



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY USA GRAIN AND PROTEIN REPORT December 19, 2020

Aha, this was really the week of the soybean/soymeal as South American weather pushes prices up to levels not seen for about 6 years. Soybeans were up by over USD 20 m/t with soymeal up between USD 22 and 28 m/t ---- that is one strong week for beans and meal.

With soybeans, it was two factors that moved prices higher – the continued strike by soy crush workers and port inspectors and the risk of continued poor rainfall in soybean areas in both Brazil and Argentina. There are also concerns over a delayed soybean harvest in Brazil. China is reported to be moving some of its Brazil soybean business to the US for February. No one seems to be expecting soybean/soymeal prices to move lower, at least not until the expected record Brazil soybean crop is being harvested.

US corn prices were up by about USD 5 or 6 m/t on the week as corn reacted to the crop situation in South America and was also pulled higher by the rally in soybeans as everyone rushed in to buy a lot of every grain that had a South American connection. Most experts don't see much of a problem with corn production in South America, but some do see possible continued problems in the US with ethanol production as COVID19 spreads further and further and people travel less and less. Less demand for gasoline means less usage of ethanol and a drop in corn consumption.

With little of a South American situation for wheat, these prices actually moved lower on the week by USD 3 or 4 m/t. Actually, if you look at all the factors affecting the world wheat market one might have expected a little higher price rather than a little lower. The announced export tax on wheat by Russia, starting on February 15, caused a lot of press reports but didn't seem to cause any sudden buying panic by major importers.

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	\$29/30.00	Up \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Up \$2.00	X
US Gulf Turkey: Panamax m/t	\$30/31.00	Up \$2.00	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	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	\$24/25.00	Up \$1.00	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	No info	Steady	X
US Lakes – Europe – 30,000 m/t	\$43/44.00	Steady	X



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US Lakes – Morocco – 30,000 m/t	\$44/45.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$20/21.00	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	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	Steady	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	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	\$16/17.00	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	\$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)	\$16/17.00	Down \$6.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00	Down \$1.00	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)	\$17/18.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$40/41.00	Steady	X



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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	\$28/29.00	Down \$2.00	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)	\$19/20.00	Down \$2.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	1325	Up 114	X
Baltic Capesize Index (100,000 plus DWT)	1802	Up 368	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1402	Down 63	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1057	Up 46	x
Baltic Handysize Index (25,000 plus DWT)	678	Up 10	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 266/268	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 256/258	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 262/264	X
Wheat, Romania 12.5 pro	USD 262/264	X
Wheat, Superior, France, Rouen	USD 266/268	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 255/258	X
Wheat, feed, Black Sea	USD 253/255	X
Barley, France, Rouen port	USD 246/248	X
Barley, feed, Argentina, up river	USD 230/233	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 235>>223	X
Corn, FOB Argentina port, upriver	USD 231/234	X
Corn, FOB Brazil port	USD 242/245	X
Corn, FOB France – Atlantic	USD 247/250	X
Corn, FOB Romania	USD 241/244	X
Corn, FOB Russia	USD 235/238	X
Corn, FOB Ukraine, 30,000+ m/t	USD 225/228	X
Sorghum, FOB Argentina port	USD 168/171	X
Sorghum, FOB Texas	USD 285/287	X
Soymeal, 48% protein, FOB NOLA	USD 485/488	X



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Soymeal, 48% protein, USA, Rotterdam	USD 510/513	X
Soymeal, Argentina, Rotterdam – spot	USD 507/510	
Soymeal, 47% pro, FOB Argentina	USD 470>>450 new crop	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 507/51-	X
Soymeal, 48% protein, FOB Brazil	USD 471>>445 new crop	X
Soybeans, FOB NOLA	USD 486/489	X
Soybeans, Argentina, FOB	USD 520>>480 new crop	X
Soybeans, Brazil, FOB	USD 478>>468 new crop	X
Soybeans, Black Sea	USD 513/515	X
Corn Gluten Meal, USA FOB NOLA	USD 650/660 m/t Jan/Apr	x
Corn Gluten Feed, USA FOB NOLA	USD 250/255 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 280>>270 m/t	x

Corn byproduct prices look to be steady to higher this week with DDGS being the strongest as ethanol production slips a little further lower. Foreign buyers are said to be looking very closely at US DDGS as the rally in soymeal is making it price even better in feed rations. However, the price of DDGS against cash corn is still well above historical price levels.

A continuing problem with container supply and logistics is helping to keep export prices for all corn byproducts firm in the nearby market and into January 2021. However, some say that container problems is improving a little which could result in a drop in export prices --- perhaps.

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 650/700 to Indonesia
USA Feathermeal, 80% protein	USD 620/640 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

Meat and bone meal prices to Indonesia are very strong again this week pushed up higher by logistics and supply problems. USA supplies are much less expensive but container shortages in the US have meant that supplies are not arriving --- buyers are having to pay up for wheat ever supply they can find.

Prices from both Australia and New Zealand were steady to higher this week with no one expecting any weakness in prices in the next few weeks --- to many holidays, too little supply and too much demand.

Little or no change in local USA prices this week except for feathermeal which did move up by about USD 20 m/t. Poultry meal prices are expected to see a rally as demand is very good, but supply is getting very tight as the holidays get closer and closer.



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Prices for animal proteins should be steady to higher well into 2021 --- and, with the current rally in soybeans and soymeal, there would look to be very little chance of lower prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing is still good in Peru with the daily catch ranging between 40,000 and 48,000 m/t with the total at the 17th up to 1.44 million m/t – just over halfway to the quota. The results so far are much better than most experts had forecasted prior to the start of fishing.

There are reports in the trade that Chinese buyers are bidding for fishmeal quite a bit below the prices shown in the table below. With the catch being so good, all of the pre-sold orders are close to being covered and then buyers are expected to be very aggressive with their low bids, especially if fishing remains good. For now, there doesn't seem to be a great deal of either buying or selling interest as everyone waits to see how fishing will continue.

Prices in China are reported to be dropping as are stocks, but no one is much worried as the next major local buying period for fishmeal is not until March/April 2021.

According to MSI Ceres, the first shipments of fishmeal from the November catch started this week. One wonders where they are finding a supply of shipping containers, as most of the world doesn't seem to have any.

As to where prices are going, this depends greatly on how fishing is in Peru --- the better the fishing the better chance of lower prices.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,670
Danish fishmeal	64% protein	1,500
Peru fishmeal	64% protein	1,490
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,710

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	1280/1300 m/t	
67% protein standard steam	1360/1380 m/t	
67% protein 150 TVN	1430/1450 m/t	1430/1450 m/t
67% protein 120 TVN	1480/1500 m/t	1480/1500 m/t
67% protein 1000 hist, 120 TVN	1530/1550 m/t	1530/1550 m/t



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68% protein 500 hist, 120 TVN	1580/1600 m/t	1580/1600 m/t
Fish oil, crude bulk	2450/2500	
Fish oil, crude drums	2500/2550	
Fish oil, flexi tank	2600/2650	
Fish oil, Omega 3: 28%EPA/DHA	2700/2800	

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

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