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Weekly Report -- February 24, 2024

Hammersmith Reports

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WEEKLY USA GRAIN AND PROTEIN REPORT February 24, 2024

Due to Monday being a holiday this was only a four day work week, but it was still quite an exciting trading week.

Everything was lower this week except US winter wheat – corn prices were down by another USD 6 m/t, US soybeans dropped by about USD 13 m/t with soymeal down by about USD 12 m/t. US spring wheat was down by USD 3 m/t while winter wheat moved higher by about USD 4 m/t.

Corn prices are at the lowest level seen in about 3 years, pushed lower by less than wonderful US export sales and the very large South American corn crop. US corn exports in the last month are down by 30% but overall YTD corn exports are up on last year. Trade reports at the end of the week suggest that corn prices will move lower again next week --- every trade report sees the corn market as continuing bearish until something happens. Could an increase in corn demand from the ethanol industry stop the slide lower?

Soybeans too were lower on unimpressive US soybean export numbers and of course, like corn, the South American record soybean crops. Overall US soybean exports this marketing year are down by 22% with overall soymeal exports up by 14%. Trade reports this week are pointing out just how much more expensive US soybeans are than South American and ask if US soybeans can be competitive over the next few months.

Wheat prices were lower mainly due to lower world wheat prices. Every wheat exporting country is seeing their prices slip a little every week --- just too much wheat chasing all the same world wheat business.

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

US Gulf to Europe: Panamax	\$27.00	Steady	
US Gulf to Spain: Panamax m/t	\$27.00	Steady	
US Gulf Israel: Panamax m/t	\$30.00	Steady	
US Gulf to Egypt: Panamax	\$30.00	Steady	
US Gulf Turkey: Panamax m/t	\$31.00	Steady	
US Gulf Morocco: Handi	\$40.00	Down \$2.00	
US Gulf Algeria/Tunisia: Handi	\$41.00	Down \$2.00	
US Gulf Nigeria: 30,000 m/t	\$45.00	Steady	
US Gulf other Med: Handi	\$42.00	Down \$2.00	
US Gulf South Africa: Handi	\$41.00	Steady	
US Gulf to Philippines: Panamax	\$52.00	Steady	
US Gulf Japan: Panamax	\$51.00	Down \$1.00	
US Gulf China: Panamax	\$50.00	Down \$1.00	
US PNW South Africa – 40,000 m/t	\$65.00	Steady	
US PNW Philippines: Panamax	\$39.00	Steady	
US PNW Japan: Panamax	\$26.00	Steady	
US PNW China: Panamax	\$25.00	Steady	
US East Coast Nigeria: Handisize	\$45.00	Steady	
US Lakes – Europe – 30,000 m/t	\$0.00	Closed	
US Lakes – Morocco – 30,000 m/t	\$0.00	Closed	
France/Germany to Algeria: Handi	\$32.00	Steady	
France/Germany to China: Panamax	\$77.00	Down \$1.00	
France/Germany to Egypt: Panamax	\$34.00	Steady	
France/Germany to Iran: Panamax	\$45.00	Steady	
France/Germany to Jordan	\$40.00	Steady	
France/Germany to Morocco: Handi	\$31.00	Steady	
France/Germany to Saudi Arabia: Panamax	\$65.00	Steady	
France/Germany to Turkey: Handi	\$35.00	Steady	
France/Germany to Yemen: Handi	\$66.00	Steady	
Argentina to Algeria: Handi	\$62.00	Steady	
Argentina to China: Panamax	\$50.00	Steady	
Argentina to Japan: Panamax	\$51.00	Steady	
Argentina to Egypt: Panamax	\$53.00	Steady	
Argentina to Europe: Panamax	\$30.00	Steady	
Argentina to Morocco: Handi	\$61.00	Steady	
Argentina to Libya: Handi	\$62.00	Steady	
Argentina to Jordan: Panamax	\$55.00	Steady	
Argentina to Saudi Arabia: Panamax	\$63.00	Steady	
Argentina to Iran: Panamax	\$61.00	Steady	
Argentina to Indonesia: Panamax	\$59.00	Steady	
Argentina to South Africa: Panamax	\$35.00	Steady	
Argentina to Kenya: Handi	\$59.00	Steady	
Argentina to Spain: Panamax	\$30.00	Steady	
Argentina to Tunisia: Handi	\$62.00	Steady	

Brazil to Algeria/Tunisia: Handi	\$50.00	Steady	
Brazil to China: Panamax	\$45.00	Up \$1.00	
Brazil to Japan: Panamax	\$46.00	Up \$1.00	
Brazil to South Korea: Panamax	\$48.00	Steady	
Brazil to Europe: Panamax	\$39.00	Steady	
Brazil to Morocco: Handi	\$49.00	Steady	
Brazil to Iran: Panamax	\$61.00	Steady	
Brazil to Saudi Arabia 30/40,000 m/t	\$64.00	Steady	
Brazil to Spain: Panamax	\$39.00	Steady	
Brazil to Turkey/Egypt: Panamax	\$59.00	Steady	
Australia to Saudi: Panamax	\$52.00	Steady	
Australia to Europe: Panamax	\$61.00	Steady	
<u>Black Sea freight</u>			
Black Sea to China: Panamax	\$64 Russia	Ukraine \$62	
Black Sea to Indonesia: Panamax	\$59 Russia	Ukraine \$77	
Black Sea to Egypt: 40/50,000	\$23 Russia	Ukraine \$28	
Black Sea to Egypt: 30,000	\$22 Russia	Ukraine \$27	
Black Sea to Iran: Panamax	\$53 Russia	Ukraine \$61	
Black Sea to Europe: Panamax	\$27 Russia	Ukraine \$38	
Black Sea to Morocco – Handi	\$32 Russia	Ukraine \$38	
Black Sea to Tunisia/Algeria – Handi	\$31 Russia	Ukraine \$37	
Black Sea to Jordan: Panamax	\$37 Russia	Ukraine \$53	
Black Sea to Libya – Handi	\$33 Russia	Ukraine \$38	
Black Sea to Saudi: Panamax	\$47 Russia	Ukraine \$70	
Black Sea to Turkey – Handi	\$19 Russia	Ukraine \$26	
Russia to Turkey (Izmir)– coaster 5,000 m/t	\$36.00	Down \$9.00	
Russia to Egypt – coaster 5,000 m/t	\$72.00	Steady	
Ukraine to Turkey – coaster 5,000 m/t	\$65.00	Steady	
Ukraine to Egypt – coaster 5,000 m/t	\$79.00	Down \$3.00	
Baltic Dry Index	1866	Up 256	
Baltic Capesize Index	3145	Up 697	
Baltic Panamax Index	1595	Down 51	
Baltic Supramax Index	1189	Up 118	
Baltic Handysize Index	623	Up 51	
Global Container Index - Freightos	3352	Down 71	

All shipments in bulk grain vessels unless stated otherwise.

(NOLA is New Orleans, Louisiana, USA.)

FOB port or location specified. Prices in US\$, in metric tons:

ALL PRICES ARE FOR February 2024/April 2024

Wheat, USA Soft Red Winter, US Gulf	USD 249>>243 June	
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 260>>251 June	
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 196<<200 June	
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 214<<218 June	
Wheat, Romania 12.5 pro	USD 223<<226 June	
Wheat, Superior, France, Rouen	USD 225<<230 June	
Wheat, milling, 12.0%, Argentina, Upriver	USD 235<<245 June	
Wheat, feed, Black Sea	USD 195/205	
Barley, France, Rouen port	USD 209/212	
Barley, feed, Argentina, upriver	USD 210/215	
Barley, feed, Black Sea, 30,000+	USD 180/185	
Barley, feed, Australia	USD 240/245	
Corn, 2YC FOB NOLA USA	USD 187<<195 June	
Corn, 3YC FOB USA Pacific northwest	USD 205<<215 June	
Corn, FOB Argentina port, upriver	USD 182<<185 June	
Corn, FOB Brazil port	USD 190<<195 June	
Corn, FOB France – Atlantic	USD 196/199	
Corn, FOB Romania	USD 185<<190 June	
Corn, FOB Russia	USD 170<<175 June	
Corn, FOB Ukraine, 30,000+ m/t – Odessa port	USD 166<<170 June	
Sorghum, FOB Argentina port	USD 280/290	
Sorghum, FOB Texas	USD 237/242	
Soymeal, 48% protein, FOB NOLA	USD 420>>390 June	
Soymeal, 48% protein, USA, Rotterdam	USD 455>>425 June	
Soymeal, 47% pro, FOB Argentina	USD 400>>370 June	
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 445/450	
Soymeal, 48% protein, FOB Brazil	USD 410>>365 June	
Soybeans, FOB NOLA	USD 440<<445 June	
Soybeans, Argentina, FOB	USD 410<<415 June	
Soybeans, Brazil, FOB	USD 400<<410 June	
Soybeans, Black Sea	USD 455<<460 June	
Corn Gluten Meal, USA FOB NOLA	USD 570/580	
Corn Gluten Feed, USA FOB NOLA	USD 210/220	

DDGS corn, 35 profat, USA FOB NOLA	USD 245<<250 June	

USA corn gluten meal has fallen considerably in the last couple of weeks, and we are now at the lowest level seen in many months. Export buying interest will be picking up as the prices slide lower but there probably won't be enough export demand to move prices higher. USA CGM prices depend greatly on the domestic US demand – especially from the pet food industry.

USA DDGS export prices seem to be in a trading range of about USD 10 up or down and don't seem to be paying much attention to what corn prices are doing. Export volumes are still quite good although container freight to some destinations is tough to arrange and quite expensive. Shipments to buyers in the Mediterranean area are the most bothered since there is no longer a direct route through the Med and the Red Sea.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN “INDICATION” FISHMEAL PRICES:

There were some comments in trade reports this week that we could see a new fishing quota shortly for the South of Peru. It seems forever since the last quota. One wonders if the government has forgotten about the south --- what about the poor fishmeal facilities in the south that have seen no raw materials for months and months.

Reports say that there is only about 5,000 m/t of fishmeal left available in Peru – not much. Prices for the better grades are moving higher for next season – probably due to Chinese buyers being a little bit back in the market. Producers are not too interested so far in selling quantities for the next fishing season. Everyone is waiting for a little news on the IMARPE cruise to help decide where supply may be for the next season --- both sellers and buyers are waiting.

It was brought to my attention this week that I had misquoted the MSICeres weekly report recently – once regarding the spread between Super Prime and Standard fishmeal and also regarding the level of fishmeal presales. Sorry MSICeres guys, the errors were not intentional. I will be more careful with any future quotes.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Standard fishmeal	64% protein	1,735
Danish standard fishmeal	71% protein	1,960
Peru fishmeal	65% protein	1,890
Chile fishmeal	66% protein	1,910
Iceland fishmeal	71% protein	1,970

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% protein standard steam	1600/1620	
67% protein 150 TVN	1700/1720	
67% protein 120 TVN	1800/1820	1820/1840
67% protein 1000 hist, 120 TVN	1950/1970	1950/1970
68% protein 500 hist, 100 TVN	2100/2120	2100/2120
Fish oil, crude bulk	No prices	5,100/5,200
Fish oil, crude drums	No prices	No prices
Fish oil, flexi tank	No prices	No prices
Fish oil, Omega 3: 28%EPA/DHA	12,000+	No prices

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

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