



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

WEEKLY USA GRAIN AND PROTEIN REPORT September 03, 2022

Monday is a holiday in the USA so the grain/oilseed markets should start the week on the calm side.

Soybeans and soymeal had another tough week with prices moving up and down then ending up lower on the week. Soybeans in the US were down by about USD 15 m/t for new crop beans while soymeal finished the week about USD 10 lower for new crop. Of course, the drop in old crop prices was much greater but no one is much interested in old crop these days.

After dancing around bit, US corn prices finished the week unchanged, but trade reports did say that there were very wide swings in interior cash corn prices in the US. Comments on the upcoming USDA WASDE report seem to feel that yields for US corn will be lowered which should push corn prices higher. Yields in other countries, like France, are known to be lower so we may be in for a decent uptick in corn prices in coming days.

US wheat prices had been down on the week, but everyone seemed to get excited on the pre-holiday Friday and bought lots of winter wheat futures. However, US spring wheat still finished up the week about USD 7 m/t lower --- seems that the weather situation for spring wheat was just too good to allow any higher prices.

I participated in a webinar on Ukraine agriculture on Thursday and was very encouraged to see/hear that important people in the ag industry in Ukraine are looking at better planned and more logical solutions to moving, harvesting and growing Ukraine grain/oilseed supplies. Gone are the "pie in the sky" solutions to the problems --- no more talk of giant grain elevators on the Polish border or new Ukraine/Baltic train lines via Belarus --- now people are looking at cash flow, long term financing, country wide logistics and support for farmers.

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 September 2022/November 2022

Wheat, Superior, France, Rouen	USD 330>>315 December	
Barley, France, Rouen port	USD 295/300	
Corn, FOB France – Atlantic	USD 335>>325 December	
Soymeal, 48% protein, USA, Rotterdam	USD 605>>540 December	
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 515/520	
Corn Gluten Meal, USA FOB NOLA	USD 835/840 m/t November	

Increased domestic and export demand for DDGS pushed prices higher this week – even with soymeal prices slipping lower. The US Grains Council report says that DDGS prices also held up due to lower ethanol production which means a smaller DDGS supply.

Export container rates look to be easing which should lower the CNF prices for all corn byproducts in containers to destinations. This week container freights to Asia are said to be lower by about USD 10 m/t.

With soymeal prices down a little this week we could see a little softness in corn gluten meal (CGM) prices but as fishmeal prices moved higher buyers will be more tempted to use more CGM where they can.

In the past, Egypt has been about the biggest export market for US corn gluten meal but thanks to very high CGM prices and foreign currency problems in Egypt this business has fallen off this year to almost nothing. Buyers in Egypt say that it doesn't look like CGM will be a feed item in Egypt again until the prices drop considerably.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Total catch in the Sothern Region of Peru is now up to 64,000 m/t which will give just over 14,000 m/t of fishmeal and 1,400 m/t of fishoil.

Fishmeal prices in both Peru and Chile are moving higher as expected since there is almost nothing left to sell except some lots from the South. It is reported that buyers are bidding about USD 200 m/t lower for next season production for shipment in January 2023. Trade report say that while there is lots of talk about new season business very little, perhaps none, has actually been booked.

The biggest question for the fishmeal industry is what will the economic situation be in China in 2023 and will he fishmeal consumption stay up at recent levels. Forecasts to date seem to feel that there should be no drop in fishmeal buying by China, but one never knows.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

		m/t USD
Herring fishmeal	72% protein	2,065
Danish fishmeal	64% protein	1,615
Peru fishmeal	64% protein	1,760