

# HAMMERSMITH Reports

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Weekly Report -- January 27, 2024

## Hammersmith Reports

3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

Phone : +33.6.8068.4564

Email : [wbacon@hammersmith.biz](mailto:wbacon@hammersmith.biz)

WWW : [hammersmithltd.blogspot.com](http://hammersmithltd.blogspot.com)

### WEEKLY USA GRAIN AND PROTEIN REPORT JANUARY 27, 2024

Soybeans and soymeal had down weeks this week as US wheat prices moved higher and corn did nothing.

The word in most trade reports this week is that ever increasing world production levels for grains and oilseeds are weighing very heavily on the market. We are about to see very, very large soybean production levels for soybeans from Argentina and Brazil --- perhaps not quite as high as originally forecasted but still very significant production,

Corn production in the USA looks to be very good for 2024 – unless the weather takes a bad turn as can happen but so far, we are looking at a good corn crop. Argentina too is looking at a very good corn year in 2024 with increased planting. Soil moisture levels in Argentina are said to be very good. USA weather forecasts look to increased rainfall in the next few days which will hopefully offset some of the drought conditions seen in the corn/soybean areas.

Soybean/soymeal prices slipped lower on the week as everything was looking great for the crops in South America. USA soybeans are going to have to fight hard for every ton of export business in 2024. Of course, much of what happens with soybeans/meal in 2024 depends on what happens in China --- with reductions in China's pig herd, as seen at close to 6%, 2024 demand could be seriously affected.

US wheat prices were a little lower on Friday, but up on the week, as US prices reacted to softer prices in other corners of the world. Argentina getting the OK for wheat to China also added a little to the weakness as there were concerns to the effect of US wheat exports to China. Experts seem to feel that US wheat prices could continue lower into February.

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

US Gulf to Europe: Panamax	\$28.00	Up \$1.00	x
US Gulf to Spain: Panamax m/t	\$28.00	Up \$1.00	X
US Gulf Israel: Panamax m/t	\$30.00	Down \$3.00	x
US Gulf to Egypt: Panamax	\$30.00	Down \$3.00	x
US Gulf Turkey: Panamax m/t	\$31.00	Down \$3.00	X
US Gulf Morocco: Handi	\$42.00	Steady	x
US Gulf Algeria/Tunisia: Handi	\$43.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$45.00	Steady	x
US Gulf other Med: Handi	\$44.00	Steady	X
US Gulf South Africa: Handi	\$41.00	Steady	X
US Gulf to Philippines: Panamax	\$52.00	Steady	X
US Gulf Japan: Panamax	\$51.00	Down \$5.00	X
US Gulf China: Panamax	\$50.00	Down \$5.00	X
US PNW South Africa – 40,000 m/t	\$65.00	Steady	X
US PNW Philippines: Panamax	\$39.00	Steady	x
US PNW Japan: Panamax	\$26.00	Up \$1.00	x
US PNW China: Panamax	\$25.00	Up \$1.00	x
US East Coast Nigeria: Handisize	\$45.00	Steady	X
US Lakes – Europe – 30,000 m/t	\$60.00	Closed	X
US Lakes – Morocco – 30,000 m/t	\$69.00	Closed	X
France/Germany to Algeria: Handi	\$32.00	Steady	x
France/Germany to China: Panamax	\$82.00	Steady	x
France/Germany to Egypt: Panamax	\$34.00	Steady	X
France/Germany to Iran: Panamax	\$45.00	Steady	x
France/Germany to Jordan	\$40.00	Steady	x
France/Germany to Morocco: Handi	\$31.00	Steady	X
France/Germany to Saudi Arabia: Panamax	\$65.00	Steady	X
France/Germany to Turkey: Handi	\$35.00	Steady	X
France/Germany to Yemen: Handi	\$66.00	Steady	X
Argentina to Algeria: Handi	\$62.00	Steady	x
Argentina to China: Panamax	\$51.00	Up \$4.00	x
Argentina to Japan: Panamax	\$52.00	Up \$4.00	X
Argentina to Egypt: Panamax	\$53.00	Steady	x
Argentina to Europe: Panamax	\$33.00	Down \$1.00	X
Argentina to Morocco: Handi	\$61.00	Steady	X
Argentina to Libya: Handi	\$62.00	Steady	x
Argentina to Jordan: Panamax	\$55.00	Steady	X
Argentina to Saudi Arabia: Panamax	\$63.00	Steady	x
Argentina to Iran: Panamax	\$61.00	Steady	X
Argentina to Indonesia: Panamax	\$59.00	Steady	x
Argentina to South Africa: Panamax	\$35.00	Steady	X
Argentina to Kenya: Handi	\$59.00	Steady	x
Argentina to Spain: Panamax	\$33.00	Down \$1.00	x
Argentina to Tunisia: Handi	\$62.00	Steady	X

Brazil to Algeria/Tunisia: Handi	\$50.00	Steady	X
Brazil to China: Panamax	\$44.00	Up \$3.00	X
Brazil to Japan: Panamax	\$45.00	Up \$3.00	X
Brazil to South Korea: Panamax	\$48.00	Steady	X
Brazil to Europe: Panamax	\$39.00	Steady	X
Brazil to Morocco: Handi	\$49.00	Steady	X
Brazil to Iran: Panamax	\$61.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$64.00	Steady	x
Brazil to Spain: Panamax	\$39.00	Steady	X
Brazil to Turkey/Egypt: Panamax	\$59.00	Steady	x
Australia to Saudi: Panamax	\$52.00	Steady	x
Australia to Europe: Panamax	\$61.00	Steady	x
<b><u>Black Sea freight</u></b>			
Black Sea to China: Panamax	\$62 Russia	Ukraine \$59	X
Black Sea to Indonesia: Panamax	\$59 Russia	Ukraine \$77	X
Black Sea to Egypt: 40/50,000	\$23 Russia	Ukraine \$28	X
Black Sea to Egypt: 30,000	\$23 Russia	Ukraine \$28	X
Black Sea to Iran: Panamax	\$54 Russia	Ukraine \$61	X
Black Sea to Europe: Panamax	\$27 Russia	Ukraine \$43	X
Black Sea to Morocco – Handi	\$29 Russia	Ukraine \$46	X
Black Sea to Tunisia/Algeria – Handi	\$28 Russia	Ukraine \$45	X
Black Sea to Jordan: Panamax	\$37 Russia	Ukraine \$53	X
Black Sea to Libya – Handi	\$29 Russia	Ukraine \$47	X
Black Sea to Saudi: Panamax	\$45 Russia	Ukraine \$70	X
Black Sea to Turkey – Handi	\$19 Russia	Ukraine \$25	x
Russia to Turkey (Izmir)– coaster 5,000 m/t	\$58.00	Steady	x
Russia to Egypt – coaster 5,000 m/t	\$82.00	Steady	X
Ukraine to Turkey – coaster 5,000 m/t	\$65.00	Steady	X
Ukraine to Egypt – coaster 5,000 m/t	\$93.00	Down \$1.00	X
Baltic Dry Index	1518	Up 15	X
Baltic Capesize Index	2135	Down 109	X
Baltic Panamax Index	1696	Up 146	X
Baltic Supramax Index	1065	Up 35	X
Baltic Handisize Index	596	Up 2	x
Global Container Index - Freightos	3411	Up 318	x

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 256<<259 May	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 286<<290 May	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 215<<220 May	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 235<<240 May	X
Wheat, Romania 12.5 pro	USD 235<<245 May	X
Wheat, Superior, France, Rouen	USD 237<<244 May	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 235<<255 May	x
Wheat, feed, Black Sea	USD 205/215	X
Barley, France, Rouen port	USD 215/218	X
Barley, feed, Argentina, upriver	USD 220/225	X
Barley, feed, Black Sea, 30,000+	USD 190/195	X
Barley, feed, Australia	USD 245/250	X
Corn, 2YC FOB NOLA USA	USD 200<<205 May	X
Corn, 3YC FOB USA Pacific northwest	USD 225<<230 May	X
Corn, FOB Argentina port, upriver	USD 205>>195 May	X
Corn, FOB Brazil port	USD 220>>200 May	X
Corn, FOB France – Atlantic	USD 213/218	X
Corn, FOB Romania	USD 210<<220 May	X
Corn, FOB Russia	USD 215<<225 May	X
Corn, FOB Ukraine, 30,000+ m/t – Odessa port	USD 205<<220 May	X
Sorghum, FOB Argentina port	USD 280/290	X
Sorghum, FOB Texas	USD 253/258	X
Soymeal, 48% protein, FOB NOLA	USD 425<<405 May	X
Soymeal, 48% protein, USA, Rotterdam	USD 460<<440 May	X
Soymeal, 47% pro, FOB Argentina	USD 415>>375 May	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 495/500	X
Soymeal, 48% protein, FOB Brazil	USD 425>>385 May	X
Soybeans, FOB NOLA	USD 470<<475 May	X
Soybeans, Argentina, FOB	USD 425>>415 May	X
Soybeans, Brazil, FOB	USD 420>>415 May	X
Soybeans, Black Sea	USD 475<<490 Apr	X
Corn Gluten Meal, USA FOB NOLA	USD 600/610	X
Corn Gluten Feed, USA FOB NOLA	USD 210/220	X

DDGS corn, 35 profat, USA FOB NOLA	USD 240>>235 Apr	x

All corn coproducts prices were steady this week even as protein prices like soymeal moved a little lower. Trade reports suggest that we could see some price weakness next week, especially if soymeal prices remain weak.

Export prices were all steady although continued strength in container freight rates is pushing CNF destination prices higher every week. The continuing problems with container freight do not look like they will get any easier in the short term so buyers are expected to be looking at CNF prices moving higher while FOB prices could be lower.

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

All is quiet in Peru with fishing having come to an end and unsold stock levels very low. Trade reports these days seem to be spending most of the time talking about the El Nino situation over the next few months. Really not a huge amount of concern over El Nino as all reports lean toward a vet moderate event as a possibility.

Trade reports do say that Peru prices for the last remaining supply are moving a little higher. Super prime and Prime fishmeal prices are still very high due largely to a total lack of any supply. At the lower end of the quality standards there is a little weakness in the market but with so little to sell no one expects lower prices before next season.

After this season's lack of high quality fishmeal, China buyers will probably pile into next season and book as much prime quality as produces are willing to sell which is expected to keep prices for good grades of fishmeal quite strong. MSI Ceres mentioned in this week's report that spread between prime and standard fishmeal reached a record level of \$600 m/t in 2023, up from a more normal level of \$200 m/t.

MSI Ceres also noted this week how non-Peru fishmeal supply to China was up by about 314,000 m/t due to a lack of supply from Peru --- Vietnam, Indian, Mexico, USA and Thailand showed large increases in fishmeal supply. These producers will be fighting hard to maintain the export levels to China in 2024 --- it is going to be a very competitive year.

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

Type	Protein %	Price per m/t USD
Standard fishmeal	64% protein	1,765 Corrected
Danish standard fishmeal	71% protein	2,015
Peru fishmeal	65% protein	1,920
Chile fishmeal	66% protein	1,920
Iceland fishmeal	71% protein	2,020

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	1580/1600	
67% protein 150 TVN	1650/1670	
67% protein 120 TVN	1800/1820	1820/1840
67% protein 1000 hist, 120 TVN	1950/1970	1920/1940
68% protein 500 hist, 100 TVN	2000/2020	2000/2020
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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