



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 February 10, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Ah, this was the week of the USDA WASDE report and, as usual, it is never quite what we expected. Perhaps, it is also true that the volatility in the world stock exchanges is having a bigger effect on commodity prices than the WASDE – or even the downs and ups of the US dollar.

With corn, the feeling was that the WASDE was a little supportive due to the lower ending stocks numbers, but corn futures ended the week with little or no change. For soybeans, the WASDE was seen as being bearish due to the USDA's higher crop estimate but then the drop in the Argentina soybean crop forecast from the Argentina government certainly changed the market ideas when it came in about 4 million m/t below the USDA estimates. We should probably see a good deal of market excitement for soybeans next week. To offset Argentina a little, Brazil raised their estimate of the soybean crop by about 1 million m/t.

There is also concern in the US corn market regarding China's switch of some corn business from the US to the Ukraine. Tighter controls on GMO imports make Ukraine a little more attractive.

Spot corn and soymeal prices in Argentina were higher due to the current truckers' strike and the long lineup of ships waiting to load – estimates say that 93 vessels are being delayed in loading.

On the bearish side for Argentina soybeans is the rainfall that we have seen that should be of great benefit to both corn and soybeans --- but still won't solve the entire problem with too little rain. Rain is normally always good, but this rainfall is perhaps just a little to late to be as beneficial as farmers would like.

As to prices, next week could be an exciting week as everyone gets a grip on all the WASDE numbers, on the bouncing US dollar and the wild days in the stock exchanges.

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	Steady	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)	\$29/30.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$30/31.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$39/40.00	Down \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$36/37.00	Down \$1.00	X
US Gulf Japan: Panamax	\$43/44.00	Down \$1.00	X
US Gulf China: Panamax	\$42/43.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Down \$1.00	X
US PNW China: Panamax	\$22/23.00	Down \$1.00	X



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US East Coast Egypt: Panamax	\$45/46.00	Down \$1.00	X
US East Coast Nigeria: Handisize	\$39/40.00	Down \$1.00	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
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	\$26/27.00	Down \$1.00	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	\$28/29.00	Down \$1.00	x
France/Germany to Turkey: 35,000 m/t	\$19/20.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$42/43.00	Down \$1.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$23/24.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$38/39.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$39/40.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$24/25.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$21/22.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$28/29.00	Down \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$46/47.00	Steady	X
Argentina to South Africa 50,000 m/t	\$24/25.00	Down \$1.00	X
Argentina to Spain: 50,000 m/t	\$24/25.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$24/25.00	Down \$1.00	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	\$26/27.00	Down \$1.00	x
Brazil to China: 55,000 m/t	\$32/33.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Down \$1.00	x
Brazil to Saudi Arabia 30/40,000 m/t	\$33/34.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$22/23.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$18.50/19.00	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	Steady	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	Steady	x
Russia to Turkey: coaster (1,000 disch)	\$32/34.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$12/13.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$13/14.00	Down \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Steady	x
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$46/47.00	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)	\$14/15.00	Down \$1.00	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$18/19.00	Steady	X



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Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Up \$1.00	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
Black Sea to Yemen: 50,000 m/t	\$25/26.00	Steady	x
Baltic Dry Index	1125	Up 30	X
Baltic Capesize Index	1790	Up 320	X
Baltic Panamax Index	1250	Down 109	X
Baltic Supramax Index	825	Down 47	X
Baltic Handysize Index	526	Down 21	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 202>>193	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 219/224	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 186/190	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 195/197	X
Wheat, Romania 12.5 pro	USD 191/195	X
Wheat, Superior, France, Rouen	USD 201/203	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 183/187	X
Wheat, feed, Black Sea	USD 182/185	X
Barley, France, Rouen port	USD 202/204	X
Barley, feed, Argentina	USD 185/188	X
Barley, feed, Black Sea, 30,000+	USD 193/196	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 166/170	X
Corn, 3YC FOB USA Pacific northwest	USD 177/180	x
Corn, FOB Argentina port, Upriver	USD 174/178	x
Corn, FOB Brazil port	USD 165/169 July/August	x
Corn, FOB France - Atlantic	USD 193/196	x
Corn, FOB Romania	USD 178/182	x
Corn, FOB Russia	USD 176/180	X
Corn, FOB Ukraine, 30,000+ m/t	USD 173/178	X
Sorghum, FOB Argentina port	USD 170/174	x
Sorghum, FOB Texas	USD 208/212	x
Soymeal, 48% protein, FOB NOLA	USD 404>>388	X
Soymeal, 48% protein, USA, Rotterdam	USD 429>>433	x
Soymeal, Argentina, Rotterdam	USD 408/413	x
Soymeal, 47% pro, FOB Argentina	USD 377/382	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 399/403	x



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Soymeal, 48% protein, FOB Brazil	USD 364/367	X
Soybeans, FOB NOLA	USD 376/379	X
Soybeans, Argentina, FOB	USD 372/376	x
Soybeans, Brazil, FOB	USD 385/389	x
Soybeans, Black Sea	USD 393/397	x
Corn Gluten Meal, USA FOB NOLA	USD 590 >>580 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 165 >>155 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 209 >>198 May m/t	x

With soymeal up strongly this week one would expect corn by-product to follow along but that did not seem to happen – perhaps they will catch up next week.

The USDA national average price levels showed corn gluten feed to be up by about USd 2 m/t with corn gluten meal steady with DDGS prices also steady. The USDA info is issued early in the week, so it may be that next week will show stronger price levels.

On the export side the prices all slipped just a little lower probably as a result of the shipping logistics situation continuing to improve. The current premium seen for nearby shipment will disappear over coming weeks (hopefully) but for now it looks like May is the best month for trying to get a reasonably priced export shipment.

With DDGS prices not moving up as quickly as soymeal, it is expected that there will be increased levels of demand both for export and in the domestic market. Buyers, especially for export, are said to be snapping up any lower prices that they can find.

USA exports of corn by-products – 12 months 2017 versus 2016 – major destinations – in m/t

Country	Distillers Dried Grains DDGS	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Meal	Corn Gluten Feed	Corn Gluten Feed
	2017	2016	2017	2016	2017	2016
Bangladesh	119,600	35,600				
Canada	704,900	518,300	62,200	69,600	000	29,600
Chile			140,300	68,500		
China	377,400	2,341,600				
Colombia	207,700	181,800	95,500	89,100	33,800	54,300
Egypt	138,400	141,400	99,500	115,100	16,900	000
Germany					000	29,400
Guatemala			10,500	5,800		
Indonesia	725,500	355,400	223,300	205,800		
Ireland	347,400	256,000			368,100	306,400
Israel	267,900	176,900			219,300	203,600
Japan	473,700	315,100	5,100	17,200		
Malaysia			16,100	16,800		
Mexico	2,181,800	1,907,600	27,100	27,800	38,400	13,300
Morocco	250,400	165,800			66,000	74,600
New Zealand	183,900	71,400			33,900	000
Philippines	139,500	161,600				



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Portugal					40,100	63,200
South Korea	984,400	889,300			000	32,600
Spain	297,700	195,100			19,500	5,300
Taiwan	257,100	220,800	33,800	32,800		
Thailand	748,100	751,000	44,100	31,700		
Turkey	1,417,100	789,600			277,400	237,000
UK	213,400	162,300			62,700	53,200
Vietnam	312,200	1,156,400	7,100	15,000		

@USDA GATS

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 business into Asia was quite busy, even with the upcoming holidays in China. Perhaps buyers wanted to cover their after New Year needs before going off on holidays for a few days. Of course, they also probably wanted to buy now before higher soymeal prices and demand from fishmeal user moved prices higher.

Prices into Asia were steady from all markets this week except for poultry meal which seems to want to move higher --- poultry meal is a decent replacement for fishmeal, especially for markets that can't use meat and bone meal due to pork concerns.

In the US domestic market, prices were steady, but the trade seems to feel that feathermeal prices could drop a little after moving up over the past few weeks.

It was interesting to see the China imports numbers for meat and bone meal for 2017 and the change from 2016, see the details in the table below:

China meat and bone meal imports by origin – in m/t.

2017 versus 2016

Origin	2017 12 months	2016 12 months	% Change
USA	161,200	138,000	+16.6
Uruguay	45,800	52,300	-12.5
Australia	33,200	16,000	+107.6
New Zealand	15,600	9,600	+65.1
Argentina	11,000	9,000	+23.0
Total	268,900	225,000	+18.7



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@China customs and IFFO

The strange thing about the China numbers above and the USDA US export numbers below is that they are so far apart ---- China customs shows 2017 imports of 161,000 m/t of US MBM while the USDA only shows exports to China of 66,300 – the same situation exists with the 2016 numbers.

USA exports of animal protein – 12 months 2017 versus 2016 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Meat and bone meal – includes poultry and pork	Feathermeal	Feathermeal
	2017	2016	2017	2016
Canada	66,300	64,300	18,100	16,900
Chile			11,744	10,000
China	46,400	52,900	19,400	7,400
Ecuador	8,200	9,600		
Germany	3,900	16,900		
Honduras	4,100	10,700		
Indonesia	166,500	131,000	29,200	27,400
Malaysia	7,300	1,800		
Mexico	529,000	82,300		
Philippines	6,500	9,200		
Thailand	16,900	3,500		
Vietnam	33,800	28,400		
Total exports	913,400	435,300	80,600	63,600

@USDA GATS

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru is showing some success with the catch now up to just a little over 43,000 m/t against the quota of 535,000 that ends on June 30, 2018. There a quite a few mini-bans in the south but there is still some catch success.

MSI Ceres pointed out this week that one question for the next northern fishing season is how large a quantity of fishmeal sales will be rolled into the new season – these rolled sales will certainly eat into the supply for the April/May fishing. MSI Ceres also points out that their sources say that there have already been some advance sales on the next season.

China goes on holiday next week for Year of the Dog New Year celebrations, so things will be very quiet in the fishmeal business for a week or two. Of course, with little to sell, no one expects much business to be seen --- only seem to be some odds and ends of supply to be cleaned up.

There was the comment in one of the trade reports that the short fishing in January and the high level of juvenile fish could mean very good fishing in the next season and a good high quota --- only time will tell on that.

Prices in Peru are steady but prices in other markets have increased a good bit as buyer have to sources their supply in secondary markets --- there will not be any deals on fishmeal prices anywhere in the world at least until the next quota for Peru is announce.



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European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,875	Up \$15
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	Steady

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	1750/1800 m/t	No prices
67% protein 120 TVN	1800/1850 m/t	No prices
67% protein 1000 hist, 120 TVN	1900/1950 m/t	1900/1950
68% protein 500 hist, 120 TVN	1950/2000 m/t	1950/2000
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	3000/3100	

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

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