



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT January 13, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

As most experts had predicted, the USDA WASDE report this week was bearish for corn and soybeans but the bearish numbers for winter wheat did come as a surprise. With winter wheat it seems that farmers in the US just planted a lot more than had been expected.

Some experts are saying that the soybean supply numbers are not really bearish as the USDA numbers were actually lower than what some private forecasters had expected. This was reflected in futures prices after the report with both soybeans and soymeal moving higher. There is some feeling in trade reports this weekend that soybean prices will move higher from this level.

Corn was lower on the week following the USDA report that showed larger US production and stocks coupled with larger world stocks of corn. The USDA didn't change their previous Argentina and Brazil corn numbers. The USDA shows corn yields at record levels which is something that is not always possible – too much can happen to change yield levels and we are only in January.

Looking at the market reaction to the WASDE report: not much happened to corn prices – down by less than USD 1 after the report but down by about USD 2 m/t on the week, soybeans were up by almost USD 4 m/t after Friday's report with soymeal up by the same (both soybeans and soymeal were still down by USD 5 to 8 m/t on the week).

Wheat prices were the most affected by the WASDE with prices for all types of wheat dropping by USD 4 to 6 m/t following the report.

Experts seem to feel that there is room for soybeans and soymeal to move higher with corn also probably trending a little higher but not as much as soybeans. Wheat looks like it could be trending lower – depending on the US winter weather and the levels of expected winter frost kill.

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	Steady	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$29/30.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$31/32.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	X
US Gulf Japan: Panamax	\$43/44.00	down \$1.00	X
US Gulf China: Panamax	\$42/43.00	down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$25/26.00	Steady	X



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US PNW China: Panamax	\$24/25.00	Steady	X
US East Coast Egypt: Panamax	\$46/47.00	Steady	X
US East Coast Nigeria: Handisize	\$40/41.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$13/14.00	Steady	X
France/Germany to Bangladesh: 35/45,000 m/t	\$33/34.00	Down \$1.00	X
France/Germany to China: 50,000 m/t	\$31/32.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Steady	X
France/Germany to India: 50,000 m/t	\$28/29.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00	Down \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$10/11.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$21/22.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$30/31.00	Down \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$19/20.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$45/46.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$25/26.00	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$40/41.00	up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	up \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$24/25.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$47/48.00	Steady	X
Argentina to South Africa 50,000 m/t	\$25/26.00	Steady	X
Argentina to Spain: 50,000 m/t	\$24/25.00	Up \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$25/26.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$21/22.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Steady	X
Brazil to China: 55,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$36/37.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$24/25.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$20.50/21.00	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$33/34.00	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$31/32.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$27/28.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$11/12.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$30/31.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$12/13.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$13/14.00	Down \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/31.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$55/56.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$32/33.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$15/16.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$17/18.00	up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$22/23.00	Steady	X



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Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	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
Black Sea to Yemen: 50,000 m/t	\$25/26.00	Steady	X
Baltic Dry Index	1279	Down 92	x
Baltic Capesize Index	2296	Down 495	X
Baltic Panamax Index	1348	Down 52	X
Baltic Supramax Index	907	Up 23	X
Baltic Handysize Index	587	Down 13	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 2018/March 2018

Wheat, USA Soft Red Winter, NOLA	USD 180/183	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 204/208	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 176/179	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 187/191	x
Wheat, Romania 12.5 pro	USD 191/195	x
Wheat, Superior, France, Rouen	USD 195/197	x
Wheat, milling, 12.0%, Argentina, upriver	USD 173/177	x
Wheat, feed, Black Sea	USD 176/179	x
Barley, France, Rouen port	USD 191/193	x
Barley, feed, Argentina	USD 177/180	X
Barley, feed, Black Sea, 30,000+	USD 187/191	X
Barley, feed, USA Pacific Northwest	USD 219/224	x
Corn, 2YC FOB NOLA USA	USD 162>>159	x
Corn, 3YC FOB USA Pacific northwest	USD 172>>169	x
Corn, FOB Argentina port, upriver	USD 162/165	x
Corn, FOB Brazil port	USD 163/167 June/July	X
Corn, FOB France	USD 190/196	x
Corn, FOB Romania	USD 173/176	X
Corn, FOB Russia	USD 163/166	X
Corn, FOB Ukraine, 30,000+ m/t	USD 166/169	X
Sorghum, FOB Argentina port	USD 168/172	X
Sorghum, FOB Texas	USD 198/201	X
Soymeal, 48% protein, FOB NOLA	USD 348/353	X
Soymeal, 48% protein, USA, Rotterdam	USD 373/378	X
Soymeal, Argentina, Rotterdam	USD 370/373	X
Soymeal, 47% pro, FOB Argentina	USD 336/340	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 362/366	X
Soymeal, 48% protein, FOB Brazil	USD 317/320 July/August	X
Soybeans, FOB NOLA	USD 368/372	X



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Soybeans, Argentina, FOB	USD 354/358	X
Soybeans, Brazil, FOB	USD 371/375	x
Soybeans, Black Sea	USD 377/380	X
Corn Gluten Meal, USA FOB NOLA	USD 605 Jan>>590 Mar m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 165 Jan>>150 Mar m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 205 Jan>>192 Mar m/t	x

Nearby prices for all corn by-products (DDGS, corn gluten meal and corn gluten feed) are strong due almost totally to current US export logistic problems plus some increase in US domestic demand. But as you can see from the prices above, the spot prices are considerably higher than the price out a little into the future.

It is interesting to see that while export prices are very strong the US domestic prices tend to be steady to lower. The USDA shows corn gluten meal domestic prices levels down by USD 10 m/t while corn gluten feed and DDGS prices are steady. Just shows you how export logistics complications can drive prices higher.

Buyers need to book March or April shipment at lower price levels or pay the much higher price for earlier shipment.

USA corn by-product exports – January to November 2017 – in m/t Major destinations

Destination	Distillers Dried Grains DDGS	Corn Gluten Feed	Corn Gluten Meal
Australia			4,800
Bangladesh	113,100		3,300
Cambodia	53,200		
Canada	648,600		54,900
Chile	18,500		119,500
China	355,700		
Colombia	195,000	33,800	83,200
Costa Rica	80,400		
Denmark			8,600
Egypt	137,800	16,900	99,500
El Salvador	52,900		7,500
Guatemala	49,300		10,500
Honduras	44,600		7,000
Indonesia	652,300		207,300
Ireland	323,100	341,000	
Israel	250,500	197,500	5,200
Japan	408,600		4,900
Malaysia	67,500		14,100
Mexico	1,980,800	35,900	25,000
Morocco	229,600	58,800	
Myanmar	32,300		
New Zealand	157,000	10,000	
Pakistan	42,500		
Panama	17,800		
Peru	16,700		8,600



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Philippines	125,500		2,000
Portugal	55,700	32,100	
Saudi Arabia	55,700		
South Korea	857,700		
Spain	297,700	5,500	
Sri Lanka	32,100		
Taiwan	241,900		30,100
Thailand	663,200		40,900
Tunisia	10,000		
Turkey	1,351,900	248,000	
UK	213,300	62,700	
Vietnam	219,300		6,300
Total all exports	10,108,700	1,044,500	750,700

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 410/420 m/t CNF Asia
Australian MBM 50% protein	USD 460/470 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 500/510 m/t CNF Asia
Australian Poultry Meal, pet food	USD 900/910 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 490/500 m/t CNF Asia
	USD 410/430 to Indonesia
USA Feathermeal, 80% protein	USD 510/520 m/t CNF Asia
USA Poultry Meal, feed grade	USD 580/600 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 880/890 m/t CNF Asia

Meat and bone meal prices into major markets in Asia were a little higher this week probably due mainly to good demand against a steady supply level. Demand is probably being helped along somewhat by the lack of availability of Peruvian fishmeal and the buyers needs to book some protein supplies.

There seems to be a feeling in the trade reports that supply is moving higher quicker than demand which could result in prices falling a little further in coming weeks. No one seems to expect a serious drop in animal protein prices, but chances look better for steady to lower prices rather than higher.

USA domestic prices are weakening due to good supply and this will move into the US export price levels.

USA animal protein exports – January to November 2017 – in m/t **Major destinations**

Destination	Meat and bone meal Including pork and poultry meal	Feathermeal
Canada	61,800	17,400
Cambodia	5,000	
Chile		10,900
China	41,200	17,600
Ecuador	7,600	



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Germany	3,900	
Honduras	3,700	
Indonesia	145,500	27,300
Malaysia	6,700	
Mexico	514,400	
Peru	5,200	
Philippines	4,400	
Thailand	15,000	
Vietnam	28,800	
Total all exports	854,700	75,100

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Well, fishing has been back on in quite bit of Peru since January 7 with the daily catch level varying from 22,000 m/t up to 30,000 m/t. Of course, there are still fishing bans in some areas but at least fishing is going on. The program from the government was to fish from January 7 to 11 and if fishing is ok then to just carry on. The latest word is that fishing will continue from the 12th but with further bans in place until the 14th of January.

The current fishing bans are once again due to the high level of juvenile fish in some areas Peru. Reports show that in Chimbote the juvenile percentage is at 80%.

Fishmeal stocks in China continue to drop and it is expected that Chinese buyers will shortly be out in force to cover their needs for next three or four months. Buyers are not too willing to book new business as we are only a few days into the fishing period and much can still happen. Sellers certainly don't want to have oversold their fishmeal supply, so are being very careful.

As usual China is still the most important destination for Peruvian fishmeal with 80% of fishmeal exports going to China. If you include other Asian destinations in the export numbers, then Asia represents close to 93% of all Peru fishmeal exports. Only Chile and Germany are significant destinations outside of Asia and they only represent 3.5% of exports.

Both buyers and sellers will be watching fishing very closely in coming days and then one can certainly expect a flurry of buying from China.

As to prices, this week seems steady at last week's levels.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,760	down \$20
Danish fishmeal	64% protein	1,575	Up \$15
Peru fishmeal	64% protein	1,550	Up \$5
Chile fishmeal	67% protein	1,600	Up \$5
Iceland fishmeal	70% protein	1,795	Up \$10



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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% protein	1500/1520 m/t	
65/66 protein	1550/1600 m/t	
67% protein standard steam	1650/1670 m/t	
67% protein 150 TVN	1850/1870 m/t	No prices
67% protein 120 TVN	1900/1920 m/t	No prices
67% protein 1000 hist, 120 TVN	1950/1970 m/t	1950/2000
68% protein 500 hist, 120 TVN	2000/2020 m/t	2000/2050
Fish oil, crude bulk	2000/2050	1500/1600
Fish oil, crude drums	2100/2150	
Fish oil, flexi tank	2200/2250	
Fish oil, Omega 3: 28%EPA/DHA	No prices	

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

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