+	USD 187/190	X
Corn, 2YC FOB NOLA USA	USD 170/173	X
Corn, 3YC FOB USA Pacific northwest	USD 190/193	X
Corn, FOB Argentina port, upriver	USD 171/174	X
Corn, FOB Brazil port	USD 179/182	X
Corn, FOB France – Atlantic	USD 186/189	X
Corn, FOB Romania	USD 169/171	X
Corn, FOB Russia	USD 175/178	X
Corn, FOB Ukraine, 30,000+ m/t	USD 167/170	X
Sorghum, FOB Argentina port	USD 143/146	X
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 345/348	X
Soymeal, 48% protein, USA, Rotterdam	USD 370/373	X
Soymeal, Argentina, Rotterdam	USD 352/355	X
Soymeal, 47% pro, FOB Argentina	USD 321/324	X



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Soymeal, 48% protein, Brazil, Rotterdam	USD 349/352	X
Soymeal, 48% protein, FOB Brazil	USD 321/324	X
Soybeans, FOB NOLA	USD 352/355	X
Soybeans, Argentina, FOB	USD 345/348	X
Soybeans, Brazil, FOB	USD 366/369	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 198/201 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 215/218 m/t	X

All corn by-product pieces were able to remain steady or move higher this week, even as corn prices moved a little lower. DDGS export prices continue to move higher as export buyers, mainly in Asia, have been buying up supplies into 2020. There was a comment in AgriCensus this week about US DDGS prices being up by 4% in November while corn prices have dropped by 5% - they see a drop in export interest in DDGS.

Soymeal prices were lower this week, by about USD 8 m/t and couple that with the lower corn prices should mean that we will eventually see some price weakness in both DDGS and corn gluten meal – one hopes.

There are still some comments that logistics problems are keeping prices up but since prices look to be up for the next couple of months then logistics problems may not be as important as good export demand when it comes to higher prices.

I am hoping for lower prices for corn by-products but, so far, my hopes have gone unanswered.

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 600/620 m/t CNF Asia

Most meat and bone meal prices to major buyer in Asia were unchanged again this week but with weaker soy meal prices one could expect MBM prices to move lower next week. The same comment would also apply to both poultry meal and feathermeal where the export business has become a little weak.

Reading trade reports this week one sees that the experts are looking for lower prices for animal proteins over the next few weeks. Supply is very good and demand is down while vegetable protein prices slip lower and lower.

There were a few higher bumps in US domestic prices this week but that seems to be due to all the holidays in late December and everyone trying to book early/mid-December shipment. As with the export markets, animal protein prices in the US are not expected to increase once we get past the Christmas buying rush.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing seems to be quite good in northern Peru with the total landed up to Thursday showing at 483,000 m/t which leaves 2.3 million m/t still to land. There are not some mini-bans in place in Peru so next week's catch numbers will be lower.

There is some disagreement on exactly where fishmeal prices are this week. Some traders are showing higher prices, as reflected in the list below, while others are saying that FOB Peru prices are lower – lower by USD 50 to 60 m/t than what I list.

Reports also say that there are bids from China but at even lower prices, so it is difficult to know why some exporters are indicating higher prices.

MSI-Ceres mentioned in their weekly report that, come December, the biggest problem with fishmeal is in trying to ship it from Peru and that container lines are not willing to fix freight today for December as container rates are expected to increase. MSI-Ceres also is implying that catching the full quota may not be easy as they say, "as easy as walking on water".

The new Peru Fishing Right Tax come into effect on this seasons business – the tax is increasing from 0.25% to 0.43% of the FOB average price of fishmeal or between USD 5 and 6 m/t.

A recent USDA report shows world fishmeal production at 4.87 million m/t with about 3.21 mm/t being imported by all importing countries – these numbers have changed very little over the last five years. One other item reported that doesn't change is the year-end world stocks of fishmeal which, over the last five years, seem to be less than 300,000 m/t. As I have said many times before, every ton of fishmeal seems to be used every year and the supply is not getting any bigger.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,635
Danish fishmeal	64% protein	1,370
Peru fishmeal	64% protein	1,435
Chile fishmeal	67% protein	1,555
Iceland fishmeal	70% protein	1,600

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	1090/1110 m/t	
67% protein standard steam	1140/1160 m/t	



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67% protein 150 TVN	1190/1210 m/t	No prices
67% protein 120 TVN	1240/1260 m/t	1240/1260
67% protein 1000 hist, 120 TVN	1290/1310 m/t	1290/1310
68% protein 500 hist, 120 TVN	1340/1360 m/t	1340/1360
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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