



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT February 29, 2020

Corn prices moved up by about USD 4 m/t this week while soybeans/soymeal prices were steady and US winter wheat prices slipped about USD 3 m/t lower.

Trade reports say that corn prices were higher this week as a reaction to the overselling of last week that pushed corn prices down too much. With March being an in-between month where not much changes, all the market experts are looking far and wide to find good reasons to forecast where the prices will go. With corn there seems to be some concern that there could be a wet spring in the US which may cause a rally in corn prices – long term weather forecasts look wet.

Most experts seem to feel that there won't be any sudden change in corn prices but will carry on in a plus or minus USD 5 to 10 trading range until we get the next market shaking news.

Soybean/soymeal prices did try to move higher this week but just couldn't do it. There have been some weather delays in shipping soybeans from Brazil but that is not a long term problem. Brazil is looking at a record soybean crop and the harvest is about 50% completed, although delayed a little by the rainfall.

There was an interesting story in the trade this week on China's change to a vegan diet, brought on, stories say, by the coronavirus outbreak. Vegetables don't get coronavirus – unless someone sneezes on them. Coronavirus and African Swine Fever seem to be pushing China away from meat consumption – or so the stories go.

Looking at wheat prices this week – the market says that any weakness in prices was strictly weather related. Since there seems to be nothing bad in the long term weather it is easy to understand why winter wheat prices could slide a bit lower.

Just for your information, Commodity 3 - contact@commodity3.com – is now reporting CNF grain prices rather than just FOB prices. Commodity 3 is a great source for commodity and freight prices and is surprisingly very inexpensive. The service is at <https://www.commodity3.com/>

Top 20 US Export Destinations for Grains and Oilseeds – 1 month to January 2020 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria					
Bangladesh				112,600	
Brazil	32,800				
Burma					32,200
Cameroon					
Canada		121,700	500	13,800	76,600



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China		1,100	122,300	2,141,100	
Colombia	22,400	549,300		42,300	132,900
Costa Rica		110,600			
Djibouti					
Dominican Rep		6,700			20,700
Ecuador	82,400				43,300
El Salvador		12,300			5,100
Egypt				239,100	
Eritrea					
Ethiopia	31,000				
Germany					
Guatemala	38,600	89,000			34,900
Honduras		34,000			21,000
Indonesia	146,000			102,800	
Iraq					
Israel					
Italy				45,100	
Jamaica		22,100			
Japan	256,300	398,000	22,500	231,200	13,300
Kenya					
Madagascar			800		
Malaysia	32,900			54,300	
Mexico	235,600	1,000,400	106,000	456,400	157,100
Morocco					32,100
Netherlands				472,300	
New Zealand					
Nigeria	100,600				
Nicaragua		20,900			
Pakistan				206,700	
Panama		8,400			3,000
Peru		14,600			49,200
Philippines	347,100				203,200
Portugal				26,500	
Saudi Arabia					
Somalia					
South Africa					
South Korea	130,500	2,800		68,800	
Spain				280,400	
Sri Lanka					21,300
Sudan					
Taiwan	64,400	55,300		302,700	
Thailand	52,700			80,200	2,500
Trinidad		16,300			
Venezuela					
Vietnam				118,900	7,700
Yemen	29,500				
Zimbabwe					
Total exports	1,872,000	2,494,800	252,100	5,319,200	964,600

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



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US Gulf to Europe: 60/70,000 (10,000 disch)	\$15/16.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$15/16.00		X
US Gulf Israel: 50,000 m/t	\$27/28.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00		X
US Gulf Turkey: 50,000 m/t	\$28/29.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$34/35.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00		X
US Gulf Nigeria: 30,000 m/t	\$58/59.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00		X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Up \$1.00	X
US Gulf Japan: Panamax	\$44/45.00		X
US Gulf China: Panamax	\$43/44.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$24/25.00		X
US PNW China: Panamax	\$23/24.00		X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$57/58.00	Up \$1.00	X
US Lakes – Europe – 30,000 m/t	\$40/41.00		X
US Lakes – Morocco – 30,000 m/t	\$42/43.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$21/22.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$42/43.00	Up \$1.00	X
France/Germany to China: 50,000 m/t	\$39/40.00	Up \$2.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$19/20.00	Up \$1.00	X
France/Germany to India: 50,000 m/t	\$32/33.00	Up \$2.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$19/20.00	Up \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$35/36.00	Up \$2.00	X
France/Germany to South Africa: 30,000 m/t	\$45/46.00	Up \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$19/20.00		X
France/Germany to Yemen: 30,000 m/t	\$53/54.00	Up \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$31/32.00		X
Argentina to China: 50,000 m/t, with top-off	\$35/36.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00		X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$24/25.00	Down \$2.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00		X
Argentina to Jordan: 50,000 m/t	\$46/47.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$47/48.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$48/49.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$24/25.00	Down \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$31/32.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	No info		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$48/49.00		X
Brazil to China: 55,000 m/t	\$31/32.00		X
Brazil to Japan: 55,000 m/t	\$30/31.00		X
Brazil to Europe: 50,000 m/t	\$28/29.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$43/44.00		x
Brazil to Saudi Arabia 30/40,000 m/t	\$48/49.00		X
Brazil to Spain: 50,000 m/t	\$28/29.00	Down \$1.00	X



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Brazil to Turkey/Egypt: 50,000 m/t	\$30/31.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$22/22.50	Up \$1.00	x
Australia to Japan: 40-55,000 m/t – round trip	\$23/23.50	Up \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$37/38.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$37/38.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$20/21.00	Up \$3.00	X
Ukraine to East Med: coaster (1,000 disch)	\$24/25.00		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)	\$18/19.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$20/21.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00		X
Black Sea to Europe: 50,000 m/t	\$24/25.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$24/25.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$34/35.00		X
Black Sea to South Africa – 30,000 m/t	\$46/47.00		X
Black Sea to Turkey – 30,000 m/t	\$20/21.00	Up \$2.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00		X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	617	Up 82	X
Baltic Capesize Index (100,000 plus DWT)	-312	Up 16	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1068	Up 163	X
Baltic Supramax Index (50,000 to 60,000 DWT)	688	Up 82	X
Baltic Handisize Index (25,000 plus DWT)	350	Up 26	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 March 2020/May 2020

Wheat, USA Soft Red Winter, US Gulf	USD 235>>230	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 215/218	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 210/213	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 213/216	X
Wheat, Romania 12.5 pro	USD 214/217	X
Wheat, Superior, France, Rouen	USD 213/216	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 235/238	X
Wheat, feed, Black Sea	USD 207/210	X
Barley, France, Rouen port	USD 183/186	X



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Barley, feed, Argentina, up river	USD 190/193	X
Barley, feed, Black Sea, 30,000+	USD 186/189	x
Corn, 2YC FOB NOLA USA	USD 176/179	X
Corn, 3YC FOB USA Pacific northwest	USD 189/192	X
Corn, FOB Argentina port, upriver	USD 168/171	X
Corn, FOB Brazil port	USD 164/167	X
Corn, FOB France – Atlantic	USD 193/195	X
Corn, FOB Romania	USD 184/187	X
Corn, FOB Russia	USD 203/206	X
Corn, FOB Ukraine, 30,000+ m/t	USD 179/182	X
Sorghum, FOB Argentina port	USD 147/150	X
Sorghum, FOB Texas	USD 188/191	X
Soymeal, 48% protein, FOB NOLA	USD 349/352	X
Soymeal, 48% protein, USA, Rotterdam	USD 374/377	X
Soymeal, Argentina, Rotterdam	USD 366/368	X
Soymeal, 47% pro, FOB Argentina	USD 338/341	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 353/356	X
Soymeal, 48% protein, FOB Brazil	USD 328/331	X
Soybeans, FOB NOLA	USD 348/351	X
Soybeans, Argentina, FOB	USD 332/335	X
Soybeans, Brazil, FOB	USD 342/345	X
Soybeans, Black Sea	USD 383/386	X
Corn Gluten Meal, USA FOB NOLA	USD 590/595 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 192/197 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 223>>217 m/t	x

US DDGS prices moved higher this week, at least for March/April supply. The export situation is quite tight for DDGS for March and much of April but improves a little into May. The complication for buyers who take container shipments will be the problem in getting containers and how much higher the container freight rates will move.

The US Grains Council report this week was saying the CNF prices into Asia for DDGS were as much as USD 11 m/t higher.

Corn gluten meal prices remain steady/higher as export demand is very good as CGM is being used to replace fishmeal in some animal feed formulations. Both CGM and poultry meal are seeing strong export demand increases as fishmeal supply is extremely limited.

USA exports of corn by-products – 1 months to January 2020 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Australia		300	
Bangladesh	4,200	2,000	



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Burma		300	
Canada	39,200	4,000	
Chile		9,500	
China	14,100		
Colombia	10,600	8,200	1,600
Ecuador		100	
Egypt		3,000	
El Salvador			
Guatemala		1,900	
Honduras		200	
Indonesia	115,600		100
Ireland	35,800		27,300
Israel	18,000		9,000
Japan	52,900	1,100	
Malaysia		6,100	
Mexico	169,900	1,000	500
Morocco	21,500		6,800
New Zealand	16,000		
Peru		700	
Philippines	30,100	200	
Portugal			
South Korea	129,100		
Spain			
Taiwan	25,300	2,700	
Thailand	72,700	2,600	700
Turkey	86,300		7,000
UK	21,500		7,300
Vietnam	55,400	1,700	
Other			
Total exports	976,700	57,200	60,200

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 350/360 m/t CNF Asia
Australian MBM 50% protein	USD 390/400 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 430/450 m/t CNF Asia
Australian Poultry Meal, pet food	USD 670/680 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 460/470 m/t CNF Asia
	USD 420/450 to Indonesia
USA Feathermeal, 80% protein	USD 430/450 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 420/440 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 700/730 m/t CNF Asia



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Prices for animal proteins into major markets in Asia are all moving higher. Container freight rates are up quite a bit while the supply of meat and bone meal from Australia and New Zealand is tightening. There has also been very good demand for poultry meal due to the lack of available fishmeal from Peru/Chile.

Export demand for all animal proteins is quite good but tightening supply and a shortage of containers along with higher container freight rates are all combining to move CNF prices higher.

US domestic prices for meat and bone meal are quite strong – producers are expecting the Mexico market to reopen and for demand to take a decent jump higher. The Jacobsen Report is saying that higher MBM prices are to be expected.

Coronavirus and a shortage of containers should hit the animal protein market in coming days which should mean that export prices will remain steady to higher.

USA exports of animal protein – 1 months to January 2020 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Burma		
Cambodia		
Canada	3,300	100
Chile	1,800	3,133
China	17,000	
Colombia		
Dominican Rep		
Ecuador	1,700	
Guatemala	200	
Honduras	400	
Indonesia	18,900	3,250
Malaysia	1,300	
Mexico	17,100	
Peru	400	100
Philippines	4,200	
Sri Lanka	200	
Thailand	3,000	
Vietnam	9,400	500
Total exports	79,100	7,100

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Very little to report from Peru this week – still no new fishing quota announced for the Southern Region.

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According to MSI Ceres there have been some “rumors” of offers for presales on next seasons production. No firm price indications for the new season yet but prices do seem to be creeping a little higher.

MSI Ceres was also pointing out that the quota for the upcoming season over years past normally represents between 25 and 35% of the available biomass. They expect that this year’s quota will be on the conservative side, which could mean around 2 million m/t of catch. Looking back at the past 5 years the quota has varied from a low of 1.8 mm/t to a high of 3.3 mm/t. We will all just have to wait and see what IMARPE comes up with for biomass then we can do some serious guessing. Speaking of IMARPE, looks like quite a scandal in Peru regarding the last quota and the “possibility” of some involvement of fishing companies in setting the quota – an investigation is underway in Peru. Needless to say, IMARPE and the fishing industry are denying any illegal action or any attempted interference with the quota determination.

There are worries in Peru that coronavirus could have a serious effect on fishmeal exports due to a shortage of available containers. The majority of fishmeal is shipped in containers and any shortage of empty container will be disaster for the business.

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	1,420
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,610

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	1400/1420 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	1730/1750 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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