



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY USA GRAIN AND PROTEIN REPORT December 12, 2020

Except for US wheat prices, the US grain and oilseed markets were a little quieter this week. USA winter wheat prices jumped by almost USD 15 m/t with spring wheat prices up by about USD 8 m/t. Corn and soybean prices for early 2021 were steady but soymeal prices did move about USD 5 m/t lower.

The WASDE report was quite bullish for US wheat and couple that with the possible Russian export levy and forecasted drop in Russian wheat planting were certainly enough factors to get wheat prices moving higher and this could continue into next week.

Soybean prices didn't do much this week as improved weather – more rain – in Argentina and Brazil helped to keep prices in check. Export demand for soybeans and soymeal remain good and pre-holiday domestic demand was also strong. There doesn't seem to be much reason to expect lower prices for soybeans/soymeal, at least not until we see how fantastic (or not) the South American soybean crops are.

USA corn exports were good this week which is good for higher prices but more rainfall in South America kept prices in line. There is also talk of reduced corn demand in the US from the ethanol industry as coronavirus restrictions reduce transportation demand for ethanol. Normally, a rally in wheat prices, as we had this week would pull corn prices higher but for this week corn just followed its own fundamentals without being much affected by the wheat rally.

As to where prices are going, never easy to say but we all need to keep our eyes on the crop progress in South America while following all the grain news out of the Black Sea region.

### **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	Up \$1.00	X
US Gulf Japan: Panamax	\$42/43.00	Steady	X
US Gulf China: Panamax	\$41/42.00	Steady	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	\$23/24.00	Steady	x
US East Coast Egypt: Panamax	\$28/29.00	Steady	X
US East Coast Nigeria: Handisize	\$40/41.00	Steady	X



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US Lakes – Europe – 30,000 m/t	\$43/44.00	Steady	X
US Lakes – Morocco – 30,000 m/t	\$44/45.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$21/22.00	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	\$35/36.00	Steady	X
Argentina to Japan: Panamax, with top-off	\$35/36.00	Steady	X
Argentina to Egypt: Panamax	\$29/30.00	Steady	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	Steady	X
Brazil to Japan: Panamax	\$30/31.00	Up \$1.00	X
Brazil to Europe: Panamax	\$26/27.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$31/32.00	Steady	X
Brazil to Iran: Panamax	\$41/42.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$44/45.00	Up \$1.00	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	\$16/17.00	Down \$1.00	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	\$37/38.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$32/33.00	Steady	X
Ukraine to Turkey: coaster (1,000 disch)	\$22/23.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$26/27.00	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)	\$17/18.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Steady	X



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Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$40/41.00	Steady	X
Black Sea to Iraq: Panamax (4,000 disch)	\$44/45.00	Steady	X
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	Steady	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)	\$21/22.00	Up \$1.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1211	Up 14	X
Baltic Capesize Index (100,000 plus DWT)	1434	Down 86	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1465	Up 134	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1011	Up 20	X
Baltic Handisize Index (25,000 plus DWT)	668	Up 4	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 274>>270	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 270/272	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 249/252	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 253/256	X
Wheat, Romania 12.5 pro	USD 257/260	X
Wheat, Superior, France, Rouen	USD 261/263	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 249/252	X
Wheat, feed, Black Sea	USD 249/252	X
Barley, France, Rouen port	USD 248/250	X
Barley, feed, Argentina, up river	USD 232/235	X
Barley, feed, Black Sea, 30,000+	USD 219/222	X
Corn, 2YC FOB NOLA USA	USD 215>>207	X
Corn, 3YC FOB USA Pacific northwest	USD 233>>224	X
Corn, FOB Argentina port, upriver	USD 227/230	X
Corn, FOB Brazil port	USD 236/239	X
Corn, FOB France – Atlantic	USD 242/244	X
Corn, FOB Romania	USD 239/242	X
Corn, FOB Russia	USD 237/240	X
Corn, FOB Ukraine, 30,000+ m/t	USD 226/229	X
Sorghum, FOB Argentina port	USD 164/167	X
Sorghum, FOB Texas	USD 286/288	X



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Soymeal, 48% protein, FOB NOLA	USD 457/460	X
Soymeal, 48% protein, USA, Rotterdam	USD 482/485	X
Soymeal, Argentina, Rotterdam	USD 482/485	X
Soymeal, 47% pro, FOB Argentina	USD 443>>432 new crop	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 483/486	X
Soymeal, 48% protein, FOB Brazil	USD 446>>422 new crop	X
Soybeans, FOB NOLA	USD 466/469	X
Soybeans, Argentina, FOB	USD 498>>470 new crop	X
Soybeans, Brazil, FOB	USD 485>>465 new crop	X
Soybeans, Black Sea	USD 475/480	X
Corn Gluten Meal, USA FOB NOLA	USD 670/680 m/t Dec/Feb	X
Corn Gluten Feed, USA FOB NOLA	USD 250/255 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 280/285 m/t	x

Both corn gluten feed and DDGS prices were a little lower this week but corn gluten meal prices remained steady. It is said that prices slipped a little because buyers had left the market due to the high prices. Of course, soymeal prices were also down a little this week so that would help to push corn byproducts lower.

There is still a very serious problem with finding export containers from the US and shipments are said to be backing up in the US. Container freight rates are moving higher every week as shippers are fighting for every available box.

Overall, while the FOB USA prices slipped a little, CNF prices to most destinations were higher due to the container freight problems.

### Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 490/510 m/t CNF Asia
Australian MBM 50% protein	USD 540/560 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 560/570 m/t CNF Asia
Australian Poultry Meal, pet food	USD 920/940 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 520/530 m/t CNF China
	USD 600/670 to Indonesia
USA Feathermeal, 80% protein	USD 600/620 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 460/480 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 950/970 m/t CNF Asia

Animal protein prices in Asia were steady to higher this week as demand has been very good from Indonesia while the pet food producers in both Australia and New Zealand increasing their demand. The Jacobsen report this week was saying that there is a very wide range of prices for meat and bone meal into Indonesia – a price spread of more than USD 100 per m/t.

Pet food demand has also moved prices higher in the US, especially for pet food grade poultry meal. USA pure beef meat and bone meal prices are said to be very strong this week with premiums over



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mixed animal MBM of about USD 100 m/t.

Market experts are saying that animal protein prices should remain firm into the first couple of months of 2021. Perhaps new crop soybean/soymeal prices out of Brazil and Argentina in 2021 will cause some weaknesses in market prices but that may not be until March 2021.

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

Fishing in Peru continues to be very good with the past week averaging over 45,000 m/t per day in catch. Total catch now is up to 1.1 million m/t which is about 40% of the 2.78 mm/t quota. There have been some mini-bans in the central region of Peru due to high juvenile levels – a couple of areas were in the 35% range on juvenile fish. Overall, the fishing is chugging along quite nicely.

New business has been very limited in Peru this week as producers were holding out for higher prices while buyers were trying to push prices lower – just the normal buyer/seller struggle. Producers are not much in a mood to be booking more business as the production so far has not covered the presales of fishmeal. As mentioned last week, no one wants to be oversold too much and would rather cover existing orders before booking additional business.

The feeling in the trade in Peru is that with the fishing being so good there could be a very decent chance that the full quota will be landed. This “feeling” can change in a flash if we do have week of poor fishing – for now we just have to enjoy the good fishing and fulfill the backlog of existing orders.

MSI Ceres was mentioning this week that there are concerns in Peru about Chinese and Korean vessels fishing for giant squid (and who knows what else) in Argentina waters. There are some complaints that the Peru government is not monitoring the fishing well enough.

### PERU “INDICATION” FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,660
Danish fishmeal	64% protein	1,490
Peru fishmeal	64% protein	1,490
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,700

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	1250/1270 m/t	
67% protein standard steam	1330/1350 m/t	
67% protein 150 TVN	1400/1420 m/t	1400/1420 m/t
67% protein 120 TVN	1450/1470 m/t	1450/1470 m/t
67% protein 1000 hist, 120 TVN	1500/1520 m/t	1500/1520 m/t



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68% protein 500 hist, 120 TVN	1550/1570 m/t	1570/1590 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	2600/2700	

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

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