



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 26, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Well, the news at the end of the week is that the US Government shutdown is over, for at least three weeks, it will be great to once again get all the USDA services and reports that we count on every day. Let's hope that the three weeks extends into a 100% end to the shutdown.

Looking at the week, except for soybeans, market prices were very quiet at the end of the week with corn and wheat prices up by perhaps USD 1 m/t, which really counts as nothing. Soybeans were up by about USD 3.50 m/t, also not considered to be anything significant.

Much of the small increase in soybeans this week was related to the continuing lack of good rainfall in parts of Brazil – there has been some rain but not as widespread as people would like. There will also be a Chinese delegation in Washington on Monday to talk trade problems – will we see an end to the USA/China sanctions – one day but certainly not on Monday.

Farm Futures published their survey of planting intentions for 2019 – everyone read it in great detail since there is nothing to read from the USDA. Their survey shows that corn plantings could be up by about 1.3% versus the August 2018 USDA estimates. They also show that soybean plantings could drop by 5.5% with soft red winter wheat down by 7.1%, hard red winter wheat steady and durum plantings up by close to 20%. Sorghum planting are also expected to drop by 12%. The numbers do seem to make sense as farmers will plant what they can sell for a reasonable price and with the China situation both soybeans and sorghum are on the questionable list.

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	\$29/30.00	Down \$1.00	x
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Down \$1.00	x
US Gulf Turkey: 50,000 m/t	\$30/31.00	Down \$1.00	x
US Gulf Morocco: 30,000(5,000 disch)	\$35/36.00	Down \$1.00	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00	Down \$1.00	x
US Gulf Nigeria: 30,000 m/t	\$43/44.00	Down \$1.00	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$33/34.00	Down \$1.00	x
US Gulf South Africa: 45,000 m/t	\$33/34.00	Down \$1.00	X
US Gulf Japan: Panamax	\$41/42.00	Down \$2.00	X
US Gulf China: Panamax	\$40/41.00	Down \$2.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Steady	X
US PNW China: Panamax	\$22/23.00	Steady	X
US East Coast Egypt: Panamax	\$41/42.00	Steady	X
US East Coast Nigeria: Handisize	\$46/47.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$15/16.00	Steady	X



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France/Germany to Bangladesh: 35/45,000 m/t	\$29/30.00	Steady	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	\$21/22.00	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)	\$12/13.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$25/26.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$19/20.00	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	\$31/32.00	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	\$32/33.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$31/32.00	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	Steady	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	Steady	X
Brazil to China: 55,000 m/t	\$28/29.00	Down \$2.00	X
Brazil to Japan: 55,000 m/t	\$27/28.00	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	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$34/35.00	Down \$1.00	X
Brazil to Spain: 50,000 m/t	\$30/31.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$28/29.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$17.00/17.50	Down \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.00/19.50	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	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	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)	\$13/14.00	Down \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$28/30.00	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)	\$14/15.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/30.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$45/47.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$35/36.00	Down \$1.00	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)	\$26/27.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Steady	X



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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)	905	Down 207	X
Baltic Capesize Index (100,000 plus DWT)	1830	Down 207	X
Baltic Panamax Index (60,000 to 80,000 DWT)	748	Down 270	X
Baltic Supramax Index (50,000 to 60,000 DWT)	576	Down 125	X
Baltic Handysize Index (25,000 plus DWT)	395	Down 56	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 228/231	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 240/243	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 236/239	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 244/247	X
Wheat, Romania 12.5 pro	USD 243/247	X
Wheat, Superior, France, Rouen	USD 238/240	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 209/211	X
Wheat, feed, Black Sea	USD 229/232	X
Barley, France, Rouen port	USD 229/231	X
Barley, feed, Argentina, up river	USD 201/204	X
Barley, feed, Black Sea, 30,000+	USD 230/233	X
Corn, 2YC FOB NOLA USA	USD 175/177	X
Corn, 3YC FOB USA Pacific northwest	USD 189/192	X
Corn, FOB Argentina port, upriver	USD 171/174	X
Corn, FOB Brazil port	USD 183/186	X
Corn, FOB France - Atlantic	USD 212/214	X
Corn, FOB Romania	USD 183/186	X
Corn, FOB Russia	USD 184/187	X
Corn, FOB Ukraine, 30,000+ m/t	USD 178/181	X
Sorghum, FOB Argentina port	USD 160/163	X
Sorghum, FOB Texas	USD 179/182	X
Soymeal, 48% protein, FOB NOLA	USD 348/341	X
Soymeal, 48% protein, USA, Rotterdam	USD 373/376	X
Soymeal, Argentina, Rotterdam	USD 365/368	X
Soymeal, 47% pro, FOB Argentina	USD 331/334	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 360/363	X
Soymeal, 48% protein, FOB Brazil	USD 332/335	X
Soybeans, FOB NOLA	USD 342/345	X



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Soybeans, Argentina, FOB	USD 350/353	X
Soybeans, Brazil, FOB	USD 350/353	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 218>>213	X

Some difficulty in logistics in the US Gulf has pushed nearby corn byproducts prices higher once again and this is coupled with a week of quite good export demand – all of which was trying to push prices higher. Most new sales are being done out in March/April as February shipment is tight and prices higher. One would be quite hard pressed to find any shipping positions left for February.

Except for the bump up in spot prices the trend seems to be steady for a few weeks out. Prices should continue to follow what happens to corn and soymeal.

Without any USDA export numbers, it is tough to know exactly what is being shipped and to where – just shows how much we get uses to the weekly/monthly information.

There could be a bump up in corn gluten meal demand if buyers in Bangladesh decide to replace banned meat and bone meal with corn gluten meal, but most traders think that they will buy from China rather than from the US – from China the CGM is closer, quicker and cheaper, they just must be careful which producer they buy from.

There was an article in the US this week saying that higher DDGS prices in the country are making pig farmers switch out of expensive DDGS to more cost-effective corn or soymeal. Use in hog feeding is said to have dropped from 30% down to 10%. However, as the article points out, DDGS prices dropped by about 10% in January 2019 due to the drop in US demand and the reduced exports to both Thailand and Vietnam this due to fumigation complications.

Of course, we all must remember that DDGS is a byproduct of ethanol production and how goes ethanol so goes DDGS.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 370/380 m/t CNF Asia
Australian MBM 50% protein	USD 410/420 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 420/440 m/t CNF Asia
	USD 410/420 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

The markets for animal proteins in Asia are reported to have been very quiet this week but prices into the major market in Indonesia are said to have slipped lower. Local Indonesian stocks are said to be high, but exporters are being quite aggressive in trying to capture some Indonesian business. Still no change on Australian access to the market but OZ exporters are hoping that it won't be too much more in the future.



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Export MBM prices from both OZ and New Zealand are reported to be about USD 10 m/t lower but poultry meal and feathermeal remain steady to higher. The same is seen in the US with some weakness in export MBM prices but steady for other animal proteins.

The Jacobsen Report this week was saying that prices should probably be moving higher, but that supply is weighing heavily in the market and further that low vegetable protein prices are keeping animal protein prices from moving up.

The ban of the importation of meat and bone meal by Bangladesh has made life difficult for poultry farmers as they don't have alternatives available to replace MBM. The government says that MBM "can carry harmful viruses, bacteria and other ingredients harmful to human and animal health" – sounds just like the EU many years ago. The government has added that it is very difficult for port offices to accurately assess the quality of MBM which had resulted in poor quality product entering the country. They also added that the poultry industry was consulted and advised well in advance of the MBM import ban.

Thinking back a number of years (quite a number), Egypt imported about 100,000 m/t of MBM per year then overnight banned import due to pork particles in the MBM. Within a year or so Egypt was importing about 100,000 m/t of corn gluten meal – so there are easy alternatives, but a ban does bring short term hardships – as the poultry farmers of Bangladesh are finding out.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru is still at a level higher than most experts forecasted – some years everything seems to go very well. So far, this looks like one of those years. Total southern landings are now up too about 78,000 m/t against the quota of 540,000 m/t.

There was some good news about a possible El Nino in March – looks like there will be a very mild one this year.

Chinese buyers were active in the fishmeal market this week but the trade reports that their bids were too low to get sellers excited. It doesn't seem that there was much new business booked. Stocks available for sale, including those in the south, are up to close to 75,000 m/t.

The talk in the market is that buyers expect that the next fishing season will be just as good as the season just past and they are all looking for a drop in prices for Feb/March/April business. Sellers are not looking to lower any prices.

In northern Europe, Pelagia, TripleNine and Norsildmel have ended their joint fishmeal sales cooperation. Norsildmel had been marketing all the fishmeal for all three companies. The three companies will move ahead with their own marketing/sales operations.

And in Argentina, gene-edited tilapia will not be classified as GMO. The tilapia are not based on any introduction of foreign DNA, just gene-editing, so are not considered GMO.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,765
Danish fishmeal	64% protein	1,480
Peru fishmeal	64% protein	1,475



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Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,755

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	1310/1330 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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