



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT February 09, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It is certainly nice to have some USDA report being issued once again but the WASDE report out this week was not an exciting and earth-shattering report. Just a nice quiet report that seemed to confirm all the numbers that the trade had been expecting.

US Soybean yields were lowered a little which brought production down but there will still be millions of tons of soybeans looking for a home.

US corn yields were also decreased along with lower feed usage and a drop in use in ethanol.

US winter wheat plantings are lower, exports are steady and feed use is down a bit.

At the end of the week, after the WASDE, not much happened to prices --- for the week we had corn down by about USD 2 m/t with soybeans down by about USD 1, soymeal down by USD 5 m/t. wheat was down the most with hard red winter down by about USD 6 m/t and soft red winter wheat down by about USD 3 m/t, spring wheat was down by about USD 4 m/t.

It looks like the grain trade was not at all surprised by the USDA reports – so life goes on but now we have reports to tell us what we did know but weren't too sure about.

There was a report on GMO soybeans out this week looking at soybeans until 2026 and, according to the report, everything looks rosy for GMO soybeans, with growth of 14.3%. The reports states that "approximately 600 million m/t of GMO soybeans will be sold around the world by 2026".

Top Ten US Export Destinations for Grains and Oilseeds – 11 months 2018 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans
Algeria	308,600			
Bangladesh				1,079,400
Cameroon			8,200	
Canada		1,785,300	53,600	
China	394,400		2,175,500	8,266,200
Colombia	399,900	5,001,100		
Costa Rica		819,200		
Djibouti			38,700	
Germany				901,900
Guatemala		1,017,500		
Indonesia	625,200			2,448,100
Japan	2,606,400	14,256,000	386,800	2,043,500
Kenya			38,200	
Mexico	2,581,800	15,331,200	167,800	4,144,500
Netherlands				3,295,900
Nigeria	732,200			



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Pakistan				1,794,900
Peru		2,890,500		
Philippines	2,432,700			
Saudi Arabia		1,652,500		
Somalia			53,800	
South Africa			33,700	
South Korea	1,296,000	6,931,000		
Sudan			181,500	
Taiwan	872,000	3,050,000		1,975,300
Thailand				1,309,000
Rest of the World	7,627,400	12,725,300	430,200	15,048,100

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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)	\$16/17.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$27/28.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$28/29.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$33/34.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$31/32.00	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	Steady	X
US Gulf South Africa: 45,000 m/t	\$32/33.00	Steady	X
US Gulf Japan: Panamax	\$38/39.00	Down \$1.00	X
US Gulf China: Panamax	\$37/38.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Steady	X
US PNW Japan: Panamax	\$21/22.00	Down \$1.00	X
US PNW China: Panamax	\$20/21.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$41/42.00	Steady	X
US East Coast Nigeria: Handisize	\$46/47.00	Steady	X
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	Steady	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	Steady	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	\$30/31.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$29/30.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$31/32.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$33/34.00	Steady	X



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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	Steady	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	Steady	X
Argentina to Spain: 50,000 m/t	\$33/34.00	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	\$19/20.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$24/25.00	Steady	X
Brazil to China: 55,000 m/t	\$25/26.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$24/25.00	Down \$2.00	X
Brazil to Europe: 50,000 m/t	\$29/30.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$23/24.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$33/34.00	Steady	X
Brazil to Spain: 50,000 m/t	\$29/30.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$16.00/16.50	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$18.00/18.50	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	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$26/27.00	Steady	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)	\$14/15.00	Down \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$42/43.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	Steady	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
Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	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)	\$15/16.00	Steady	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	601	Down 44	X
Baltic Capesize Index (100,000 plus DWT)	792	Down 222	X
Baltic Panamax Index (60,000 to 80,000 DWT)	574	Up 14	X
Baltic Supramax Index (50,000 to 60,000 DWT)	415	Down 35	X
Baltic Handisize Index (25,000 plus DWT)	290	Down 21	X



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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 228/230	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 237/240	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 239/241	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 246/248	X
Wheat, Romania 12.5 pro	USD 245/247	X
Wheat, Superior, France, Rouen	USD 235/237	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 212/215	X
Wheat, feed, Black Sea	USD 230/232	X
Barley, France, Rouen port	USD 217/219	X
Barley, feed, Argentina, up river	USD 198/201	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 189/192	X
Corn, FOB Argentina port, upriver	USD 170/173	X
Corn, FOB Brazil port	USD 166/169 Aug/Sep	X
Corn, FOB France - Atlantic	USD 209/211	X
Corn, FOB Romania	USD 182/185	X
Corn, FOB Russia	USD 185/188	X
Corn, FOB Ukraine, 30,000+ m/t	USD 181/184	X
Sorghum, FOB Argentina port	USD 160/163	X
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 337/340	X
Soymeal, 48% protein, USA, Rotterdam	USD 362/365	X
Soymeal, Argentina, Rotterdam	USD 352/355	X
Soymeal, 47% pro, FOB Argentina	USD 322/325	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 350/353	X
Soymeal, 48% protein, FOB Brazil	USD 322/325	X
Soybeans, FOB NOLA	USD 346/349	X
Soybeans, Argentina, FOB	USD 348/351	X
Soybeans, Brazil, FOB	USD 352/355	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 560>>550 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 170>>160 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 222>>212	x

It seemed like a quiet week for corn byproducts this week with major Asian buyers closed down for Chinese New Year – of course, Chinese New Year doesn't just affect China but also any country in Asia with a significant Chinese population, and there are many.



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There was not a great deal of change on corn byproduct prices this week although prices out a few weeks were certainly much more attractive than February prices – this has been the situation for quite a few weeks now.

None of the trade reports are calling for a rally in prices so we will probably just move along for a while at about the same price level – until the next market shaking news.

USA exports of corn by-products – 11 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/Nov 2018	Corn Gluten Meal Jan/Nov 2018	Corn Gluten Feed Jan/Nov 2018
Australia		5,800	
Bangladesh	140,400	6,700	
Burma	59,000	2,600	
Cambodia	48,000		900
Canada	609,500	66,700	
Chile		140,900	
China	201,700		
Colombia	193,300	91,100	28,400
Costa Rica	77,100		
Denmark		6,600	
Ecuador	31,500	4,700	
Egypt	193,300	134,100	
El Salvador	62,400	4,000	
Guatemala	57,000	9,000	
Honduras	53,500	8,100	
Indonesia	751,400	132,100	1,700
Ireland	353,500		429,000
Israel	249,000	800	228,600
Jamaica	18,500		
Japan	435,200	14,400	
Malaysia	62,800	29,600	
Mexico	1,879,900	19,900	24,100
Morocco	184,400		55,300
New Zealand	247,400		50,400
Panama	19,200		
Peru	29,500	8,100	
Philippines	185,100	1,600	300
Portugal	37,600		46,100
Saudi Arabia	5,500	500	
South Korea	1,069,300		900
Spain	213,700		
Sri Lanka	15,400		
Taiwan	200,400	35,300	
Thailand	942,900	30,200	800
Tunisia	42,900		
Turkey	887,100		67,900
UK	277,000	1,500	100,300



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Vietnam	1,137,300	14,800	
Total exports	10,993,500	772,900	1,035,300

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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

According to the Jacobsen Report, prices for meat and bone meal into Indonesia have weakened a little – mainly due to continued low prices seen from US exporters – heavy US supplies of MBM are keeping a lid on prices.

The Australian trade says that they have done all that is needed for approval by the Indonesian government for the approval of OZ MBM shipments. All the needed documentation had been supplied and it is now just a waiting game until Indonesian authorities say that all is OK.

US domestic prices for meat and bone meal are steady but strong pet food demand has pushed up the domestic price for pet food grade poultry meal with some sellers said to be offering at least USD 200 m/t higher than the indication price above.

Everyone has been expecting higher prices for animal protein for a while now but good supply in most exporting countries is holding back any serious price rally.

USA exports of animal protein – 11 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feather meal
	Jan/Nov 2018	Jan/Nov 2018
Burma	4,100	
Cambodia	1,500	
Canada	50,600	14,800
Chile	300	27,900
China	45,600	29,800
Colombia	1,000	100
Ecuador	14,600	
Germany		
Honduras	8,200	



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Indonesia	167,800	25,400
Jamaica	1,200	
Malaysia	7,500	
Mexico	180,700	
Peru	5,300	800
Philippines	20,700	700
Sri Lanka	2,400	
Thailand	15,800	
Vietnam	48,700	3,200
Total exports	578,200	102,700

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru is now up to about 143,000 m/t, just over 33,000 m/t of fishmeal, this week's catch was at about 25,000 m/t – not too bad.

The next biomass research cruise is scheduled to begin on the 12th of February and last for about 45 days. This research cruise will supply much of the data needed for the setting of the next fishing quota. Everyone is anticipating good results for the cruise as there has been little reason to expect any bad results.

Most experts feel that the next fishing season will begin in April 2019 with the first new production shipment later in May 2019.

Export fishmeal business is very slow due to Chinese New Year holidays with all the major buyers off for a few days. At New Year Chinese families gather together for New Year dinner and, according to news stories, the getting together causes the world's largest short-term population movement as family members rush home or back to their villages.

There was a report on the aqua industry published this week that pointed out that fishmeal/fishoil production has changed very little in the last 30 years and that increased fish farming means that demand required alternative feed ingredients. The study did make an interesting point when it stated that while alternative feed ingredients may allow similar aqua output to fishmeal the change in ingredients could change the flavor of the fish making it less palatable for consumers. I don't think that I have seen this comment discussed before – we tend to look at what is good for the fish and not for the end consumer. The report did conclude that a very good alternative to fishmeal in the future could be microalgae but that fine tuning microalgae for different fish species will be complicated.

Whatever, we can still count on every ton of fishmeal produced being sold and consumed every year.

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	1,525
Iceland fishmeal	70% protein	1,770



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PERU "INDICATION" FISHMEAL PRICES:

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS

Minimum shipment of 200 m/t for fishmeal

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
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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