



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

## WEEKLY USA GRAIN AND PROTEIN REPORT July 23, 2022

The biggest news this week was the signing of a 120-day agreement for the export of grain from both Ukraine and Russia Black Sea ports. Renewal beyond 120 days is possible if both Ukraine and Russia agree.

The agreement is said to include:

- Russia to stop targeting Ukraine export ports.
- Ukraine to lead cargo ships through mined waters.
- Turkey and the UK will inspect inbound vessels to insure no weapons on board.
- Russian grain and fertilizer exports will be "facilitated".

While the agreement has been signed it is not expected that there will be an immediate resumption of grain/oilseed/veg oils shipments from blockaded Ukraine ports. Depending on the port there may be infrastructure repairs or rebuilding required.

USA wheat prices had been up on the week until the Black Sea Agreement which pushed US wheat prices lower for the week in anticipation of increased wheat shipments from the Black Sea – although this will not happen overnight and judging by past agreements does have the risk of not happening at all. Both sides to the agreement do have the habit of objecting to almost anything.

US corn prices were also lower on the week much of it due to the Black Sea but also due to very good weather in the US and quite good crop rating so far. It also looks like the European corn crop will be very good – even with the continuing heat wave. For now, corn looks to be bearish.

US soybeans were also down on the week as the good weather will also help the soybean crop. There was also word that China had moved some business from US to lower priced Brazil soybeans, this helps push prices lower.

Wheat prices at the end of the week saw both the effects of the Black Sea Agreement along with the very good weather for spring wheat in the US moving prices lower. In the futures market, all the speculators were rushing to get out of any long wheat positions, pushing prices lower.

So far in July, Ukraine has exported 700,000 m/t of corn with 335,000 going to Romania, 120,000 m/t to Poland and 45,000 m/t to Hungary. Wheat exports for July were at 211,000 m/t mainly to Romania and Turkey. July barley exports were at 92,000 m/t most to Romania.

ALL PRICES ARE FOR August 2022/October 2022

Wheat, Superior, France, Rouen	USD 340/344	X
Barley, France, Rouen port	USD 300/305	X
Corn, FOB Brazil port	USD 260/270 November	X
Corn, FOB France – Atlantic	USD 315>>300 October	X
Soymeal, 48% protein, USA, Rotterdam	USD 575>>525 October	X
Soymeal, 48% protein, Brazil, Rotterdam – spot	USD 520/530	X
Corn Gluten Meal, USA FOB NOLA	USD 810/820 m/t October	X



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FOB NOLA prices for DDGS were lower this week, much of it due to the improvement in barge prices down the Mississippi River. We haven't seen DDGS export prices at the USD 300 level in a while.

Both corn gluten feed and corn gluten meal were steady on the week and most export positions are sold out into late September – especially for any container shipments. Although the international container price index has shown some weakness in the past few weeks there has not been any drop in export container freight costs from US ports. Still too much congestion and too few available containers and loading slots.

With corn prices down this week, we could see some weakness in corn byproduct prices through next week --- or perhaps not.

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

Well, we have reached the end of another North/Central fishing season and it seems that we will finish off somewhere around 2.3 million m/t of catch which is just shy of 550,000 m/t of fishmeal and close to 480,000 m/t is already sold.

Now that the season has ended the trade expects that prices will move higher as stock is limited and for some grades there is no stock – like super prime.

Peru is on holidays next week for several days to celebrate National Independence – from the 27<sup>th</sup> through to August 1<sup>st</sup>.

There won't be much to report for Peru fishmeal for the next few weeks just increasing prices as stocks get smaller and smaller.

## PERU "INDICATION" FISHMEAL PRICES:

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

		m/t USD
Herring fishmeal	72% protein	2,035
Danish fishmeal	64% protein	1,575
Peru fishmeal	64% protein	1,755