



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,  
PO Box N-3944, Nassau, Bahamas. Email: tradegroup@hammersmith.biz  
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office : +33.9.7044.4881 Mobile : +33.6.8068.4564  
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

## WEEKLY GRAIN AND PROTEIN REPORT January 04, 2020

All the holidays in North America are now behind us for a while and by next week everything there should be about back to normal. Looking at prices, the week ended with a down day for all grains and soybeans which made the week look like about an unchanged week – at least for futures prices.

On Thursday some were saying that the markets had changed to bullish, but the bears came out on Friday and changed all that. Corn export sales for the week were not so good which helped to weaken corn somewhat and ethanol production was down a little, so it didn't take too much to push corn prices down from the week's highs. Ethanol production is expected to continue to shrink a little for the next couple of months so this may keep corn prices on the weak side.

Poor old soybeans – good news, bad news all kinds of news – pointing up and pointing down. Brazil's soybean crop is expected to be at record levels and China has stocked up on Brazil beans. Not that the US is going to stop exporting soybeans just that there is lots of competition out there for the world's soybean business and that tends to stop prices from running higher.

Wheat prices slipped a bit on Friday as the market seemed to have decided that prices had moved too high too quickly – at least that was the opinion for the day. The situation in the US for the winter wheat crop seems to have improved a little which may add a little more weakness to the US prices. On the other hand, international wheat prices have been quite strong of late and may still have some room to move higher.

The first 2020 USDA WASDE report is out on the 10<sup>th</sup> of January, so we have a few days to wait to see exactly what the USDA thinks about world grains.

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

**The new 2020 sulphur dioxide emissions standard for ocean vessels came into place as of January 01, 2020 with many in the industry expecting that ocean freight rates will increase from 5% to 15% due to the higher cost of low sulphur fuel. No serious change in rates so far but any sulphur related changes will take a little time to develop, if they do develop.**

US Gulf to Europe: 60/70,000 (10,000 disch)	\$18/19.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$18/19.00		X
US Gulf Israel: 50,000 m/t	\$29/30.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$35/36.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$57/58.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$41/42.00		X
US Gulf South Africa: 45,000 m/t	\$44/45.00	Up \$1.00	X
US Gulf Japan: Panamax	\$46/47.00		X
US Gulf China: Panamax	\$45/46.00		X



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$25/26.00	Down \$1.00	X
US PNW China: Panamax	\$24/25.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$58/59.00	Up \$2.00	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00	Down \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$41/42.00		X
France/Germany to China: 50,000 m/t	\$38/39.00		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$19/20.00		X
France/Germany to India: 50,000 m/t	\$30/31.00	Down \$1.00	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	\$32/33.00	Down \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$44/45.00		X
France/Germany to Turkey: 35,000 m/t	\$19/20.00		X
France/Germany to Yemen: 30,000 m/t	\$52/53.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$33/34.00		X
Argentina to China: 50,000 m/t, with top-off	\$36/37.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$28/29.00		X
Argentina to Europe: 50/60,000 m/t	\$27/28.00		X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00		X
Argentina to Jordan: 50,000 m/t	\$44/45.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$43/44.00		X
Argentina to South Africa 50,000 m/t	\$44/45.00		X
Argentina to Spain: 50,000 m/t	\$27/28.00		X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$33/34.00		X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$43/44.00	Up \$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	\$33/34.00	Up \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$38/39.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$45/46.00		x
Brazil to Spain: 50,000 m/t	\$33/34.00	Up \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$34/35.00	Up \$1.00	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	\$33/34.00		X
Ukraine to China: 50,000 m/t	\$33/34.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00		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)	\$17/18.00		X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$40/41.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$36/37.00		X



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Black Sea to Europe: 50,000 m/t	\$23/24.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$23/24.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$24/25.00		X
Black Sea to Libya: 25/35,000 m/t	\$23/24.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$31/32.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m//t	\$44/45.00		X
Black Sea to Turkey – 30,000 m/t	\$17/18.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00	Up \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	907		X
Baltic Capesize Index (100,000 plus DWT)	1507		X
Baltic Panamax Index (60,000 to 80,000 DWT)	949		X
Baltic Supramax Index (50,000 to 60,000 DWT)	662		X
Baltic Handisize Index (25,000 plus DWT)	452		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 2020/March 2020

Wheat, USA Soft Red Winter, US Gulf	USD 253/256	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 226/229	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 213/215	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 219/221	X
Wheat, Romania 12.5 pro	USD 216/218	X
Wheat, Superior, France, Rouen	USD 216/218	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 207/210	X
Wheat, feed, Black Sea	USD 206/208	X
Barley, France, Rouen port	USD 190/192	X
Barley, feed, Argentina, up river	USD 177/180	X
Barley, feed, Black Sea, 30,000+	USD 186/189	X
Corn, 2YC FOB NOLA USA	USD 177/179	X
Corn, 3YC FOB USA Pacific northwest	USD 191/193	X
Corn, FOB Argentina port, upriver	USD 178/181	X
Corn, FOB Brazil port	USD 187/190	X
Corn, FOB France – Atlantic	USD 192/194	X
Corn, FOB Romania	USD 176/179	X
Corn, FOB Russia	USD 191/193	X
Corn, FOB Ukraine, 30,000+ m/t	USD 177/180	X
Sorghum, FOB Argentina port	USD 142/145	X
Sorghum, FOB Texas	USD 185/188	X
Soymeal, 48% protein, FOB NOLA	USD 343/346	X
Soymeal, 48% protein, USA, Rotterdam	USD 368/371	X



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Soymeal, Argentina, Rotterdam	USD 362/365	X
Soymeal, 47% pro, FOB Argentina	USD 329/332	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 352/355	X
Soymeal, 48% protein, FOB Brazil	USD 323/326	X
Soybeans, FOB NOLA	USD 367/370	X
Soybeans, Argentina, FOB	USD 372/375	X
Soybeans, Brazil, FOB	USD 367/370	X
Soybeans, Black Sea	USD 366/369	X
Corn Gluten Meal, USA FOB NOLA	USD 537/542 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 214/217 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 217/220 m/t	x

Corn byproduct prices continue to creep a little higher each week. With very little business being done due to all the holidays it is not too easy to get a 100% accurate picture of where current prices are.

The table below on containerized shipments from the US is quite interesting with almost 2 million m/t of DDGS being shipped by container in just 9 months. According to the report that goes with the table DDGS have been the main user of export containers but other products, like soybeans, are catching up. Still, a total of close to 500,000 containers of grain and grain products is certainly a pile of containers

U.S. Containerized Grain Exports, Jan-Sep 2019				
HTS Code	Commodity Description	Metric Tons	TEU	Share
120100	Soybeans	1,971,419	145,749	34%
230330	Dried Distillers Grains (with solubles)	1,934,694	148,672	34%
230990	Animal feed	616,076	56,260	11%
100590	Corn	608,453	48,108	11%
120810	Soybean flours and meals	317,509	24,778	6%
	Other	320,791	26,010	6%
	<b>Total</b>	<b>5,768,941</b>	<b>449,576</b>	<b>100%</b>
Source: USDA, Agricultural Marketing Service analysis of PIERS data				
Note: TEU--Twenty-foot Equivalent Units				

You can get the complete report from:

<https://www.ams.usda.gov/sites/default/files/media/GTR12192019.pdf>

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 340/350 m/t CNF Asia
Australian MBM 50% protein	USD 370/380 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 410/420 m/t CNF Asia
Australian Poultry Meal, pet food	USD 630/640 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 430/440 m/t CNF Asia USD 380/390 to Indonesia



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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 590/600 m/t CNF Asia

Contrary to what I had expected there are no animal protein reports for the international side of the business being issued this week ---- just too many holidays. For sure the Jacobsen Report will be back next week and I assume the same with other reports.

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

Fishing in Peru is currently at about zero due to the 10 day fishing ban that is in place. There is lots of speculation as to what will happen with the fishing season with some suggesting that it could be extended into February. The problem will be that fishing will be getting into the spawning season if it goes beyond January. So, as MSI Ceres put it this week: "January is our only hope".

The fishing quota for southern Peru has expired with only 4,600 m/t of the 540,000 m/t quota being landed. There are 7 or so fishmeal facilities in the south that depend on the catch with the last few months not being at all good for them – lets hope that 2020 will bring a better fishing success in the south.

As to sales – there is nothing new being done as most producers are oversold and are counting on January fishing to get them even with production versus existing sales.

Once we get back to fishing, we need some very big catch numbers – this to put a smile back on everyone's face. Of course, we may just see poor fishing and skyrocketing prices. Roll on January.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,580
Danish fishmeal	64% protein	1,365
Peru fishmeal	64% protein	1,385
Chile fishmeal	67% protein	1,475
Iceland fishmeal	70% protein	1,595

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	1050/1070 m/t	
67% protein standard steam	1150/1160 m/t	
67% protein 150 TVN	1200/1210 m/t	No prices
67% protein 120 TVN	1250/1260 m/t	No prices
67% protein 1000 hist, 120 TVN	1300/1310 m/t	No prices
68% protein 500 hist, 120 TVN	1400/1420 m/t	No prices



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2020 Wayne S. Bacon

-