



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT December 04, 2021

It was a week for much lower US wheat prices with prices dropping by USD 10 to 16 m/t depending on the wheat type and the specifications. Trade reports say that the lower prices for wheat were related mainly to the new wheat quota set by Russia for February to June. As was noted by the trade, wheat prices will still be long-term bullish, but Russia's action may just create a little short term over supply and weaker prices. Of course, we may just see wheat prices rally right back up come Monday.

Trade reports say that the early week weakness in corn prices was caused by international concern over Omicron Covid infections and how that will affect international markets. The report also seemed to feel that the drop in prices was not justified and that prices will recover quickly. There were some stories this week that China bought Ukraine corn, even though it would be higher priced than USA corn on CNF/CFR.

Soybeans finished the week very strongly as there are concerns over dry weather in Argentina and Brazil. This dryness is said to be quite wide spread in the soybean crop areas and "could" have a significant effect on 2022 crop yields.

Next week is USDA WASDE report week again – on Thursday – so there may be some pre-report excitement in prices.

Russian export tax – December 8 to 14 – wheat USD 84.90 m/t – up USD 4.10, barley USD 75.10 m/t – up USD 6.30 m/t and corn USD 54.30 m/t – unchanged this week.

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

US Gulf to Europe: Panamax (10,000 disch)	\$29/30.00	Steady	X
US Gulf to Spain: Panamax m/t (5,000 disch)	\$29/30.00	Steady	X
US Gulf Israel: Panamax m/t	\$58/59.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$58/59.00	Steady	X
US Gulf Turkey: Panamax m/t	\$59/60.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$58/59.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$60/61.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$59/60.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$61/62.00	Steady	X
US Gulf South Africa: 30,000 m/t	\$61/62.00	Steady	X
US Gulf to India: Panamax	\$65/66.00	Steady	X
US Gulf to Philippines: Panamax	\$69/70.00	Steady	X
US Gulf Japan: Panamax	\$71/72.00	Down \$1.00	X
US Gulf China: Panamax	\$70/71.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$54/55.00	Steady	X
US PNW Egypt: Panamax	\$59/60.00	Steady	X
US PNW Philippines: Panamax	\$50/51.00	Steady	X
US PNW Japan: Panamax	\$38/39.00	Down \$2.00	X
US PNW China: Panamax	\$37/38.00	Down \$2.00	X



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US East Coast Nigeria: Handisize	\$67/68.00	Steady	X
US Lakes – Europe – 30,000 m/t	\$65/66.00	Steady	X
US Lakes – Morocco – 30,000 m/t	\$67/68.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$25/26.00	Steady	X
France/Germany to Bangladesh: 35/45,000 m/t	\$69/70.00	Down \$1.00	X
France/Germany to China: Panamax	\$69/70.00	Steady	X
France/Germany to Egypt: Panamax (10,000 dis)	\$32/33.00	Steady	X
France/Germany to India: Panamax	\$61/62.00	Steady	X
France/Germany to Iran: Panamax	\$62/63.00	Steady	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$51/52.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$23/24.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$66/67.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$41/42.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$35/36.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$59/60.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$44/45.00	Up \$1.00	X
Argentina to China: Panamax, with top-off	\$59/60.00	Down \$5.00	X
Argentina to Japan: Panamax, with top-off	\$58/59.00	Down \$5.00	X
Argentina to Egypt: Panamax	\$50/51.00	Steady	X
Argentina to Europe: Panamax	\$41/42.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$41/42.00	Steady	X
Argentina to Libya: 25/30,000 m/t	\$46/47.00	Steady	X
Argentina to Jordan: Panamax	\$52/53.00	Steady	X
Argentina to Saudi Arabia: Panamax	\$74/75.00	Steady	X
Argentina to Iran: Panamax	\$61/62.00	Steady	X
Argentina to India: Panamax	\$67/68.00	Steady	X
Argentina to South Africa: Panamax	\$27/28.00	Steady	X
Argentina to Spain: Panamax	\$41/42.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$44/45.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$48/49.00	Up \$1.00	X
Brazil to China: Panamax	\$53/54.00	Down \$4.00	x
Brazil to Japan: Panamax	\$52/53.00	Down \$4.00	X
Brazil to South Korea: Panamax	\$60/61.00	Steady	X
Brazil to Europe: Panamax	\$43/44.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$47/48.00	Up \$1.00	x
Brazil to Iran: Panamax	\$60/61.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$71/72.00	Steady	X
Brazil to Spain: Panamax	\$44/45.00	Up \$1.00	X
Brazil to Turkey/Egypt: Panamax	\$60/61.00	Up \$1.00	X
Australia to China: Panamax – round trip	\$25/26.00	Steady	X
Australia to Japan: Panamax – round trip	\$33/34.00	Steady	X
Australia to Saudi Arabia: Panamax	\$38/39.00	Steady	X
Ukraine to China: Panamax	\$61/62.00	Down \$6.00	X
Ukraine to Indonesia: Panamax	\$66/67.00	Steady	X
Ukraine to Bangladesh, Panamax	\$61/62.00	Down \$2.00	X
Ukraine to India, Panamax	\$53/54.00	Down \$3.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$32/33.00	Up \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$62/63.00	Up \$4.00	X



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Ukraine to Turkey: Izmir: coaster (1,000 disch)	\$48/49.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$66/67.00	Up \$10.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$28/29.00	Down \$2.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$32/33.00	Down \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$58/59.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$84/85.00	Up \$9.00	X
Black Sea to Iraq: Panamax (4,000 disch)	\$51/52.00	Steady	X
Black Sea to Iran: Panamax	\$54/55.00	Steady	X
Black Sea to Europe: Panamax (8,000 disch)	\$32/33.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$39/40.00	Up \$3.00	X
Black Sea to Spain: Panamax (8,000 disch)	\$32/33.00	Steady	X
Black Sea to Jordan: Panamax (5,000 disch)	\$40/41.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$41/42.00	Up \$4.00	X
Black Sea to Saudi Arabia – Jeddah – Panamax	\$54/55.00	Steady	X
Black Sea to Yemen: Panamax	\$58/59.00	Steady	X
Black Sea to Turkey – 30,000 m/t	\$28/29.00	Down \$2.00	X
Black Sea to South Africa – 30,000 m//t	\$61/62.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$36/37.00	Up \$3.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – (no Handisize included)	3171	Up 404	x
Baltic Capesize Index (100,000 plus DWT)	4594	Up 688	x
Baltic Panamax Index (60,000 to 80,000 DWT)	3128	Up 507	x
Baltic Supramax Index (45,000 to 60,000 DWT)	2431	Up 115	X
Baltic Handisize Index (25,000 plus DWT)	1559	Up 20	x
Global Container Index - @Freightos (Index on Jan 01, 2021 was at \$3452)	\$9425	Up 74	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 January 2022/March 2022

Wheat, USA Soft Red Winter, US Gulf	USD 347/350	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 369/372	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 328/334	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 339/345	X
Wheat, Romania 12.5 pro	USD 341/346	X
Wheat, Superior, France, Rouen	USD 337/340	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 310/319	X
Wheat, feed, Black Sea	USD 318/323	x
Barley, France, Rouen port	USD 306/308	X
Barley, feed, Argentina, up river	USD 295/298	X
Barley, feed, Black Sea, 30,000+	USD 310/313	X
Barley, feed, Australia	USD 293/295	X
Corn, 2YC FOB NOLA USA	USD 264>>261 March	X
Corn, 3YC FOB USA Pacific northwest	USD 291>>288 March	X



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Corn, FOB Argentina port, upriver	USD 254>>233 March	X
Corn, FOB Brazil port	USD 264/278	X
Corn, FOB France – Atlantic	USD 288/290	X
Corn, FOB Romania	USD 273/278	X
Corn, FOB Russia	USD 270/274	X
Corn, FOB Ukraine, 30,000+ m/t	USD 275/279	X
Sorghum, FOB Argentina port	USD 225/230	X
Sorghum, FOB Texas	USD 309/311	X
Soymeal, 48% protein, FOB NOLA	USD 423>>414 March	X
Soymeal, 48% protein, USA, Rotterdam	USD 458>>449 March	X
Soymeal, Argentina, Rotterdam – spot	USD 458>>441 March	X
Soymeal, 47% pro, FOB Argentina	USD 399>>377 March	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 451>>425 March	X
Soymeal, 48% protein, FOB Brazil	USD 390>>376 March	X
Soybeans, FOB NOLA	USD 500>>494 March	X
Soybeans, Argentina, FOB	USD 514>>473 March	X
Soybeans, Brazil, FOB	USD 510>>480 March	X
Soybeans, Black Sea	USD 557/562	X
Corn Gluten Meal, USA FOB NOLA	USD 680/690 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 240/250 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 271/277 m/t	x

USA export prices for all corn byproducts seemed to slip a little lower this week as they looked to be following the weakness in soymeal and corn prices. It is also reported that there could be an oversupply situation developing for DDGS which could weaken prices but with demand still very good for DDGS this may not happen.

Container rates out of the USA are said to have softened a little but not enough to make any measurable difference to CNF prices in containers – some say container cost per ton dropped by USD 3 to 5 m/t.

Corn by product FOB prices have been in a trading range for a few weeks now while CNF prices have been rising steadily. Perhaps, as we get into 2022, the container export situation will improve and we will see some better CNF prices, but it looks like anything booked in December for 2022 shipment will stay expensive.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 480/500 m/t CNF Asia
Australian MBM 50% protein	USD 540/560 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 670/680 m/t CNF Asia
Australian Poultry Meal, pet food	USD 1000/1020 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 640/660 m/t CNF China USD 640/660 to Indonesia
USA Feathermeal, 80% protein	USD 750/770 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 490/510 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 1000/1020 m/t CNF Asia

The price of meat and bone meal to major buyers in Asia made a jump higher this week as supply



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from both Australia and New Zealand was very tight and available shipping positions were even tighter --- all leading to increased CNF prices. With the Christmas and New Year holidays not all that far away, buyers re expecting even tighter stocks and even less chance of getting export shipments made.

The Jacobsen Report this week said that demand from international pet food industries is very strong and should help to keep poultry meal prices steady to higher well into 2022.

Domestic prices in the USA for meat and bone meal continue to be weak – especially for mixed animal MBM. Trade reports are saying that it is the lack of export shipments that is creating oversupply in the domestic market and keeping a lid on prices.

No one is looking at higher US domestic prices for now --- the exports need to get back to normal levels.

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

Fishing in Peru is racing along with the catch now up to just over 900,000 m/t. Due to the recent mini-bans the fishing has dropped off a little – down from over 50,000 m/t per day to around 35,000 m/t per day. Trade reports are saying that the full quota should be landed by mid-January.

Fishmeal sales to date look to be up just over 300,000 m/t and the total quota should yield about 485,000 m/t of fishmeal, which leaves only about 185,000 m/t still to sell --- doesn't sound like very much.

There were a couple of comments in trade reports that there looks like there is some room for fishmeal prices to move higher in coming weeks --- this would happen for sure if the catch fell off. Any buyers who have been waiting for lower prices will probably be disappointed.

There were also some stories that all the expected container space has been fully booked through March of 2022. "Expected" because planned vessels don't always seem to arrive.

## PERU "INDICATION" FISHMEAL PRICES:

### **European fishmeal prices – FOB North German port.**

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,655
Danish fishmeal	64% protein	1,420
Peru fishmeal	64% protein	1,615
Chile fishmeal	67% protein	1,655
Iceland fishmeal	70% protein	1,655

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS  
Minimum shipment of 200 m/t for fishmeal



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<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1530/1550 m/t	
67% protein standard steam	1580/1600 m/t	
67% protein 150 TVN	1630/1650 m/t	1630/1650 m/t
67% protein 120 TVN	1680/1700 m/t	1680/1700 m/t
67% protein 1000 hist, 120 TVN	1730/1750 m/t	1740/1760 m/t
68% protein 500 hist, 120 TVN	1780/1800 m/t	1780/1800 m/t
Fish oil, crude bulk	2300/2350	
Fish oil, crude drums	2350/2400	
Fish oil, flexi tank	2400/2450	
Fish oil, Omega 3: 28%EPA/DHA	2500/2600	

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

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