



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 02, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Corn prices were lower this week – down by about USD 5 m/t. An improvement in Brazil weather is said to have been one of the main factors along with the weakness seen in wheat prices. Some of the trade reports at the end of the week were saying that corn prices should be moving higher not lower and that the current slump could be short lived. Corn export prices were feeling the effect of the continued problems in the Ohio and Mississippi rivers which had pushed CIF Nola prices higher. Hopefully the river system problem will be solved in a week or two.

Soybean prices were also down on the week – by about USD 5 m/t – not too much excitement with export sales and higher crop estimates in Brazil certainly helped to push prices down. On the other hand, the soybean crush levels in the US are at record levels but the gigantic world supply of soybeans in 2019 should keep prices from seeing any strong rallies.

Winter wheat prices dropped by as much as USD 13 m/t this week with experts saying that it was all due to a lack of export business coupled with expected very good winter crops. Supply expectations seem to be much larger than export demand performance.

Estimated Bulk Grain Freight in USD per m/t, basis heavy grains

It looks like we may be at the bottom for freight prices on grain sized vessels – the big vessels for coal and ore are still weak but Panamax and smaller are showing some price increases. We will probably see grain freight rates moving higher by dollar here and a dollar there.

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)	\$16/17.00	Steady	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)	\$34/35.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Up \$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)	\$34/34.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$34/35.00	Steady	X
US Gulf Japan: Panamax	\$39/40.00	Up \$1.00	X
US Gulf China: Panamax	\$38/39.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Up \$1.00	X
US PNW China: Panamax	\$22/23.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$42/43.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$48/49.00	Up \$2.00	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



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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)	\$13/14.00	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)	\$27/28.00	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$32/33.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$31/32.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$31/32.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$33/34.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$31/32.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$32/33.00	Steady	X
Argentina to South Africa 50,000 m/t	\$29/30.00	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)	\$27/28.00	Steady	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	Steady	X
Brazil to China: 55,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$27/28.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$29/30.00	Down \$1.00	x
Brazil to Morocco: 25/30,000 m/t	\$24/25.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$35/36.00	Steady	X
Brazil to Spain: 50,000 m/t	\$29/30.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$16.50/17.00	Down \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$18.50/19.00	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$32/33.00	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$33/34.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$30/31.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00	Down \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$19/20.00	Down \$2.00	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	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00	Down \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$35/36.00	Down \$2.00	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	\$20/21.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$17/18.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$20/21.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Steady	X



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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)	\$16/17.00	Up \$1.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	664	Up 30	X
Baltic Capesize Index (100,000 plus DWT)	383	Down 162	X
Baltic Panamax Index (60,000 to 80,000 DWT)	863	Up 197	X
Baltic Supramax Index (50,000 to 60,000 DWT)	759	Up 52	X
Baltic Handysize Index (25,000 plus DWT)	393	Up 34	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/May 2019

Wheat, USA Soft Red Winter, NOLA	USD 210/213	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 220/223	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 223/226	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 229/232	X
Wheat, Romania 12.5 pro	USD 237/240	X
Wheat, Superior, France, Rouen	USD 220/223	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 187/190	X
Wheat, feed, Black Sea	USD 217/220	X
Barley, France, Rouen port	USD 195/197	X
Barley, feed, Argentina, up river	USD 174/178	X
Barley, feed, Black Sea, 30,000+	USD 201/205	X
Corn, 2YC FOB NOLA USA	USD 171/174	X
Corn, 3YC FOB USA Pacific northwest	USD 192/195	X
Corn, FOB Argentina port, upriver	USD 162/165	X
Corn, FOB Brazil port	USD 161/164 Aug/Sep	X
Corn, FOB France - Atlantic	USD 196/199	X
Corn, FOB Romania	USD 174/178	X
Corn, FOB Russia	USD 181/184	X
Corn, FOB Ukraine, 30,000+ m/t	USD 178/181	X
Sorghum, FOB Argentina port	USD 169/173	X
Sorghum, FOB Texas	USD 175/179	X
Soymeal, 48% protein, FOB NOLA	USD 337/341	X
Soymeal, 48% protein, USA, Rotterdam	USD 362/366	X
Soymeal, Argentina, Rotterdam	USD 349/352	X
Soymeal, 47% pro, FOB Argentina	USD 318/321	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 345/348	X
Soymeal, 48% protein, FOB Brazil	USD 319/322	X
Soybeans, FOB NOLA	USD 349/353	X
Soybeans, Argentina, FOB	USD 337/340	X



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Soybeans, Brazil, FOB	USD 347/350	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 540>>530 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 170>>160 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 229>>219	x

DDGS nearby export prices remained high as the logistics problems are just not going away – trade reports suggest that it will take a few more weeks for the supply situation to catch up with the export demand --- but then they have been saying this for months and the premium for front months just doesn't go away.

Soymeal prices didn't do too much this week so there was no more downward pressure on protein prices but with the lower corn prices this week it is possible that we will see some more weakness in corn byproduct prices next week.

Interesting to see that one of the two main UK ethanol facilities is starting up again – their production will influence UK wheat demand and on the supply of DDGS. Feed wheat prices may increase while DDGS imports may slump.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 360/370 m/t CNF Asia
Australian MBM 50% protein	USD 400/410 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 560/570 m/t CNF Asia
Australian Poultry Meal, pet food	USD 720/730 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 420/440 m/t CNF Asia
	USD 400/410 to Indonesia
USA Feathermeal, 80% protein	USD 570/580 m/t CNF Asia
USA Poultry Meal, feed grade	USD 525/545 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 750/770 m/t CNF Asia

Asia prices for meat and bone meal tended to be about USD 10 m/t lower this week with some reports saying that prices for MBM were as much as USD 30 m/t lower. Exporters from Australia have been out hunting for markets due to the lack of Indonesian approval and the buildup of stocks in Oz. The Jacobsen report this week said that the new Indonesia/Australia approval could be delayed until September. Australian feathermeal and poultry meal export prices also dipped a little lower.

The USA too had lower export prices this week for animal proteins with pet food grade poultry meal being the weakest as supply shortages have disappeared. Feathermeal was also a little lower on the week, again as supply caught up with demand.

Normally, this time of year prices would tend to move a little higher but that just doesn't look too likely to happen this year – just too much supply of protein and too low prices for soymeal.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Not too much to say this week – still no fishing in the south and the Imarpe Research Cruise is still chugging along. The talk this week is that the new fishing quota will be between 2.0 million m/t and 2.5 mm/t.



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Also, nothing to say about new sales as they are few and far between due to a lack of any fishmeal to sell.

Other than the next quota, most of the talk in trade reports has been about El Nino – lots of talk but very little concern over a serious El Nino event. When there is nothing to sell and no fishing then you kind of must make up topics to discuss and why not El Nino.

Peru is looking to increase the export tax on fishmeal from its current level of 0.25% to a sliding scale that reaches 0.98%. The tax could increase by a maximum of about USD 10 m/t which will push up export prices. The higher tax is not expected to have any effect on the sales of Peruvian fishmeal nor is it expected to be burdensome for exporters – buyers will not even notice the price increase.

Away from Peru, it was reported this week that Iceland may not have any capelin fishing for fishmeal this season due to very, very low levels of fish. If there is no capelin fishing quota, it is said that the cost to the industry and the economy would be about USD 170 million.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,745
Danish fishmeal	64% protein	1,465
Peru fishmeal	64% protein	1,450
Chile fishmeal	67% protein	1,500
Iceland fishmeal	70% protein	1,740

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
65/66 protein	1190/1200 m/t	
67% protein standard steam	1250/1260 m/t	
67% protein 150 TVN	1360/1370 m/t	No prices
67% protein 120 TVN	1420/1430 m/t	1430/1440
67% protein 1000 hist, 120 TVN	1460/1470 m/t	1470/1480
68% protein 500 hist, 120 TVN	1520/1530 m/t	1520/1530
Fish oil, crude bulk	1700/1750	
Fish oil, crude drums	1750/1800	
Fish oil, flexi tank	1850/1900	
Fish oil, Omega 3: 28%EPA/DHA	2200/2400	

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

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