



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT February 02, 2019

### **SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN**

Looking at where prices in the US finished the week one could say that it seemed to be a quiet week. Of course, there are always some exciting moments in the business during the week but when you finish off the week mostly unchanged or only with slight price changes than it has been an overall quiet week.

There was a lot of speculation about the US/China trade problems and how close they are to being solved. China is now expected to be in the market for soybeans, corn and wheat in coming days but exactly where will they buy their supplies.

The corn market benefitted from talk that the Brazil corn plantings for the next crop will see corn in the ground very quickly which could give higher yields. However, the weather in Brazil is still hot and dry which is not the best for the new crop – a little ground moisture would be appreciated for the planting. There is also the feeling that China may buy some US corn but that is still just hoping.

Soybeans were up a little on the week, strictly due to expectations of more from China. China was quoted as saying that it will buy 5 million m/t of US soybeans, but no one seems to be sure if the Chinese statement was referring to the 5 mm/t already purchased or another 5 mm/t.

Wheat prices were up on Friday (but a little lower on the week) with everyone worrying about the effect of the very, very, very cold weather on the winter wheat crop. The cold snap is said to be coming to an end early in the week – which will make a lot of people in the US and Canada very happy.

### **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)	\$17/18.00	Down \$1.00	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)	\$34/35.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$43/44.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$32/33.00	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$32/33.00	Down \$1.00	X
US Gulf Japan: Panamax	\$39/40.00	Down \$2.00	X
US Gulf China: Panamax	\$38/39.00	Down \$2.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Steady	X
US PNW Japan: Panamax	\$22/23.00	Down \$1.00	X
US PNW China: Panamax	\$21/22.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$41/42.00	Steady	X
US East Coast Nigeria: Handisize	\$46/47.00	Steady	X



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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	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	Steady	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	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$25/26.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$18/19.00	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	\$30/31.00	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	\$31/32.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$30/31.00	Down \$1.00	x
Argentina to Egypt: 50,000 m/t	\$31/32.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$33/34.00	Down \$1.00	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	Down \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$30/31.00	Steady	X
Argentina to South Africa 50,000 m/t	\$28/29.00	Down \$1.00	X
Argentina to Spain: 50,000 m/t	\$33/34.00	Down \$1.00	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	\$19/20.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$24/25.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$26/27.00	Down \$2.00	X
Brazil to Japan: 55,000 m/t	\$25/26.00	Down \$2.00	X
Brazil to Europe: 50,000 m/t	\$29/30.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$23/24.00	Down \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$33/34.00	Down \$1.00	X
Brazil to Spain: 50,000 m/t	\$29/30.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$16.00/16.50	Down \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$18.50/19.00	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	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	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$27/28.00	Down \$1.00	x
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$26/27.00	Down \$5.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$14/15.00	Steady	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)	\$27/28.00	Down \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$42/43.00	Down \$4.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	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	Steady	x



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Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Down \$1.00	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)	\$15/16.00	Down \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	645	Down 260	x
Baltic Capesize Index (100,000 plus DWT)	1014	Down 816	X
Baltic Panamax Index (60,000 to 80,000 DWT)	560	Down 188	X
Baltic Supramax Index (50,000 to 60,000 DWT)	450	Down 125	X
Baltic Handysize Index (25,000 plus DWT)	311	Down 84	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 229/231	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 242/245	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 240/242	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 247/249	X
Wheat, Romania 12.5 pro	USD 247/249	X
Wheat, Superior, France, Rouen	USD 241/243	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 212/215	X
Wheat, feed, Black Sea	USD 229/232	X
Barley, France, Rouen port	USD 227/229	X
Barley, feed, Argentina, up river	USD 201/204	X
Barley, feed, Black Sea, 30,000+	USD 235/238	x
Corn, 2YC FOB NOLA USA	USD 175/177	X
Corn, 3YC FOB USA Pacific northwest	USD 190/193	X
Corn, FOB Argentina port, upriver	USD 173/175	X
Corn, FOB Brazil port	USD 167/170 Aug/Sep	X
Corn, FOB France - Atlantic	USD 212/214	X
Corn, FOB Romania	USD 184/187	X
Corn, FOB Russia	USD 185/188	X
Corn, FOB Ukraine, 30,000+ m/t	USD 182/185	X
Sorghum, FOB Argentina port	USD 161/164	X
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 345/348	X
Soymeal, 48% protein, USA, Rotterdam	USD 370/373	X
Soymeal, Argentina, Rotterdam	USD 355/358	X
Soymeal, 47% pro, FOB Argentina	USD 327/330	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 354/357	X
Soymeal, 48% protein, FOB Brazil	USD 332/335	X



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Soybeans, FOB NOLA	USD 348/351	X
Soybeans, Argentina, FOB	USD 351/354	X
Soybeans, Brazil, FOB	USD 355/358	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 225>>215	X

Nothing much new to report in the corn byproduct business – other than the squeeze on nearby supplies (which has existed for weeks) the market prices have remained steady this week. The very, very, very cold weather in the US could add to the nearby prices as logistics get even worse when everything is frozen solid.

As mentioned for both animal proteins and fishmeal – the New Year holidays in China are keeping Chinese buyers out of the market for a few days, so the next while will probably be very quiet for export byproduct business.

## 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

With Chinese buyers getting ready for Lunar New Year next week, the animal protein market has slowed down considerably. Prices this week look to be steady on last weeks levels. Trade reports say that animal protein stocks in Australia are building as the slaughter is higher than normal due to drought conditions in some areas. The US also has very good stocks of meat and bone meal. The feeling in the trade seems to be that prices are going to have to move lower for MBM to move all the available supplies.

From the US, while meat and bone meal export prices may have to drop the opposite is true for feathermeal and poultry meal where domestic demand has been very good, especially from the pet food sector, and prices are being pushed higher. The Jacobsen report points out this week that there is also strong demand from the fertilizer industry which is carrying prices higher.

Only MBM prices seem to be falling behind and no one in the trade seems to be expecting any rally in MBM prices in coming weeks.

## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru is still quite good with the catch to date up to about 120,000 m/t (27,500 m/t of fishmeal).



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Not much new buying interest in Peru as the major Chinese buyers are all winding down for Chinese New Year which begins on February 5<sup>th</sup> – a few days of quiet and relaxation are expected in Peru. One of the trade reports was saying that the next two weeks should be very quiet.

For anyone interested in numbers here is a list of fishmeal exports by major shippers for 2018:

Tasa – 232,000 m/t  
 Copinca – 230,000 m/t  
 Exalmar – 114,000 m/t  
 Hayduk – 110,000 m/t  
 Diamante – 109,000 m/t  
 Austral – 92,000 m/t

These six shippers represent just over 88% of total Peru fishmeal exports for 2018.

Also, some numbers from China on where they source their fishmeal – totals for 2018

Country	Total metric tons	Percentage share
Peru	783,900	53.68
Vietnam	131,600	9.01
Chile	91,900	6.29
USA	72,700	4.98
Mexico	65,400	4.48
Russia	65,800	4.51
Thailand	51,500	3.53
Mauritania	50,400	3.45
Pakistan	35,000	2.40
Ecuador	22,300	1.53
Others	67,400	4.60
Total imports	1,460,000	100.00

## European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,760
Danish fishmeal	64% protein	1,475
Peru fishmeal	64% protein	1,465
Chile fishmeal	67% protein	1,515
Iceland fishmeal	70% protein	1,745

## 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	



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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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