



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT February 03, 2018

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

Looking at market prices this week, the only grain to show much strength was wheat – hard red winter in particular. The winter wheat crop was said to be quite vulnerable to the cold weather and a lack of snow cover in major HRW areas created concern. The weather forecast did change on Friday and there seems to be some snow in the forecast which will offer better protection to the wheat.

The weather forecasts for Argentina also improved as the week ended with more rain seen in the next while which should be of great help to the thirsty corn crop. Every forecaster is expecting that the Argentina corn crop yields will be lower and a lower crop overall expected. There were a couple of good US corn sales to Egypt this week, something that we haven't seen for a while, but we are getting into the window where US corn can be very competitive to North Africa destinations.

Soybeans and soymeal were down a little on the week – mainly due to improved weather in South America. We have the next USDA WASDE report coming up next week and most experts feel that the forecasts for Argentina soybean production will be lowered (as much as 5 million m/t) while soybean crop projections for Brazil will probably increase (but only a little – to a new record level).

One more point on wheat – Egypt lowered its protein requirement in the GASC tenders from 12.0% protein to 11.5% for Romanian, Russian and Ukrainian wheat.

As to prices, next week's USDA WASDE report will probably set the trend for a little, that and the weather – freezing in the US, too wet in Brazil and bone dry in Argentina.

### **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	Steady	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$20/21.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$28/29.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Steady	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	Steady	X
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Down \$1.00	x
US Gulf South Africa: 45,000 m/t	\$37/38.00	Down \$1.00	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



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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	\$32/33.00	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	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	\$29/30.00	Down \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$19/20.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$43/44.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$24/25.00	Down \$1.00	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	\$25/26.00	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)	\$21/22.00	Down \$1.00	X
Argentina to Jordan: 50,000 m/t	\$29/30.00	Steady	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$46/47.00	Down \$1.00	X
Argentina to South Africa 50,000 m/t	\$25/26.00	Steady	X
Argentina to Spain: 50,000 m/t	\$24/25.00	Steady	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	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$33/34.00	Steady	X
Brazil to Japan: 55,000 m/t	\$34/35.00	Steady	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$34/35.00	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Down \$1.00	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	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$31/32.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$27/28.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$11/12.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$28/29.00	Down \$2.00	X
Russia to Turkey: coaster (1,000 disch)	\$32/34.00	Up \$4.00	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)	\$28/29.00	Down \$2.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$46/47.00	Up \$3.00	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	Steady	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	Steady	X



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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
Black Sea to Yemen: 50,000 m/t	\$25/26.00	Steady	X
Baltic Dry Index	1095	Down 124	X
Baltic Capesize Index	1470	Down 302	x
Baltic Panamax Index	1359	Down 133	x
Baltic Supramax Index	872	Down 28	x
Baltic Handysize Index	547	Down 30	X

### **Courtesy of NS Trans in St Petersburg, Russia – container rates from Russia Black Sea,**

Destination	20 foot in USD	40 foot in USD
Istanbul, Turkey	500	550
Spain	650	800
Morocco	800	1050
Pakistan	1150	1450
India, east coast	1150	1300
Malaysia	1000	1300
Vietnam	1050	1250
China, Shanghai	1000	1150
S Korea, Pusan	950	1050

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 186/189	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 191/194	x
Wheat, Romania 12.5 pro	USD 194/199	x
Wheat, Superior, France, Rouen	USD 200/202	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 180/184	x
Wheat, feed, Black Sea	USD 180/183	x
Barley, France, Rouen port	USD 200/202	x
Barley, feed, Argentina	USD 185/189	x
Barley, feed, Black Sea, 30,000+	USD 191/194	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 164/166	x
Corn, 3YC FOB USA Pacific northwest	USD 179/181	x
Corn, FOB Argentina port, Upriver	USD 170/173	x
Corn, FOB Brazil port	USD 164/169 July/August	x
Corn, FOB France - Atlantic	USD 194/197	x
Corn, FOB Romania	USD 179/183	x



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Corn, FOB Russia	USD 172/175	x
Corn, FOB Ukraine, 30,000+ m/t	USD 174/177	x
Sorghum, FOB Argentina port	USD 169/173	x
Sorghum, FOB Texas	USD 207/211	x
Soymeal, 48% protein, FOB NOLA	USD 387>>377	x
Soymeal, 48% protein, USA, Rotterdam	USD 412>>402	x
Soymeal, Argentina, Rotterdam	USD 396/399	x
Soymeal, 47% pro, FOB Argentina	USD 370/373	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 390/394	X
Soymeal, 48% protein, FOB Brazil	USD 353/357	x
Soybeans, FOB NOLA	USD 374/377	x
Soybeans, Argentina, FOB	USD 373/375	X
Soybeans, Brazil, FOB	USD 383/386	X
Soybeans, Black Sea	USD 388/392	x
Corn Gluten Meal, USA FOB NOLA	USD 595 >>580 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 170 >>160 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 205 >>196 May m/t	x

The trade says that the situation in New Orleans is improving and the premium seen in spot prices will be gone shortly. Of course, few if any buyers are in the spot export market as it makes too much sense to buy out a few weeks and save USD 10 m/t.

The US Grains Council report this week says that DDGS prices into Asia were up by about USD 7 m/t while domestic USA prices were steady. The USDA national average of prices shows no change in DDGS prices or in corn gluten feed while corn gluten meal was down by just USD 1 m/t – a quiet week for prices.

The USDA grain crushing repo was issued this week and shows December production of DDGS at 1.97 million m/t, about the same as November but down from December 2016. Corn gluten meal production was steady at 91,000 m/t while corn gluten feed was up 3% at 319,000 m/t. Overall corn use in crushing and milling and all that stuff was up by about 2%. – US ethanol production was up by about 2.4%.

### 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 530/540 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

Animal protein prices into Asia are creeping up a little push a tad by the recent increases in both soymeal and fishmeal prices. While meat and bone meal prices were probably quoted USD 10 m/t higher the most active item on the week seemed to be feathermeal where demand has been steady, but the export supply was a little short, at least in the US, due to very good domestic demand from the feed industry --- a cold winter certainly pushes up demand. According to the Jacobsen report the



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demand for poultry meal, both export and domestic, has been very good – thanks mainly to strong fishmeal prices – so, we should see poultry meal prices moving higher.

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

The final, final numbers from the Northern Peru fishing look to be: catch 661,100 m/t (21.4% juvenile), estimated fishmeal production 150,200 m/t, estimated fishoil production 21,500. However, as reported by MSI Ceres, the actual catch may be close to 688,000 m/t which would give an additional 6,100 m/t of fishmeal.

So now the only fishing that we will have for a while is the quota in the South at 535,000 m/t that runs until June 30, 2018, with no catch so far.

The next fishing period in the North, the first fishing season, is expected to begin in the second half of April 2018 – so we will be close to four months without much in the way of new fishmeal/fishoil supplies from Peru.

According to trade reports the end of fishing has created difficulty for some producers who pre-booked significant business while other, according to MSI Ceres, still seem to have a little stock to sell. It is expected that some producers will be looking to roll their excess sales into the next fishing season.

China is reported to have imported a total of 1.58 million m/t of fishmeal with 883,000 m/t coming from Peru – Vietnam was the next largest supplier at 135,000 m/t followed by the USA at 100,000 m/t then Chile at 70,000 m/t, Ecuador at 57,000 m/t and Russia at 57,000 m/t.

Some interesting number from the IFFO: 2017 fish catch in major fishmeal producing nations was up by 21.3% over 2016 at 8.1 million m/t. Fishmeal yields were down a little but total production was still up by 18.6% to 2.1 million m/t of fishmeal (Just under 50% from Peru/Chile). The IFFO numbers don't include all world fishmeal production but it is interesting to see that the majors produced 2.1 mm/t of fishmeal and China imported 1.58 mm/t --- certainly shows which country is important in the fishmeal business.

As to current prices, no one much is selling fishmeal in Peru, so it is difficult to get a good handle on what you might have to pay for a little supply. For now, we are just sticking with the prices shown below.

### **European fishmeal prices – FOB North German port.**

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,860	Up \$20
Danish fishmeal	64% protein	1,620	Steady
Peru fishmeal	64% protein	1,605	Steady
Chile fishmeal	67% protein	1,655	Steady
Iceland fishmeal	70% protein	1,860	Up \$20

### **PERU "INDICATION" FISHMEAL PRICES:**

**ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS**  
**Minimum shipment of 200 m/t for fishmeal**



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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
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

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