



## Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

### WEEKLY USA GRAIN AND PROTEIN REPORT September 17, 2022

US soybeans and soymeal were the strongest markets this week with soybeans moving up by about USD 12 to 15 m/t and soymeal up by about USD 12 m/t. US corn prices dropped by a couple of dollars m/t while what prices ranged from down USD 4 to up USD 2 m/t depending on the type.

It looks like there will be some decent rainfall in areas of the US that needed it but after a little rain the weather is expected to be dry with temperatures higher than normal in the grain belt.

Corn experts say that no one is happy with the level of US corn exports and that pressure from the US harvest could push corn prices lower. However, there are experts that say that corn is in a bull market trend with no good reason to expect any serious drop in prices.

While soybean and soymeal prices were up on the week as a result of the WASDE report numbers, experts are concerned about the poor soybean export numbers and the possible effect that China's poor economic situation may have on US soybean exports for the new crop.

Wheat did not have too exciting a week, but trade reports all seemed to be bullish wheat due to drought in parts of the US that could affect the 2023 winter wheat crop. There are also concerns about drought in both Canada and Argentina and how the wheat crop will do.

Also, world wheat and corn prices are still affected greatly by events, comments and concerns in the Black Sea which add a great deal of volatility to prices and will continue to do so.

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 October 2022/December 2022

Wheat, Superior, France, Rouen	USD 334/337	
Barley, France, Rouen port	USD 302/305	
Corn, FOB France – Atlantic	USD 343>>322 December	
Soymeal, 48% protein, USA, Rotterdam	USD 550>>540 December	
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 545/550	
Corn Gluten Meal, USA FOB NOLA	USD 810/820 m/t November	

The concern over the possible US railway strike pushed some corn byproduct prices higher this week. The strike now seems to be averted so prices could slip a little lower next week.

We are also coming to the period of increased animal feed demand in the US which may also put some upward pressure on prices. The US Grains Council report this week mentioned that ethanol facilities will be shutting down for their seasonal maintenance which could limit DDGS supplies for a bit.

The only factor that could lower CNF prices is the steady drop in container freight to most destinations.

## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Total catch in the south of Peru is now at just over 64,000 m/t, with no fishing allowed this week, which will give about 15,300 m/t of fishmeal and leaves 422,000 m/t open on the South Region quota.

The latest long term projections show that there is little chance of a serious Nino or Nina event in the next few months --- so no big worries about that for now.

Looking at speculation on the next North/Central fishing quota, the most popular number seems to be at 2.0 million m/t of catch for a season starting in mid-November – so still a couple of months in the future.

Peru fishmeal prices were steady on the week with estimated pre-sales on the new season now up at about 120,000 m/t.

There are some buyers out there but their bids for new season shipment look to be at least USD 50 m/t below the current estimated prices. It will be interesting if Peru producers start accepting some of these lower bids.

According to numbers published by MSI Ceres, the consumption of fishmeal by China in 2022 will be down by about 8% but 2022 imports will drop by 14% with the extra coming out of stocks --- ending stocks were quite high when 2021 finished so there is some room for a drop in stocks without causing any shortages..

### PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	2,160
Danish fishmeal	64% protein	1,650
Peru fishmeal	64% protein	1,760