



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: tradegroUp@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office: +33.9.7044.4881 Mobile: +33.6.8068.4564
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

WEEKLY FEED GRAIN AND PROTEIN REPORT January 05, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It was an up week for everything this week – corn prices were up by USD 3 to 5 m/t with soybeans higher by about USD 10 m/t and soymeal following at USD 6 to 8 m/t higher – even wheat prices were higher with US spring wheat up the most at USD 8 or so m/t.

While corn prices were not all that much higher, the main upward pressure came from the dry weather in Brazil which could influence the corn yields, although the corn crop in Brazil should still be very good. Some experts feel that the US corn crop numbers reported for 2018 will have to be adjusted lower by the USDA. However, with a good chunk of the US government closed until funding gets approved, we may not know what the USDA thinks for a couple of weeks.

This lack of rainfall in Brazil was also the main factor in the rally higher by soybeans – some market experts are now saying that the crop could drop by about 5 million m/t from previous forecasts. Soybean prices were also helped higher by positive comments on US/China trade – who know, things may even get back to normal shortly. Looks like the bargain basement prices on US soybeans have come to an end.

Trade reports said that the rally in wheat prices was all technical or perhaps based on the expectation of increased wheat exports. There is also the thought that actual winter wheat planting acres are down from last year.

This week will see a delay in the WASDE report and other important USDA reports – all due to the lack of government funding. Some of the USDA www sites are also not being updated and the USDA-FAS offices in embassies around the world are reported to be closed or working with limited staff. Imagine, all this because of a fence between the US and Mexico – of course there currently is a fence but it doesn't cover the entire US/Mexico border. One wonders if one day we will have a fence between the US and Canada and would that be to keep Canadians out of the US or Americans out of Canada.

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

Price changes are from the last report on December 22, 2019

US Gulf to Europe: 60/70,000 (10,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$33/34.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$34/35.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$37/38.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$36/37.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$36/37.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	X
US Gulf Japan: Panamax	\$47/48.00	Down \$1.00	X



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US Gulf China: Panamax	\$46/47.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	up \$1.00	X
US PNW Japan: Panamax	\$25/26.00	Down \$1.00	X
US PNW China: Panamax	\$24/25.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$42/43.00	Steady	X
US East Coast Nigeria: Handisize	\$47/48.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$15/16.00	Steady	X
France/Germany to Bangladesh: 35/45,000 m/t	\$30/31.00	Steady	X
France/Germany to China: 50,000 m/t	\$37/38.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$14/15.00	Steady	X
France/Germany to India: 50,000 m/t	\$24/25.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$20/21.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$13/14.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$26/27.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$21/22.00	Steady	x
France/Germany to Turkey: 35,000 m/t	\$14/15.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$34/35.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$27/28.00	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$38/39.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$37/38.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$34/35.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$37/38.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$34/35.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$32/33.00	Down \$1.00	X
Argentina to South Africa 50,000 m/t	\$30/31.00	Steady	X
Argentina to Spain: 50,000 m/t	\$37/38.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to China: 55,000 m/t	\$33/34.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$32/33.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$32/33.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Down \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	Steady	X
Brazil to Spain: 50,000 m/t	\$32/33.00	Steady	x
Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$18.50/19.00	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$32/33.00	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$33/34.00	Up \$1.00	X
Ukraine to India: 45/50,000 m/t	\$29/30.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$15/16.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$36/37.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$31/32.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Steady	X



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Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$36/37.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$51/52.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00	Steady	X
Black Sea to Europe: 50,000 m/t	\$21/22.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$21/22.00	Steady	x
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$28/29.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$28/29.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$38/39.00	Steady	X
Black Sea to Turkey – 30,000 m/t	\$13/14.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1260	Down 19	x
Baltic Capesize Index (100,000 plus DWT)	2003	Up 90	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1331	Down 106	X
Baltic Supramax Index (50,000 to 60,000 DWT)	946	Down 31	X
Baltic Handisize Index (25,000 plus DWT)	571	Down 26	x

FOB port or location specified. Prices in US\$, in metric tons:
All shipments in bulk grain vessels unless stated otherwise
 (NOLA is New Orleans, Louisiana, USA.)

ALL PRICES ARE FOR January/March 2019

Wheat, USA Soft Red Winter, NOLA	USD 224/227	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 235/238	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 231/233	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 238/241	X
Wheat, Romania 12.5 pro	USD 236/239	X
Wheat, Superior, France, Rouen	USD 241/243	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 204/207	X
Wheat, feed, Black Sea	USD 222/225	X
Barley, France, Rouen port	USD 241/243	X
Barley, feed, Argentina, up river	USD 201/203	X
Barley, feed, Black Sea, 30,000+	USD 236/239	X
Corn, 2YC FOB NOLA USA	USD 171/174	X
Corn, 3YC FOB USA Pacific northwest	USD 194/197	X
Corn, FOB Argentina port, upriver	USD 174/177	X
Corn, FOB Brazil port	USD 177/180	X
Corn, FOB France - Atlantic	USD 213/215	X
Corn, FOB Romania	USD 174/177	X
Corn, FOB Russia	USD 185/188	X
Corn, FOB Ukraine, 30,000+ m/t	USD 173/176	X
Sorghum, FOB Argentina port	USD 161/164	X
Sorghum, FOB Texas	USD 180/183	X



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Soymeal, 48% protein, FOB NOLA	USD 352/355	X
Soymeal, 48% protein, USA, Rotterdam	USD 377/380	X
Soymeal, Argentina, Rotterdam	USD 370/373	X
Soymeal, 47% pro, FOB Argentina	USD 332/335	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 362/365	X
Soymeal, 48% protein, FOB Brazil	USD 331/334	X
Soybeans, FOB NOLA	USD 346/349	X
Soybeans, Argentina, FOB	USD 352/355	X
Soybeans, Brazil, FOB	USD 352/355	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 610>>590 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 190>>170 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 226>>219	X

As has been the pattern for the past while, shipments in the nearby month are quite a bit higher than a month or more further out – due mainly to stocks on hand and shipping positions being sold out.

There is not too much to report this week as 2019 information is very slow in appearing – hopefully next week's report will be much more informative.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 380/390 m/t CNF Asia
Australian MBM 50% protein	USD 420/430 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 570/580 m/t CNF Asia
Australian Poultry Meal, pet food	USD 730/740 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 430/450 m/t CNF Asia
	USD 430/440 to Indonesia
USA Feathermeal, 80% protein	USD 580/600 m/t CNF Asia
USA Poultry Meal, feed grade	USD 525/545 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/820 m/t CNF Asia

US meat and bone meal prices into Asia continue to move lower as supply is certainly overwhelming demand – at least in the short term.

There has been little comment from the trade this week as most offices are just getting back in operation after the holidays. There will be more market situation comments next week once people have had a full week back at work.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the north of Peru is still moving along reasonably well even though the holidays have caused the daily catch numbers to drop --- we now stand at about 1.95 million m/t landed which means that there is less than 170,000 m/t to go. Looks like a good year or at least a good season.

The new quota has also been announced for the south of Peru at 540,000 m/t – hopefully the catch in the south can be better than 2018 when only 70,000 m/t of the 535,000 m/t quota was landed.



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Fisheries in the south are asking the government to allow fishing within the 5 mile off shore range, to help improve fishing, but this has not yet been allowed.

New sales seem to be quiet at present – probably still due to the recent long holidays and according to the trade the serious problems in the China pig industry are limiting new China business. There are also reports that Chinese buyers want to delay some shipments due to the drop in fishmeal demand in China due to the swine fever affecting the pig industry. Most of the business being booked seems to be for lower grade fishmeal as Chinese demand for super prime and prime is nothing for now.

The best guess at how much fishmeal is unsold, assuming a full quota catch, is at about 150 to 170,000 m/t which is not a burdensome amount of fishmeal for the industry.

As to prices – everything seems to be steady for the time being with now good reason for much to happen with prices.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,770
Danish fishmeal	64% protein	1,480
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,730

PERU "INDICATION" FISHMEAL PRICES:

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
65/66 protein	1220/1240 m/t	
67% protein standard steam	1280/1300 m/t	
67% protein 150 TVN	1430/1450 m/t	No prices
67% protein 120 TVN	1480/1500 m/t	1490/1510
67% protein 1000 hist, 120 TVN	1530/1550 m/t	1520/1540
68% protein 500 hist, 120 TVN	1580/1600 m/t	1570/1590
Fish oil, crude bulk	1500/1550	1380/1400
Fish oil, crude drums	1550/1600	
Fish oil, flexi tank	1650/1700	
Fish oil, Omega 3: 28%EPA/DHA	1750/1800	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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