



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT February 17, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Monday is a holiday in the US – Presidents’ Day – businesses, banks and the CBOT will be closed.

Soybeans and soymeal certainly led the market higher this week with soybeans up by about USD 14 m/t while soymeal was bumping on USD 30 m/t higher. Possible soybean harvest delays in Brazil along with continued dry weather in Argentina pushed soybean prices higher. Also, private estimates are saying that the Brazilian government soybean crop estimates could be 5 million m/t too high. Certainly some good reasons to push up soybean/soymeal prices.

Corn prices were up a little on the week but experts say that the increase was only due to following the excitement in soybeans. When prices start to move higher then everyone seems to want to buy every related product and prices then just move higher --- and, as we know, corn and soymeal are closely related.

US hard red winter wheat also had a strong week as there are concerns that the lack of rainfall is having a very bad effect on the winter crop. Some wheat areas of the US are now classed as “severe drought” areas and there doesn’t seem to be any rainfall in the forecast – a smaller crop does look very possible with further price increases.

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)	\$21/22.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$27/28.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$28/29.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$29/30.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$30/31.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$39/40.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$36/37.00	Steady	X
US Gulf Japan: Panamax	\$43/44.00	Steady	X
US Gulf China: Panamax	\$42/43.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Steady	X
US PNW China: Panamax	\$22/23.00	Steady	X
US East Coast Egypt: Panamax	\$45/46.00	Steady	X
US East Coast Nigeria: Handisize	\$39/40.00	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	\$32/33.00	Down \$1.00	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



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France/Germany to India: 50,000 m/t	\$26/27.00	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	\$28/29.00	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	\$41/42.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$39/40.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$25/26.00	Up \$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	Steady	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	Steady	X
Argentina to Spain: 50,000 m/t	\$25/26.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$24/25.00	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	\$26/27.00	Steady	X
Brazil to China: 55,000 m/t	\$31/32.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$32/33.00	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	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$33/34.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$18.00/18.50	Down \$0.50	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	\$34/35.00	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	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$27/28.00	Down \$1.00	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)	\$13/14.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$14/15.00	Up \$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	Steady	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$17/18.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$24/25.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	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



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Baltic Dry Index	1084	Down 41	X
Baltic Capesize Index	1608	Down 172	X
Baltic Panamax Index	1273	Up 23	X
Baltic Supramax Index	837	Up 12	X
Baltic Handysize Index	515	Down 11	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 March 2018/May 2018

Wheat, USA Soft Red Winter, NOLA	USD 201/204	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 231/237	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 185/188	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 203/205	x
Wheat, Romania 12.5 pro	USD 196/201	x
Wheat, Superior, France, Rouen	USD 205/207	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 181/185	x
Wheat, feed, Black Sea	USD 183/186	x
Barley, France, Rouen port	USD 208/210	X
Barley, feed, Argentina	USD 185/188	x
Barley, feed, Black Sea, 30,000+	USD 192/196	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 172>>169	X
Corn, 3YC FOB USA Pacific northwest	USD 180>>178	X
Corn, FOB Argentina port, Upriver	USD 175/179	x
Corn, FOB Brazil port	USD 166/171 July/August	x
Corn, FOB France - Atlantic	USD 194/198	x
Corn, FOB Romania	USD 178/182	x
Corn, FOB Russia	USD 176/180	x
Corn, FOB Ukraine, 30,000+ m/t	USD 176/181	x
Sorghum, FOB Argentina port	USD 171/177	x
Sorghum, FOB Texas	USD 207/210	x
Soymeal, 48% protein, FOB NOLA	USD 438>>418	X
Soymeal, 48% protein, USA, Rotterdam	USD 463>>453	x
Soymeal, Argentina, Rotterdam	USD 453/457	x
Soymeal, 47% pro, FOB Argentina	USD 423/427	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 335/439	X
Soymeal, 48% protein, FOB Brazil	USD 401/405	X
Soybeans, FOB NOLA	USD 393/396	x
Soybeans, Argentina, FOB	USD 394/397	X
Soybeans, Brazil, FOB	USD 401/404	X
Soybeans, Black Sea	USD 402/406	x
Corn Gluten Meal, USA FOB NOLA	USD 590 >>575 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 165 >>155 m/t	x



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DDGS corn, 35 profat, USA FOB NOLA	USD 221 >>205 May m/t	x

US corn by-product prices were not up as much as expected this week. The rally in soymeal should have pushed prices higher – especially for corn gluten meal and DDGS, not so much for corn gluten feed as it is not as big protein item.

According to the USDA, corn gluten meal prices were up by about USD 5 m/t while corn gluten feed was up by USD 3 or 4 m/t. US export prices for DDGS were seen to be up by about USD 9 to 10 m/t.

Main buyers in Asia are out of the market at present as they don't much like the higher prices and, as we know, buyers are always bearish so the expect lower prices tomorrow.

There is still quite a premium to be paid for any Feb/Mar corn by-products due to short supply with buyers tending to look more in May where prices are USD 10 to 15 m/t lower.

If soymeal prices stay strong then the trend in corn by-products will be to higher prices.

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 480/490 to Indonesia
USA Feathermeal, 80% protein	USD 530/540 m/t CNF Asia
USA Poultry Meal, feed grade	USD 595/605 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 930/940 m/t CNF Asia

Higher soybean/soymeal prices pushed up meat and bone meal prices into Indonesia this week and all other export protein prices are expected to move higher this coming week. With Chinese companies on holidays for a few days, the demand from Asia has slacked off – some of the big feed producers in Asia are Chinese owned but not China based and they too are on holidays – so, things are quiet.

Domestic USA prices are higher – following soymeal's USD 30 m/t price rally this week – and this will move into export markets very quickly. Meat and bone meal prices in the US were only up by about USD 10 m/t but prices will do their best to catch up to soymeal.

For now, export markets are quiet but that wont last and higher prices are coming.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru was not quite as good this week, due to the mini-bans, but there were still landings of close to 12,000 m/t – another 2,500 m/t or so of fishmeal for the market – not a lot but better than nothing.

According to trade reports, there is nothing left to sell in the north of Peru but there are some sellers in the south – but not for much.



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China is off on their New Year holidays, so things are very, very quiet --- not even any buyers to talk to.

There has been quite a bit of speculation about the quantity involved in the Peru orders that are being rolled to the next fishing season --- no one seems to have a good idea how much fishmeal may be required to cover this business. If it is a large quantity, then it could have a serious effect on the availability of the next supply and on next seasons prices.

Sorry that there is not much to say this week but with the number one buyer closed on holidays and the sellers with little to sell then there is not much to report.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,850	Down \$15
Danish fishmeal	64% protein	1,610	Down \$10
Peru fishmeal	64% protein	1,605	Steady
Chile fishmeal	67% protein	1,655	Steady
Iceland fishmeal	70% protein	1,835	Down \$25

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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