



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT February 24, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Once again, this week, soybeans were the most exciting part of the market with prices moving higher by another USD 5 or 6 m/t. The dry weather in Argentina coupled with lowered Argentina crop estimates continue to push soybean prices higher. Preliminary crop estimates in the US for soybeans were mainly neutral but more experts are getting on board for a record soybean crop in Brazil. Looks like the bullish side of soybeans is still winning even though everyone's crop but Argentina looks to be in or close to record levels.

This weeks USDA supply and demand estimates had US soybeans with lower plantings, but this could change depending on the soy/corn price ratio. Farmers can easily swing from corn to soybeans depending on where the dollars look better.

The USDA has estimated the US corn crop at near record levels once again with plantings about the same as last year but overall yields down a little – giving what could be the third largest corn crop on record.

As with soybeans, corn is being bothered by South American weather – Brazil is too wet while Argentina is too dry. The wet is causing harvest problems in brazil while the dry in Argentina is causing expected yields to drop – not much grows without water.

The folks at World Perspectives have said that the weather in South America may have a larger effect on the corn crop than on soybeans although everyone seems to be centered on soybeans so far. The IGC seems to confirm that position with their lower corn crop estimates for Argentina and Brazil.

For coming days, it looks like corn prices will be steady while soybeans could easily move higher unless there is some weather improvement in South America. Not much to say about the US situation as it is too early, with nothing in the way of spring crops in the ground yet.

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)	\$22/23.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$28/29.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$30/31.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$31/32.00	Up \$1.00	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	\$37/38.00	Up \$1.00	X
US Gulf Japan: Panamax	\$44/45.00	Up \$1.00	X
US Gulf China: Panamax	\$43/44.00	Up \$1.00	X



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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	\$40/41.00	Up \$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	\$32/33.00	Steady	X
France/Germany to China: 50,000 m/t	\$33/34.00	Up \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$16/17.00	Up \$1.00	X
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	\$22/23.00	Up \$1.00	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	Steady	X
France/Germany to Yemen: 30,000 m/t	\$41/42.00	Steady	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	\$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	\$27/28.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$26/27.00	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	\$29/30.00	Up \$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	Steady	X
Argentina to Spain: 50,000 m/t	\$25/26.00	Steady	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	\$32/33.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Up \$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	\$24/25.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$18.00/18.50	Steady	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	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	Up \$1.00	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	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)	\$27/28.00	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)	\$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	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$46/47.00	Steady	X



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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)	\$18/19.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Up \$1.00	x
Black Sea to Libya: 25/35,000 m/t	\$17/18.00	New	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$28/29.00	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	
Baltic Dry Index	1185	Up 101	X
Baltic Capesize Index	1608	Up 114	X
Baltic Panamax Index	1481	Up 208	X
Baltic Supramax Index	892	Up 55	X
Baltic Handysize Index	534	Up 19	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 196/202	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 226/232	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 191/194	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 203/205	x
Wheat, Romania 12.5 pro	USD 197/201	x
Wheat, Superior, France, Rouen	USD 204/206	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 184/188	X
Wheat, feed, Black Sea	USD 184/187	x
Barley, France, Rouen port	USD 208/210	X
Barley, feed, Argentina	USD 185/188	x
Barley, feed, Black Sea, 30,000+	USD 194/198	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 173/176	X
Corn, 3YC FOB USA Pacific northwest	USD 181/184	X
Corn, FOB Argentina port, Upriver	USD 173/178	X
Corn, FOB Brazil port	USD 167/172 July/August	X
Corn, FOB France - Atlantic	USD 190/193	X
Corn, FOB Romania	USD 186/189	X
Corn, FOB Russia	USD 180/184	x
Corn, FOB Ukraine, 30,000+ m/t	USD 182/186	x
Sorghum, FOB Argentina port	USD 170/176	x
Sorghum, FOB Texas	USD 206/209	x
Soymeal, 48% protein, FOB NOLA	USD 444>>427	X



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Soymeal, 48% protein, USA, Rotterdam	USD 469 >> 452	x
Soymeal, Argentina, Rotterdam	USD 447/452	x
Soymeal, 47% pro, FOB Argentina	USD 420/425	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 334/438	x
Soymeal, 48% protein, FOB Brazil	USD 405/409	x
Soybeans, FOB NOLA	USD 397/401	x
Soybeans, Argentina, FOB	USD 400/403	x
Soybeans, Brazil, FOB	USD 401/404	x
Soybeans, Black Sea	USD 403/407	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
DDGS corn, 35 profat, USA FOB NOLA	USD 223 >> 211 June m/t	x

US export prices for DDGS took another step higher – at least in the nearby positions – as logistics problems are once again troubling shipment to export ports. And then we have the stronger soymeal prices adding to the upward pressure.

According to the USDA domestic prices report, corn gluten meal prices were up by close to USD 20 m/t as they catch up to last week's soymeal rally. Domestic DDGS prices were up by about USD 5 m/t while the prices for corn gluten feed were mainly unchanged.

The US Grains Council report this week said that there is quite a bit of new interest in Asia for US DDGS as some buyers get back to work following the Chinese New Year holidays. Business is still quiet from China itself, but things have picked up for Vietnam and Indonesia.

There doesn't seem to be any good reason to expect lower prices in the short term.

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 500/530 m/t CNF Asia
	USD 490/500 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 900/920 m/t CNF Asia

As reported last week, the Chinese New Year holidays have kept the export animal protein business quite quiet. However, indications are that the next bits of business will be at higher prices as animal proteins are certainly going to chase soymeal prices higher.

According to the Jacobsen report, prices from both Australia and New Zealand are steady but production is tightening, and this could move export prices higher.

USA domestic prices are higher for both meal and bone meal and feathermeal, but pet food grade poultry meal did drop a few dollars on the week.

With soymeal prices staying firm there is no reason at all to expect that animal proteins will slip lower. So, higher prices are in the cards.



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I seem to have said "higher prices" several times in the few lines above – looks like I am convinced.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru was lower this week but we did have a spate of mini-bans that dropped the catch numbers. The total catch to date is now up to just over 74,500 m/t, around 17,000 m/t of fishmeal production and 1,500 m/t of fishoil. As I said before – not much, but better than nothing.

China is still on holidays so no business from there.

There was some talk in the trade reports that the next Peru fishing season could begin earlier than normal, like in April but this is just creative speculation at this point. However, the general feeling seems to be that the fishmeal industry in Peru is looking forward to a good season due to what looks to be a very good biomass at the end of the last short season.

MSI Ceres mentioned in their trade report this week that the fishmeal industry has seen a great deal of red ink in recent years and is looking to get their numbers back into the black with a good (and profitable) fishing season.

The IFFO reports that fishmeal production in the countries that they measure – Chile, Peru, Denmark/Norway and Iceland/North Atlantic is up by about 21% in 2018 over 2017 – every major region except Chile shows production growth. Total 2018 production to date is: fishmeal 255,000 m/t and fishoil at 59,000 m/t. Fishoil production is actually up by a bigger percentage than fishmeal, showing an increase of just less than 40%. We are only 7 weeks into 2018 so the numbers are very early indications of how the year will go.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD	
Herring fishmeal	72% protein	1,850	Steady
Danish fishmeal	64% protein	1,600	Down \$10
Peru fishmeal	64% protein	1,605	Steady
Chile fishmeal	67% protein	1,655	Steady
Iceland fishmeal	70% protein	1,850	Up \$15

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



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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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