



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 Fax: +33.4.5774.7575
1 Traverse Du Cheval Blanc, St Remy de Provence, 13210 France

WEEKLY FEED GRAIN AND PROTEIN REPORT January 27, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Again this week, soybeans/soymeal were the hot item – soybean prices have rallied by USD 18 to 20 m/t in the past two weeks and the rally may not be over. As was reported last week, the continued heavy rains in Brazil have badly delayed the harvest of the soybean crop and is making the planting of the corn crop more difficult. However, a couple of weather reports have said the rains will stop shortly and while that may get the soybeans harvested what will happen with the planting of the second corn crop. You can't put corn in the ground if the soybeans are still there.

Corn had a quite week this week. Export prices were up a little due to the weak US dollar and the possibility of lower corn exports for Brazil and Argentina added some strength but not much.

Corn prices seem to be stuck in a bit of a trading range – up a little then down a little – as there has not been much news to move the market. There was the news this week about problems with the South African corn crop due to a lack of rainfall which will affect their production and, of course, their exports. South African corn exports could be down by as much as 1 million m/t this year. This is perhaps not much by international standards but is quite a lot when you look at regional corn importing markets. South Africa has exported about 1.8 million m/t and, if you ignore Japan, most of the exports are to African countries – countries that import corn most every year.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16/17.00	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	\$28/29.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$30/31.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$31/32.00	Down \$1.00	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	Steady	X
US Gulf China: Panamax	\$43/44.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$24/25.00	Steady	X
US PNW China: Panamax	\$23/24.00	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	Steady	X



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

France/Germany to China: 50,000 m/t	\$32/33.00	Up \$1.00	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	Steady	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	\$20/21.00	Up \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$44/45.00	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	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$25/26.00	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	\$29/30.00	New	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	Down \$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	\$20/21.00	Down \$1.00	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	Up \$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	\$24/25.00	Down \$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	Up \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$31/32.00	Steady	x
Ukraine to India: 45/50,000 m/t	\$28/29.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$11/12.00	Down \$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	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$13/14.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$14/15.00	Steady	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	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)	\$18/19.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Down \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$24/25.00	Down \$2.00	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	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$16/17.00	Steady	X



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Black Sea to Yemen: 50,000 m/t	\$25/26.00	Steady	X
Baltic Dry Index	1219	Up 94	X
Baltic Capesize Index	1772	Up 279	X
Baltic Panamax Index	1492	Up 159	X
Baltic Supramax Index	900	Down 11	X
Baltic Handysize Index	577	Down 7	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 2018/April 2018

Wheat, USA Soft Red Winter, NOLA	USD 191/194	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 209/214	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 184/187	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 193/195	x
Wheat, Romania 12.5 pro	USD 195/198	x
Wheat, Superior, France, Rouen	USD 199/201	x
Wheat, milling, 12.0%, Argentina, upriver	USD 177/181	x
Wheat, feed, Black Sea	USD 181/184	x
Barley, France, Rouen port	USD 198/200	x
Barley, feed, Argentina	USD 183/186	x
Barley, feed, Black Sea, 30,000+	USD 190/194	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 164>>161	X
Corn, 3YC FOB USA Pacific northwest	USD 179>>175	x
Corn, FOB Argentina port, upriver	USD 164/167	X
Corn, FOB Brazil port	USD 168/171	X
Corn, FOB France	USD 191/197	x
Corn, FOB Romania	USD 176/180	x
Corn, FOB Russia	USD 169/172	x
Corn, FOB Ukraine, 30,000+ m/t	USD 167/172	X
Sorghum, FOB Argentina port	USD 171/175	x
Sorghum, FOB Texas	USD 204/207	x
Soymeal, 48% protein, FOB NOLA	USD 387>>377	X
Soymeal, 48% protein, USA, Rotterdam	USD 412>>402	X
Soymeal, Argentina, Rotterdam	USD 406/410	x
Soymeal, 47% pro, FOB Argentina	USD 367/371	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 394/398	X
Soymeal, 48% protein, FOB Brazil	USD 356/362	x
Soybeans, FOB NOLA	USD 375/378	X
Soybeans, Argentina, FOB	USD 375/378	X
Soybeans, Brazil, FOB	USD 385/388	X
Soybeans, Black Sea	USD 388/392	x



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corn Gluten Meal, USA FOB NOLA	USD 605 >>590 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 170 >>160 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 216 >>200 May m/t	x

All corn by-product prices were higher this week for nearby shipment as all the logistics problems to export ports have not yet been solved. There doesn't seem to be any problem with supply and most buyers have backed off on new purchases due to the current high price levels. Buyers do feel that prices should be lower, and they are probably right.

One factor that could affect the corn gluten meal price is the end to fishmeal production for now in Peru. For some aqua feed formulations CGM can be increased and fishmeal decreased, and this could lead to a jump in export demand for CGM, but we will see. I am not a nutritionist so may be exaggerating the effect that a lack of fishmeal could have.

In the US domestic market, the rally in the soymeal price is causing buyers to switch to DDGS and this has pushed DDGS prices in the US up by as much as USD 10 m/t. As long as soymeal stays strong then DDGS prices will just follow along.

As I said last week, buyers would be better to look out into April/May for any new purchases that is when the prices seem to be back to their normal relationship.

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 500/520 m/t CNF Asia USD 460/470 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 930/940 m/t CNF Asia

One has to wonder what the effect on animal proteins the shortage of fishmeal will have. End-users who can use poultry meal or meat and bone in place of fishmeal will be rushing into the market to scoop up some supplies which should mean higher export prices.

Meat and bone meal prices to major destinations in Asia did creep a little higher this week – prior to the fishmeal news. The current move in prices was due to good demand – demand that should be even larger next week.

Poultry meal prices have continued to move higher in export markets, strictly on demand and the export demand is reported by the Jacobsen Report to be helping push up US domestic prices for poultry meal --- should be even higher soon.

I was talking to a meat and bone meal producer in Paraguay on Friday, he was telling me that his price into Asia these days is at about USD 390/400 m/t and that he just can't compete with MBM from other origins. Perhaps the expected jump in demand will make sales easier for him.



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Well that is it – fishing is over in Peru. It looks like the total catch will be at about 650,000 m/t producing 148,000 m/t of fishmeal and about 21,000 m/t of fishoil. The quota will be under by about 850,000 m/t or 195,000 m/t of fishmeal and 27,000 m/t of fishoil.

The prices shown below didn't change much but I am sure that they will for next week. I had a call yesterday from a fishmeal buyer from Egypt who was in Mauritania trying to finalize on a fishmeal contract when the seller upped the price by USD 300 m/t. The poor buyer didn't know what had happened to jack up the price until I explained to him what the Peru situation was. I assume that we will see every origin moving their fishmeal and fishoil prices higher in the next few days.

The fishing was stopped in Peru because the anchovy are moving closer their next spawning period and it is not good for future of the biomass to be catching anchovy as spawning approaches.

According to trade sources in Peru, about 160,000 m/t of fishmeal had been presold so with production of just less than 150,000 m/t the producers will come up a little short and there will certainly be nothing available for new sales.

I suspect that fishmeal users will be looking everywhere in the next few weeks to find some supply and that prices should reflect the fact that supply will be limited for quite a while. So, if you haven't covered your fishmeal needs you could be looking at much higher prices or possible lower quality fishmeal from other origins. Good luck!.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,840	Up \$10
Danish fishmeal	64% protein	1,620	Up \$40
Peru fishmeal	64% protein	1,605	Up \$5
Chile fishmeal	67% protein	1,655	Up \$5
Iceland fishmeal	70% protein	1,840	Up \$10

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	1550/1570 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	2000/2050
68% protein 500 hist, 120 TVN	2000/2020 m/t	2050/2100
Fish oil, crude bulk	2500/2550	2000/2100



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Fish oil, crude drums	2600/2650	
Fish oil, flexi tank	2700/2750	
Fish oil, Omega 3: 28%EPA/DHA	No prices	

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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2018 Wayne S. Bacon