



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT January 19, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Another week goes by with very limited grain/oilseed information coming from the USDA – amazing how dependent on this information that we have all become.

Looking at the week, as it ended on Friday, there were not any major changes in US grain prices – soybeans were up by a couple of bucks and corn by a buck or so (this reminds me of the old Springmade sheet ad that only us old guys will remember, you probably couldn't run this print ad today).

A buck well spent on a Springmaid Sheet

The buck may look more like a duck — which is why more ducks are worth their share. But not this "Springmade" — any buck spent on a Springmade Sheet is worth its weight in gold. It's the duck — or any one of our other great sheets — that's the real deal. It's the duck — or any one of our other great sheets — that's the real deal. It's the duck — or any one of our other great sheets — that's the real deal.

SPRINGS MILLS, Inc.

This coming Monday is a holiday in the US, so most grain markets finished the week very quietly. About the only major news in the market this week were all the continuing stories on the US/China trade problems and how/when they will be solved. Some reports say that the US is going to back down a little while others say that the US is tightening up on tariffs – who really knows.

The weather in Brazil is still hot and dry and worrying for both corn and soybeans but not worrying enough to get the market too excited. Chinese purchases of grains/oilseeds should slack off little to due to the upcoming Chinese New Year, but this is only temporary.

Wheat prices tried to rally on Russian wheat rumors, but the rally didn't hold. So, all is quite before the US holiday.



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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) | \$18/19.00 | Steady | X |
| US Gulf Israel: 50,000 m/t | \$30/31.00 | Down \$1.00 | X |
| US Gulf to Egypt: Panamax (6,000 disch) | \$29/30.00 | Down \$1.00 | X |
| US Gulf Turkey: 50,000 m/t | \$31/32.00 | Down \$1.00 | X |
| US Gulf Morocco: 30,000(5,000 disch) | \$36/37.00 | Steady | X |
| US Gulf Algeria/Tunisia: 30,000 (3,000 disch) | \$34/35.00 | Down \$1.00 | X |
| US Gulf Nigeria: 30,000 m/t | \$44/45.00 | Down \$1.00 | X |
| US Gulf other Med: 30,000 MT(5,000 disch) | \$34/35.00 | Steady | X |
| US Gulf South Africa: 45,000 m/t | \$34/35.00 | Down \$2.00 | X |
| US Gulf Japan: Panamax | \$43/44.00 | Down \$2.00 | X |
| US Gulf China: Panamax | \$42/43.00 | Down \$2.00 | X |
| US PNW South Africa – 40,000 m/t | \$36/37.00 | Down \$1.00 | X |
| US PNW Japan: Panamax | \$23/24.00 | Down \$1.00 | X |
| US PNW China: Panamax | \$22/23.00 | Down \$1.00 | X |
| US East Coast Egypt: Panamax | \$41/42.00 | Steady | X |
| US East Coast Nigeria: Handisize | \$46/47.00 | 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 | \$29/30.00 | Down \$1.00 | X |
| France/Germany to China: 50,000 m/t | \$36/37.00 | Steady | X |
| France/Germany to Egypt: 50,000 m/t (10,000 disch) | \$13/14.00 | Steady | X |
| France/Germany to India: 50,000 m/t | \$22/23.00 | 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 | Steady | X |
| France/Germany to South Africa: 30,000 m/t | \$20/21.00 | Down \$1.00 | X |
| France/Germany to Turkey: 35,000 m/t | \$14/15.00 | Steady | X |
| France/Germany to Yemen: 30,000 m/t | \$32/33.00 | Down \$1.00 | X |
| | | | |
| Argentina to Algeria: 25/30,000 m/t(3,000 disch) | \$26/27.00 | Steady | X |
| Argentina to China: 50,000 m/t, with top-off | \$34/35.00 | Down \$2.00 | X |
| Argentina to Japan: 50,000 m/t, with top-off | \$33/34.00 | Down \$2.00 | X |
| Argentina to Egypt: 50,000 m/t | \$32/33.00 | Steady | X |
| Argentina to Europe: 50/60,000 m/t | \$34/35.00 | Steady | X |
| Argentina to Morocco: 25/30,000 m/t(3,000 disch) | \$22/23.00 | Steady | X |
| Argentina to Jordan: 50,000 m/t | \$30/31.00 | Steady | X |
| Argentina to Saudi Arabia: 50,000 m/t | \$30/31.00 | Steady | X |
| Argentina to South Africa 50,000 m/t | \$29/30.00 | Down \$1.00 | X |
| Argentina to Spain: 50,000 m/t | \$34/35.00 | Steady | x |
| Argentina to Tunisia: 25/30,000 m/t (3,000 disch) | \$26/27.00 | 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 | \$25/26.00 | Down \$1.00 | X |
| Brazil to China: 55,000 m/t | \$30/31.00 | Down \$2.00 | X |
| Brazil to Japan: 55,000 m/t | \$29/30.00 | Down \$2.00 | X |
| Brazil to Europe: 50,000 m/t | \$30/31.00 | Steady | X |
| Brazil to Morocco: 25/30,000 m/t | \$24/25.00 | Down \$1.00 | X |
| Brazil to Saudi Arabia 30/40,000 m/t | \$35/36.00 | Steady | X |
| Brazil to Spain: 50,000 m/t | \$30/31.00 | Steady | X |



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|---|---------------|-------------|---|
| Brazil to Turkey/Egypt: 50,000 m/t | \$28/29.00 | Down \$1.00 | X |
| Australia to China: 40-55,000 m/t – round trip | \$18.00/18.50 | Steady | x |
| Australia to Japan: 40-55,000 m/t – round trip | \$19.00/19.50 | Down \$0.50 | 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 | Steady | X |
| Ukraine to Bangladesh: 45,000 m/t | \$32/33.00 | Down \$1.00 | 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 | Steady | X |
| Ukraine to East Med: coaster (1,000 disch) | \$28/30.00 | Adjusted | 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 | Steady | X |
| Black Sea to Egypt: 30,000 m/t – (4,000 disch) | \$15/16.00 | Steady | X |
| Ukraine to Egypt: coaster 3,000 m/t (1,000 disch) | \$28/30.00 | Adjusted | X |
| Russia to Egypt: coaster 3,000 m/t (1,000 disch) | \$45/47.00 | Adjusted | X |
| Black Sea to Iraq: 50,000 m/t (4,000 disch) | \$36/37.00 | Steady | X |
| Black Sea to Europe: 50,000 m/t | \$19/20.00 | 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) | \$19/20.00 | Steady | X |
| Black Sea to Jordan: 50,000 m/t (5,000 disch) | \$27/28.00 | Steady | 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 | Steady | 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) | \$16/17.00 | Steady | X |
| Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included) | 1112 | Down 57 | X |
| Baltic Capesize Index (100,000 plus DWT) | 2037 | Up 71 | x |
| Baltic Panamax Index (60,000 to 80,000 DWT) | 1018 | Down 119 | x |
| Baltic Supramax Index (50,000 to 60,000 DWT) | 701 | Down 141 | x |
| Baltic Handysize Index (25,000 plus DWT) | 451 | Down 73 | 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 225/229 | X |
| Wheat, USA Hard Red Winter 11 protein -NOLA | USD 237/239 | X |
| Wheat, Ukraine 11.5 pro, 30,000+ m/t | USD 233/237 | X |
| Wheat, Russia 12.5 pro, 30,000+ m/t | USD 241/245 | X |
| Wheat, Romania 12.5 pro | USD 243/247 | X |
| Wheat, Superior, France, Rouen | USD 237/239 | X |
| Wheat, milling, 12.0%, Argentina, Upriver | USD 205/208 | X |
| Wheat, feed, Black Sea | USD 226/230 | X |



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|---|------------------|---|
| Barley, France, Rouen port | USD 228/230 | X |
| Barley, feed, Argentina, up river | USD 200/203 | X |
| Barley, feed, Black Sea, 30,000+ | USD 234/238 | X |
| | | |
| Corn, 2YC FOB NOLA USA | USD 174/176 | X |
| Corn, 3YC FOB USA Pacific northwest | USD 191/193 | X |
| Corn, FOB Argentina port, upriver | USD 174/177 | X |
| Corn, FOB Brazil port | USD 183/186 | X |
| Corn, FOB France - Atlantic | USD 213/215 | X |
| Corn, FOB Romania | USD 182/185 | X |
| Corn, FOB Russia | USD 185/188 | X |
| Corn, FOB Ukraine, 30,000+ m/t | USD 178/181 | X |
| Sorghum, FOB Argentina port | USD 160/163 | X |
| Sorghum, FOB Texas | USD 183/186 | X |
| | | |
| Soymeal, 48% protein, FOB NOLA | USD 350/354 | X |
| Soymeal, 48% protein, USA, Rotterdam | USD 375/379 | X |
| Soymeal, Argentina, Rotterdam | USD 364/367 | X |
| Soymeal, 47% pro, FOB Argentina | USD 329/332 | X |
| Soymeal, 48% protein, Brazil, Rotterdam | USD 359/362 | X |
| Soymeal, 48% protein, FOB Brazil | USD 335/338 | X |
| Soybeans, FOB NOLA | USD 346/349 | X |
| Soybeans, Argentina, FOB | USD 349/352 | X |
| Soybeans, Brazil, FOB | USD 346/349 | X |
| Soybeans, Black Sea | USD no prices | X |
| | | |
| Corn Gluten Meal, USA FOB NOLA | USD 570>>560 m/t | X |
| Corn Gluten Feed, USA FOB NOLA | USD 180>>170 m/t | X |
| DDGS corn, 35 profat, USA FOB NOLA | USD 212/215 | X |
| | | |

Corn by-products or co-products if you prefer all seem to be a little lower this week which is making them quite attractive to export buyers. DDGS business seemed to be a little slow which could have helped to move prices lower. On the other hand, the lower prices for corn gluten meal did get buyers excited and decent tonnage of US CGM was reported for both Egypt and Bangladesh. As for corn gluten feed – it is just chugging along quietly, as usual.

There is some talk that the two large ethanol facilities in the UK may get back into production shortly which could put 800,000 m/t of DDGS back into the UK market --- both facilities are said to be switching over to using corn as wheat is just too expensive. At least one of the facilities is said to need a lot of conversion in order to be able to use corn. Of course, with corn prices USD 30 to 40 m/t less than feed wheat in the UK processing corn makes sense --- but then, the UK grows very little corn so corn supply will need to be imported. With the current 25% import tariff on USD corn there is little chance that any will be used.

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 420/430 to Indonesia |



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| 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 into Asia are reported to be a little softer this week as there seem to be a lot more sellers than there are buyers. US MBM supplies are hanging over the market and pushing prices lower for those markets that use USA MBM. Business in Asia will probably remain quiet for a while as Chinese New Year (year of the pig) is coming up on February 05, 2019.

Word in the trade is that the current Indonesian ban on Australian animal protein will come to an end shortly – an end to the ban will make the market a little more exciting. Both Australian and New Zealand prices are expected to move lower as supply is building but demand is not. Australia is trying very hard to move some protein to other markets, but it is a hard slog for expensive OZ product.

US export business is still quite good as shippers capitalized on OZ being out of the Indonesia market. The feeling is that once OZ get back into Indonesia the US export feathermeal prices will have to move lower since Australian should be available for less than the current quite high feathermeal prices.

In the US, animal protein prices are moving a little lower as demand seems to have fallen off a little while supply is still very good.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Well, that's it – looks like the fishing season is over and the quota is all landed – lots of happy, smiling faces in Peru. This has been about the best fishing season in quite a while – perhaps the industry may even end up with some profits this year.

Prices in Peru are reported to have slipped a little – at least for fishmeal while fishoil prices have moved higher. There has not been much in the way of new business this week which probably helped to move prices lower as producers look to get buyers back into the market once again.

There was even some fish landed in the south this week somewhere close to 30,000 m/t which is the very best week in a long time in the south. The industry in the south is still pushing the government to lift the fishing restriction that keeps the vessels 5 miles out. Chile doesn't have the same 5-mile fishing restriction and areas in Chile just to the south of Peru have much better catch than Peru. Overall fishing in the south of Peru is said to be at least 50% lower than in the north of Chile.

The final, final, final 2018 Peru fishmeal export numbers show a total of 1,006,000 m/t of fishmeal exported with 80% going to China and another 12.8% going to other Asian destinations. Without Asia there would certainly be no fishmeal market. The 2018 export number is almost exactly the same as the 2017 number as is the country split on shipments.

So, now we can all sit back and buy or sell the last of the Peruvian fishmeal from this season and speculate about what the next season will bring. Needless to say, the industry is looking forward to another generous quota and an equally good period of fishing.

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 | 1,520 |



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| 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

| <u>Specification</u> | <u>Price per m/t FOB vessel Peru port</u> | <u>Price per m/t Chile port</u> |
|--------------------------------|---|---------------------------------|
| 65/66 protein | 1220/1240 m/t | |
| 67% protein standard steam | 1320/1340 m/t | |
| 67% protein 150 TVN | 1380/1400 m/t | No prices |
| 67% protein 120 TVN | 1410/1430 m/t | 1490/1510 |
| 67% protein 1000 hist, 120 TVN | 1450/1470 m/t | 1520/1540 |
| 68% protein 500 hist, 120 TVN | 1500/1520 m/t | 1570/1590 |
| Fish oil, crude bulk | 1800/1850 | 1380/1400 |
| Fish oil, crude drums | 1850/1900 | |
| Fish oil, flexi tank | 1950/2000 | |
| Fish oil, Omega 3: 28%EPA/DHA | 2200/2400 | |

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

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