



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

WEEKLY USA GRAIN AND PROTEIN REPORT July 16, 2022

This was quite an up and down week with USDA WASDE reports and stories of possible improvement in Ukraine grain exports. With a week of somewhat bullish WASDE, strong US dollar, hot and dry weather in the US and disappointing weekly exports, it seemed the market couldn't be too sure on which way it wanted to go.

US corn prices were down by about USD 8 m/t with soybeans down as much as USD 20 m/t and soymeal down by USD 9 to 12 m/t. US winter wheat was down by as much as USD 42 m/t while spring wheat saw a drop of about USD 30 m/t.

It is interesting that corn and soybeans were lower when the weather forecast suggests that they should be moving higher due to the risk to yields caused by the hot and dry weather. Experts seem to feel that it was perhaps more concern over the very strong US dollar than about the weather. The stronger the dollar gets the less competitive US corn and beans will be in international markets.

The feeling for lower wheat prices seems to be due to the "possible" improvement in the Ukraine export situation and the very strong US dollars --- both quite bearish factors for US wheat exports. Any improvement in Ukraine grain exports from Black Sea ports – if it happens – will probably take some time to accomplish, as there will be a great deal of repair needed to infrastructure before much export flow could be seen.

Just a quick note on Ukraine grain exports --- last week's export numbers were at 315,000 m/t with 210,000 m/t said to be corn, wheat at 80,000 m/t and barley at 34,000 m/t. The majority of the shipments were to Romania which is expected to be just the first port for the shipments, as Romania does not need corn, wheat or barley for domestic use.

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 August 2022/October 2022

Wheat, Superior, France, Rouen	USD 348/351	X
Barley, France, Rouen port	USD 285/290	X
Corn, FOB France – Atlantic	USD 320>>300 October	X
Soymeal, 48% protein, USA, Rotterdam	USD 575>>510 October	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 530/540	X
Corn Gluten Meal, USA FOB NOLA	USD 805/820 m/t October	X

All corn byproduct prices moved higher this week, even with corn and soymeal prices moving a little lower. Trade reports say that the supply of both DDGS and corn gluten meal is a little tight at present which is keeping prices steady to higher.

According to the US Grains Council (USGC) weekly report, export trade has been quiet but higher barge rates for Mississippi barges are pushing CNF NOLA prices up for August on. USGC says that barge quotations are up by USD 20 m/t for August to October.

For buyers who take US corn byproducts by container, the container freight rates continue to drop this week as has been seen for several weeks now. CNF prices in containers are reported to be down by about USD 10 m/t.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru was lower this week due to mini-bans, but total catch still reached almost 70,000 m/t which brings the season total up to 2,223,700 m/t with about 570,000 m/t left to reach the full seasons quota.

There was a little business done this week but the trade estimates that about 70,000 m/t of fishmeal is unsold --- but none of that is Super Prime, as it is sold out. Current buyers seem to be looking at small lots for August/September shipment.

It looks like the fishing is going to go one right to the end of the quota period on July 31, but it doesn't look like the full quota will be landed --- probably only at about 2.5 mm/t of catch – which is about where most experts thought that the quota would be set back a few weeks ago.

There have been some comments in the trade that the government may stop the fishing early due to the continued high level of juvenile fish. With only a couple of weeks to go in the season, an early stop shouldn't have a major effect on fishmeal supply or prices.

Over the next few weeks as the unsold stock levels shrink buyers will have to pay higher prices to get something out of what little will remain. Buyers should not be expecting any weakness in prices.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	2,095
Danish fishmeal	64% protein	1,565
Peru fishmeal	64% protein	1,755