



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT January 20, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This week, all the excitement was in the soybean/soymeal market as the dryness in Argentina push soybean prices to their three-month high. There has also been very slow soybean harvesting in Brazil that added even more upward pressure to bean prices.

Argentina had been expecting rain for last week and some did appear, but it was not as good as had been hoped or as was needed --- there seems to be a serious risk that the low rainfall will result in lower soybean yields in Argentina. While some rainfall will improve the situation, the time will come when the damage has been done and more rainfall will not bring back the yields.

Corn prices were up a little on the week but nothing exciting probably because of the very good export sales for the week or maybe just trying to follow soybeans higher. There have also been some concerns expressed about the corn planting in Brazil with the planting so far falling behind last years levels. Of course, in Brazil, there is also the slow harvesting of soybeans which is keeping the land occupied and unavailable for corn planting.

In the US, farmers are reported to have notched up their corn sales a little – they seem to be selling on every little rally in the market which would tend to keep things from moving higher.

The general feeling about corn is that for now there is very little chance that prices can trend higher – there is just too much corn in too many countries and, even with good US export sales, there will be no corn shortage in the market.

Soybeans could be different and a serious weather problem in Argentina would be very significant for soybean prices and supply – so we are watching the skies in Argentina and hoping for rain.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17/18.00	Down \$1.00	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Steady	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)	\$30/31.00	Down \$1.00	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	\$44/45.00	up \$1.00	X
US Gulf China: Panamax	\$43/44.00	up \$1.00	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



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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	Steady	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	\$27/28.00	Down \$1.00	x
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00	Steady	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	Steady	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	Steady	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	\$39/40.00	down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	down \$1.00	x
Argentina to Egypt: 50,000 m/t	\$27/28.00	up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$25/26.00	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	\$25/26.00	Up \$1.00	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	\$32/33.00	down \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	down \$1.00	X
Brazil to Europe: 50,000 m/t	\$21/22.00	Down \$1.00	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	\$25/26.00	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	\$32/33.00	Down \$1.00	x
Ukraine to Bangladesh: 45,000 m/t	\$31/32.00	Steady	x
Ukraine to India: 45/50,000 m/t	\$27/28.00	Steady	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$12/13.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$30/31.00	Steady	X
Russia to Turkey: coaster (1,000 disch)	\$28/31.00	New	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$13/14.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$14/15.00	Up \$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)	\$43/45.00	Dropping	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	Steady	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$24/25.00	Up \$2.00	X



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Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	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	\$12/13.00	Down \$1.00	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$16/17.00	down \$1.00	X
Black Sea to Yemen: 50,000 m/t	\$25/26.00	Steady	
Baltic Dry Index	1125	Down 154	x
Baltic Capesize Index	1493	Down 803	X
Baltic Panamax Index	1333	Down 15	X
Baltic Supramax Index	911	Up 4	X
Baltic Handysize Index	584	Down 3	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 183/187	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 201/206	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/182	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 190/194	x
Wheat, Romania 12.5 pro	USD 191/194	x
Wheat, Superior, France, Rouen	USD 194/196	x
Wheat, milling, 12.0%, Argentina, upriver	USD 179/182	x
Wheat, feed, Black Sea	USD 179/182	x
Barley, France, Rouen port	USD 193/195	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 163>>160	x
Corn, 3YC FOB USA Pacific northwest	USD 179>>174	x
Corn, FOB Argentina port, upriver	USD 163/166	x
Corn, FOB Brazil port	USD 165/169 June/July	x
Corn, FOB France	USD 191/197	x
Corn, FOB Romania	USD 176/180	x
Corn, FOB Russia	USD 163/166	x
Corn, FOB Ukraine, 30,000+ m/t	USD 169/172	x
Sorghum, FOB Argentina port	USD 169/173	x
Sorghum, FOB Texas	USD 201/204	x
Soymeal, 48% protein, FOB NOLA	USD 371/374	X
Soymeal, 48% protein, USA, Rotterdam	USD 396/399	x
Soymeal, Argentina, Rotterdam	USD 388/392	X
Soymeal, 47% pro, FOB Argentina	USD 359/363	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 381/384	x
Soymeal, 48% protein, FOB Brazil	USD 351/354	x
Soybeans, FOB NOLA	USD 377/380	X



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Soybeans, Argentina, FOB	USD 370/374	X
Soybeans, Brazil, FOB	USD 384/387	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 605 >>595 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 160 >>150 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 210 >>203 Apr m/t	x

Logistics continue to be the most important factor in nearby prices for DDGS, corn gluten meal and corn gluten feed. Nearby export prices for all are said to be higher which is making buying for March/April much more attractive to export buyers. One trader was mentioning this week that, finally after a few weeks of deathly quiet, the DDGS export market has gotten active again. Perhaps the spread between nearby and April shipments got buyers realizing that things out a few weeks were quite well priced.

Overall the export prices did move a little higher as the market followed corn prices up a little.

The USDA national prices showed the average domestic price for corn gluten feed up by USD 4 m/t with corn gluten meal prices steady to USD 1 m/t higher while DDGS was up by USD 3 to 5 m/t.

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 510/520 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 440/450 to Indonesia
USA Feathermeal, 80% protein	USD 520/530 m/t CNF Asia
USA Poultry Meal, feed grade	USD 580/600 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 920/930 m/t CNF Asia

Meat and bone meal prices into the major market in Indonesia continued higher this week as the sources of MBM for Indonesia have tightened due to a reduction in the suppliers that can ship to Indonesia. Some trade reports do say that shipments to Indonesia are now being offered at about the same level as those to China.

The Jacobsen Report says that most Australian export prices are steady but New Zealand prices are up on higher demand from Indonesia. However, there seems to be good supply from OZ/NZ which could put some pressure on prices.

In the US, the winter weather has pushed up feathermeal prices and poultry meal as feed demand increases. There are also some supply concerns in areas of the US where the winter weather has been the most difficult – this putting upward pressure on domestic prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Looking at the latest fishing numbers from Peru, things seem to be chugging along quite nicely. The catch this week varied from a daily low of 30,000 m/t to a high of 52,000 m/t – seems like reasonable numbers to me. That brings the total catch for January up to just over 380,000 m/t of fish which will produce an estimated 87,000 m/t of fishmeal and about 12,000 m/t of fishoil.



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The trade publications in Peru seem to be happy with how the catch is going – even with the number of mini-bans that we are seeing due to the high juvenile level. The trade mood seems to have changed in Peru – just shows you what some good fishing will do – with people now much more enthusiastic about the possibility of completing the quota. If it was possible for the catch to maintain 30,000 m/t per day, 210,000 m/t per week then it would take less than 6 weeks to complete the quota. Of course, weather and water and fish may not cooperate, but you never know it could be done.

On the selling/buying side of things, there have been no reports of any new business as most sellers are still not in a position to sell anything more and buyers are hoping prices might dip a little if fishing stays strong.

The MSI Ceres report this week was quoting the JCI 2018 fishmeal import estimate for China and it seems to be down by 23% --- down 360,000 m/t to 1,210,000 m/t. MSI Ceres feels that the forecast is too conservative and that actual fishmeal imports will be higher. MSI also points out that the same JCI forecast shows local China fishmeal production up to 382,000 m/t for 2018, a 12% increase.

As to prices --- nothing new in Peru as there are no sales but the prices in Europe are moving higher.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,830	Up \$70
Danish fishmeal	64% protein	1,580	Up \$5
Peru fishmeal	64% protein	1,600	Up \$50
Chile fishmeal	67% protein	1,650	Up \$50
Iceland fishmeal	70% protein	1,830	Up \$35

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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