



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY GRAIN AND PROTEIN REPORT May 23, 2020

This weekend is a holiday weekend in the USA with businesses closed on Monday for the Memorial Day holiday. Ramadan also ends this weekend with Muslim countries celebrating Eid al-Fitr – the celebration of breaking the fast.

Grain markets were quiet this week as no one much wants to do anything or hold any positions prior to a holiday. Corn prices were almost unchanged on the week while both soybeans and soymeal moved a little lower. Wheat prices were mixed with soft red winter moving up a little along with spring wheat while hard red winter wheat moved a little lower.

Trade reports say that there could be an increase in ethanol usage in coming weeks due to more travel being allowed in the US and that this could push corn prices a little higher or at least stop prices from falling lower. But, opinions are divided on the ethanol effect as some experts feel that corn prices will continue to be weak until there is some US weather/crop scare.

Soybeans and meal moved lower on little new business from China and a drop in US egg production. There is also quite a bit of pressure on prices from export sales by Brazil. Soymeal prices are also said to be being pressured by lower DDGS prices – US feed producers can switch back and forth as prices fluctuate for soymeal and DDGS – export markets don't have the same level of flexibility which tends to keep export prices a little firmer than domestic markets.

Reports say that wheat prices in the US were being moved mainly by the lack of rainfall in Europe and by the drop in the value of the US\$. Experts seem to feel that with good weather in the US and more rain in Europe we could be headed for lower wheat prices.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13/14.00	Up \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$13/14.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$23/24.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$22/23.00		X
US Gulf Turkey: 50,000 m/t	\$24/25.00		x
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00		x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00		x
US Gulf Nigeria: 30,000 m/t	\$57/58.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$39/40.00		X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Up \$1.00	X
US Gulf Japan: Panamax	\$34/35.00		X
US Gulf China: Panamax	\$33/34.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$18/19.00		X
US PNW China: Panamax	\$18/19.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$57/58.00	Up \$1.00	X



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US Lakes – Europe – 30,000 m/t	\$41/42.00		X
US Lakes – Morocco – 30,000 m/t	\$42/43.00		X
France/Germany to Algeria: 30,000 m/t(3,000 dis)	\$20/21.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$44/45.00	Up \$1.00	X
France/Germany to China: 50,000 m/t	\$36/37.00		X
France/Germany to Egypt: 50,000 (10,000 dis)	\$15/16.00		X
France/Germany to India: 50,000 m/t	\$34/35.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 (4k dis)	\$25/26.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k dis)	\$20/21.00		X
France/Germany to Saudi Arabia: 50/60,000	\$34/35.00		X
France/Germany to South Africa: 30,000 m/t	\$46/47.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$16/17.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$56/57.00	Up \$1.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$28/29.00		X
Argentina to China: 50,000 m/t, with top-off	\$26/27.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$27/28.00		X
Argentina to Egypt: 50,000 m/t	\$15/16.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$11/12.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 dis)	\$28/29.00		X
Argentina to Jordan: 50,000 m/t	\$47/48.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$45/46.00	Down \$2.00	X
Argentina to South Africa 50,000 m/t	\$47/48.00		X
Argentina to Spain: 50,000 m/t	\$11/12.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00		X
Argentina to US Gulf: 25/35,000 m/t	\$32/33.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$31/32.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$22/23.00		X
Brazil to Japan: 55,000 m/t	\$21/22.00		X
Brazil to Europe: 50,000 m/t	\$22/23.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$24/25.00	Down \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$48/49.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$22/23.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00	Up \$2.00	x
Australia to China: 40-55,000 m/t – round trip	\$22/23.00	Down \$2.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$42/43.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$25/26.00		X
Ukraine to Bangladesh, 50,000 m/t	\$44/45.00	Up \$2.00	X
Ukraine to India, 50,000 m/t	\$37/38.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00		X
Ukraine to East Med: coaster (1,000 disch)	\$21/22.00	Down \$2.00	X
Ukraine to Turkey: coaster (1,000 disch)	\$15/16.00	New	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$15/16.00	Down \$3.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 dis)	\$12/13.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$11/12.00	Down \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$19/20.00	Down \$4.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00	Down \$3.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00		X



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Black Sea to Europe: 50,000 m/t	\$17/18.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	down \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$17/18.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$18/19.00		X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$22/23.00	Down \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$9/10.00	Down \$2.00	X
Black Sea to South Africa – 30,000 m/t	\$46/47.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$13/14.00		X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	494	Up 87	X
Baltic Capesize Index (100,000 plus DWT)	180	Up 154	X
Baltic Panamax Index (60,000 to 80,000 DWT)	623	Up 20	X
Baltic Supramax Index (50,000 to 60,000 DWT)	478	Up 28	X
Baltic Handisize Index (25,000 plus DWT)	243	Up 13	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 June 2020/August 2020

Wheat, USA Soft Red Winter, US Gulf	USD 213/216	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 209/212	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 193/196 July	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 201/204 July	X
Wheat, Romania 12.5 pro	USD 198/201 July	X
Wheat, Superior, France, Rouen	USD 207/209	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 232/235	X
Wheat, feed, Black Sea	USD 189/192 July	x
Barley, France, Rouen port	USD 180/182	X
Barley, feed, Argentina, up river	USD 177/180	X
Barley, feed, Black Sea, 30,000+	USD 181/184	x
Corn, 2YC FOB NOLA USA	USD 151/154	x
Corn, 3YC FOB USA Pacific northwest	USD 165/168	X
Corn, FOB Argentina port, upriver	USD 140/143	X
Corn, FOB Brazil port	USD 151/154	X
Corn, FOB France – Atlantic	USD 184/187	X
Corn, FOB Romania	USD 179/182	X
Corn, FOB Russia	USD 180/183	X
Corn, FOB Ukraine, 30,000+ m/t	USD 177/180	X
Sorghum, FOB Argentina port	USD 135/138	X
Sorghum, FOB Texas	USD 210/213	X
Soymeal, 48% protein, FOB NOLA	USD 323/326	X
Soymeal, 48% protein, USA, Rotterdam	USD 348/351	X



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Soymeal, Argentina, Rotterdam	USD 346/349	X
Soymeal, 47% pro, FOB Argentina	USD 316/319	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 340/343	X
Soymeal, 48% protein, FOB Brazil	USD 312/315	X
Soybeans, FOB NOLA	USD 330/333	X
Soybeans, Argentina, FOB	USD 323/326	X
Soybeans, Brazil, FOB	USD 344/347	X
Soybeans, Black Sea	USD 393/396	X
Corn Gluten Meal, USA FOB NOLA	USD 525/540 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 197/200 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 205/210 m/t	X

US domestic DDGS prices continue lower as demand has switched to lower prices corn/soymeal. According to the US Grains Council domestic prices are down by as much as USD 8 m/t. However, some trade reports are saying that there has been an increase in interest from international buyers as DDGS prices fall.

The same situation is seen with corn gluten meal – with domestic US prices dropping by more than USD 100 m/t in the past two weeks, there is a great deal more interest from international buyers. It is expected that export sales should pick up quickly with the lower CGM prices. As is usual with corn gluten feed, not much has changed as prices are just following the general direction of corn prices.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 470/490 m/t CNF Asia
Australian MBM 50% protein	USD 520/540 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 450/470 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/820 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 545/565 m/t CNF Asia USD 490/510 to Indonesia
USA Feathermeal, 80% protein	USD 460/480 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 820/840 m/t CNF Asia

Steady prices for animal proteins in export markets again this week although buyers in Asia are trying to buy lower as they compare meat and bone meal prices with soymeal and, for now, soymeal looks to be the best buy.

According to the Jacobsen Report there could be some tightening in the supply of pure beef MBM from Australia and New Zealand as slaughter number drop.

In the US domestic market the price for meat and bone meal is looking to go lower as the supply is running ahead of demand. There is still some decent pet food demand for animal proteins so this is probably stopping or slowing a dip in prices but this will probably not last so we could see lower prices in coming weeks. Both meat and bone meal and poultry meal would be susceptible to a drop in pet food demand.

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

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The fishing in Peru has improved quite a lot and is now running at about 30,000 m/t per day which some trade experts feels means that the total catch could get up to 1.5 million m/t.

There have been some trade stories that new business to China has been booked at about USD 1700 m/t FOB Peru ---- which would mean that the price table below is just about where prices are today. There are some stories that there is quite a bit on interest but at prices USD 50 below the market. Perhaps producers will find this interesting or perhaps buyers will increase their price ideas – the next couple of weeks will let us know.

It is expected that the limitation in Peru on steel vessels only using 60% of their capacity will be lifted at the start of June – this could cause the daily catch numbers to move higher. Looking at the catch numbers, trade reports say that only about 150 vessels per day are out fishing and this too could pick up in coming days.

As with most countries, Peru is locked down quite tight due to Covid-19 which is making crewing, fishing and logistics much more difficult but the industry seems to be adapting to the rules quite quickly. So. although the fishing/production life is not too easy right now, things are getting done, fish are being caught, fishmeal is being produced and fishing crews and production employees are being protected. More difficult – yes – but getting done.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,760
Danish fishmeal	64% protein	1,400
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,790

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	1450/1470 m/t	
67% protein standard steam	1500/1520 m/t	
67% protein 150 TVN	1550/1570 m/t	1550/1570 m/t
67% protein 120 TVN	1600/1620 m/t	1600/1620 m/t
67% protein 1000 hist, 120 TVN	1660/1680 m/t	1640/1660 m/t
68% protein 500 hist, 120 TVN	1700/1720 m/t	1700/1720 m/t
Fish oil, crude bulk	2300/2350	
Fish oil, crude drums	2350/2400	
Fish oil, flexi tank	2450/2500	
Fish oil, Omega 3: 28%EPA/DHA	2500/2600	

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



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