



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT January 12, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

The lack of up-to-date USDA reports because of the US Government shutdown certainly leads to a great deal of creative thinking and comments in the trade. We have gotten so used to having all this USDA info in our hands that we all have become dependent. The current shutdown is the longest on record.

There wasn't a huge amount of change in grain/oilseed prices at the end of the week most items were a little lower on the week. Had it not been for higher prices on Friday we could have ended up down quite a bit on the week.

The higher Friday prices were due mainly to concern over the weather in South America and the effect that the heat and lack of rainfall could have on corn and soybean yields. There were also some private sector forecasts of what the USDA might have said – they tended to all be a little lower in production than the last USDA numbers.

At least one forecasting service has reduced expected Brazil corn production by about 5% and soybean production by 6.3%. The same forecasting service also said that USA production will be lower.

Wheat had a quite uninteresting week and did very little ending about unchanged on the week.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$18/19.00	Down \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$18/19.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$31/33.00	Down \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$30/31.00	Down \$2.00	X
US Gulf Turkey: 50,000 m/t	\$33/34.00	Down \$2.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$36/37.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$35/36.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$34/35.00	Down \$2.00	x
US Gulf South Africa: 45,000 m/t	\$36/37.00	Down \$2.00	x
US Gulf Japan: Panamax	\$45/46.00	Down \$2.00	X
US Gulf China: Panamax	\$44/45.00	Down \$2.00	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$24/25.00	Down \$1.00	X
US PNW China: Panamax	\$23/24.00	Down \$1.00	x
US East Coast Egypt: Panamax	\$41/42.00	Down \$1.00	x
US East Coast Nigeria: Handisize	\$47/47.00	Down \$1.00	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



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France/Germany to China: 50,000 m/t	\$36/37.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$13/14.00	Down \$1.00	X
France/Germany to India: 50,000 m/t	\$23/24.00	Down \$1.00	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	\$25/26.00	Down \$1.00	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	\$33/34.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$26/27.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$36/37.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$32/33.00	Down \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$34/35.00	Down \$3.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Down \$1.00	X
Argentina to Jordan: 50,000 m/t	\$32/33.00	Down \$2.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$30/31.00	Down \$2.00	X
Argentina to South Africa 50,000 m/t	\$30/31.00	Steady	X
Argentina to Spain: 50,000 m/t	\$34/35.00	Down \$3.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$26/27.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$32/33.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$31/32.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$30/31.00	Down \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Down \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$35/36.00	Down \$3.00	X
Brazil to Spain: 50,000 m/t	\$30/31.00	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$29/30.00	Down \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$18.00/18.50	Down \$0.50	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	\$31/32.00	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$33/34.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$29/30.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00	Down \$1.00	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)	\$15/16.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Down \$1.00	X
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)	\$36/37.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00	Down \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$15/16.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00	Down \$2.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$27/28.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Down \$2.00	x



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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)	\$16/17.00	Down \$1.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1169	Down 91	X
Baltic Capesize Index (100,000 plus DWT)	1966	Down 37	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1137	Down 194	X
Baltic Supramax Index (50,000 to 60,000 DWT)	842	Down 104	X
Baltic Handisize Index (25,000 plus DWT)	524	Down 47	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 February/April 2019

Wheat, USA Soft Red Winter, NOLA	USD 226/229	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 235/238	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 233/236	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 238/241	X
Wheat, Romania 12.5 pro	USD 239/242	X
Wheat, Superior, France, Rouen	USD 241/243	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 204/206	X
Wheat, feed, Black Sea	USD 223/227	X
Barley, France, Rouen port	USD 241/243	X
Barley, feed, Argentina, up river	USD 201/204	X
Barley, feed, Black Sea, 30,000+	USD 235/239	X
Corn, 2YC FOB NOLA USA	USD 169/171	X
Corn, 3YC FOB USA Pacific northwest	USD 188/190	X
Corn, FOB Argentina port, upriver	USD 174/177	X
Corn, FOB Brazil port	USD 178/181	X
Corn, FOB France - Atlantic	USD 217/219	X
Corn, FOB Romania	USD 177/179	X
Corn, FOB Russia	USD 185/188	X
Corn, FOB Ukraine, 30,000+ m/t	USD 176/179	X
Sorghum, FOB Argentina port	USD 160/163	X
Sorghum, FOB Texas	USD 181/184	X
Soymeal, 48% protein, FOB NOLA	USD 361>>354	X
Soymeal, 48% protein, USA, Rotterdam	USD 386>>379	X
Soymeal, Argentina, Rotterdam	USD 373/376	X
Soymeal, 47% pro, FOB Argentina	USD 328/331	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 366/369	X
Soymeal, 48% protein, FOB Brazil	USD 333/336	X
Soybeans, FOB NOLA	USD 345/348	X
Soybeans, Argentina, FOB	USD 347/350	X



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Soybeans, Brazil, FOB	USD 349/352	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 590>>570 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 187>>167 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 215>>210	X

DDGS spot prices moved lower this week as did both corn gluten meal and corn gluten feed – perhaps the spot backlog in shipments is being worked down. There was talk this week about how little margin there is in the ethanol business and the ethanol producers are making more money on DDGS than they are on ethanol. Of course, without the ethanol production we wouldn't see much in the way of DDGS.

Prices for shipment of all corn by-products in February and March looks quite attractive compared to prices offered back in late December.

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

Meat and bone meal prices in Asia are said to be looking to move lower as large, low cost supplies of US origin MBM are still filling the market. Prices put of both Australia and New Zealand were said to be a little higher due to low production during the holidays, but it will be difficult to hold higher prices

It looks like US export prices will stay low for a while as domestic supply is good and much is flowing into the export market. However, if we see more strength in the soybean/soymeal markets then animal proteins will also move higher.

The Jacobsen report this week was saying that animal protein use in feeds is at an all time low as more and more formulations, especially for poultry, are becoming all vegetable formulations.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Getting very close to full quota now – up to the 10th the total was up to 2.034,600 m/t landed. The daily catch now is around 10,000 to 15,000 m/t, so now no more than a week to complete the quota. Not bad guys – congratulations to all the fisherman and to all the happy, smiling fishmeal producers.

Even with all the quota expected to be landed, the fishmeal prices out of Peru seem to be quite steady. This week there was good buying reported from China and some trade reports say that the unsold stocks of fishmeal (assuming a full quota) will probably be less than 100,000 m/t. With the next fishing season expected to start in April, which is only a couple of months away, major buyers probably have no reason to rush in now and push prices higher.



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As a matter of information, the fishing this year is at the highest level reached since 2011 – the total catch is standing at 5.94 million m/t, just under 1.4 mm/t of fishmeal. The average caught for the last 6 years has been at 3.3 mm/t – so this is certainly a very good year.

Also, Peru’s fishmeal exports topped 1 million m/t in 2018 with 93% going to Asia (about 933,000 m/t). If you take Asia out of the numbers, then only 72,000 m/t went to other destinations – thank goodness for Asia!!!

There was a report in the press this week on how pizza and bakery by-product meal could be used as an ingredient in tilapia feed and could reduce overall feed costs. The story is that researchers in Brazil and Mexico collected pizza waste directly from local restaurants. The waste was then dried and milled then pelletized for feed use. The study seemed to show that this waste could be used up to 20% in tilapia diets without any growth or development effect and that the use of pizza waste reduced total feed costs by about 10%. Tilapia it seems are much like goats and can easily eat almost anything they are given.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,760
Danish fishmeal	64% protein	1,490
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,750

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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