



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 03, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Looks like another week of the soybean as Argentina is still at center stage in world grain markets and comments. US futures prices for soybeans were up by about USD 8 m/t while soymeal rallied by close to USD 15 m/t.

But it wasn't just soybeans this week as wheat also took a good run higher with US hard red winter wheat (HRW) up by USD 18 m/t while US soft red winter wheat was up by about USD 13 m/t.

Corn prices kind of tagged along behind but were still up by about USD 4 m/t.

Starting with corn, much of the small move higher was related to the weather in Argentina and how the crop could be affected. There were some comments this week that the Argentine weather effect on corn may even be greater than that on soybeans --- but so far, all the interest has certainly been in soybeans. Of course, there are also the weather delays in Brazil that could delay the planting of the next corn crop. Some exports feel that South American corn production could be down by as much as 15 million m/t and that could easily push up export prices.

With Argentina soybeans, it seems that almost everyday someone comes out with a new lower estimate of the Argentina crop. Along with the lower Argentina crop there have been very good export sales reported. So, fewer beans growing but more selling certainly leads to higher prices.

The situation with US winter wheat is strictly weather related and it is hard to know if the recent price rally will continue next week --- Friday was a day of price reversals with wheat tumbling but who knows what may happen come Monday. Wheat prices are at their highest level in six months, but can they go higher -- only time will tell.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17/17.50	Up \$0.50	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$28/29.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$30/31.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$31/32.00	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	\$37/38.00	Steady	X
US Gulf Japan: Panamax	\$44/45.00	Steady	X
US Gulf China: Panamax	\$43/44.00	Steady	X
US PNW South Africa -- 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$24/25.00	Up \$1.00	X
US PNW China: Panamax	\$23/24.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$45/46.00	Steady	X



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US East Coast Nigeria: Handisize	\$40/41.00	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	Steady	X
France/Germany to China: 50,000 m/t	\$33/34.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Down \$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	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	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	\$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	Down \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$26/27.00	Steady	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Up \$1.00	x
Argentina to Jordan: 50,000 m/t	\$29/30.00	Steady	x
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	New	x
Argentina to South Africa 50,000 m/t	\$25/26.00	Up \$1.00	x
Argentina to Spain: 50,000 m/t	\$24/25.00	Down \$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	\$33/34.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$34/35.00	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	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$18.50/19.00	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.50/21.00	Up \$0.50	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	Steady	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)	\$36/37.00	Up \$4.00	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)	\$51/52.00	Up \$5.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$33/34.00	Up \$1.00	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	Steady	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Steady	X



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Black Sea to Libya: 25/35,000 m/t	\$18/19.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$29/30.00	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	Down \$1.00	X
Black Sea to Yemen: 50,000 m/t	\$25/26.00	Steady	X
Baltic Dry Index	1207	Up 22	x
Baltic Capesize Index	1592	Down 16	x
Baltic Panamax Index	1500	Up 19	x
Baltic Supramax Index	1004	Up 108	x
Baltic Handysize Index	586	Up 52	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 219/224	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 243/247	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 194/196	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 203/207	x
Wheat, Romania 12.5 pro	USD 200/205	x
Wheat, Superior, France, Rouen	USD 208/211	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 190/194	x
Wheat, feed, Black Sea	USD 187/190	x
Barley, France, Rouen port	USD 214/216	x
Barley, feed, Argentina	USD no prices	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 186>>182	x
Corn, 3YC FOB USA Pacific northwest	USD 187/189	x
Corn, FOB Argentina port, Upriver	USD 186/189	x
Corn, FOB Brazil port	USD 176/181 July/August	x
Corn, FOB France - Atlantic	USD 201/204	x
Corn, FOB Romania	USD 192/196	x
Corn, FOB Russia	USD 178/183	x
Corn, FOB Ukraine, 30,000+ m/t	USD 182/186	x
Sorghum, FOB Argentina port	USD 180/184	x
Sorghum, FOB Texas	USD 201/208	x
Soymeal, 48% protein, FOB NOLA	USD 460>>449	X
Soymeal, 48% protein, USA, Rotterdam	USD 485>>474	x
Soymeal, Argentina, Rotterdam	USD 467/472	x
Soymeal, 47% pro, FOB Argentina	USD 441/445	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 454/460	x



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Soymeal, 48% protein, FOB Brazil	USD 426/432	x
Soybeans, FOB NOLA	USD 411/413	x
Soybeans, Argentina, FOB	USD 417/420	X
Soybeans, Brazil, FOB	USD 420/423	X
Soybeans, Black Sea	USD 410/415	x
Corn Gluten Meal, USA FOB NOLA	USD 590 >>575 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 170 >>160 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 227 >>216 June m/t	x

Nearby export prices are still at a considerable premium due to the Mississippi River problems. Prices are quite strong into mid-May leaving June as the first lower priced month.

The rally in soymeal is creating extra domestic demand in the US for DDGS as the DDGS domestic price is lagging a little behind the soymeal prices and there may be a buck or two in saving by maxing out the DDGS in feed formulations.

With all Asian buyers back to work, there has been a rush of buying interest for US DDGS and export prices have moved up a few dollars on the week.

The USDA domestic price averages show that corn gluten feed prices were steady as were DDGS prices but for some reason the report shows corn gluten meal prices down by about USD 15 m/t – very strange as there certainly has been no drop like that in export prices.

The USDA issued their January 2018 grain crushing report this week: DDGS production for January was at almost 2 million m/t (about the same as December and as last year). Corn gluten feed production was down a little at just over 300,000 m/t with corn gluten meal production steady at about 91,000 m/t.

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 520/530 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

Not much change in animal protein prices this week even as soymeal prices charge further higher. The Jacobsen report said that producers may be holding back a little on selling in the expectation that soymeal prices will drag meat and bone meal prices higher – not much sense in selling too much if the price should be going up.

The trend to animal protein prices should be to higher levels in coming days.

In the US both domestic and export prices seem to be mainly steady but some local US markets are said to be up by about USD 10 to 15 m/t for meat and bone meal. This trend to higher prices should soon spread to all areas. It certainly doesn't look like soymeal prices will come crashing down so animal protein will certainly move higher to catch up.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The Peru price indications shown below are the best guess at prices for the next seasons fishmeal – this from the trade in Peru where some new season business has been done. Prices for any sales out of the limited current stocks are about USD 200 m/t higher than the new season prices.

The poor fishing weather and mini-bans combined to limit the amount of fishing in the south of Peru this past week.

China is reported to be in the market for new season Peru fishmeal, now that their New Year holidays are over. MSI Ceres speculates that as much as 95,000 m/t of next seasons fishmeal may now be sold this is in addition to the rollover business from the last season – MSI Ceres says that perhaps as much as 155,000 m/t may be sold. If the new quota is 2 million m/t that will give us about 480,000 m/t of fishmeal, with 33% presold already. There will also be lots more business before the season starts as most buyers are a little hungry for some fishmeal.

It is also reported that the IMARPE exploratory cruise has just started in Peru with three modern research vessels out taking a close look at the biomass situation. The research results are expected for some time in mid-April.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,850
Danish fishmeal	64% protein	1,600
Peru fishmeal	64% protein	1,600
Chile fishmeal	67% protein	1,650
Iceland fishmeal	70% protein	1,850

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	1400/1420 m/t	
65/66 protein	1450/1470 m/t	
67% protein standard steam	1500/1520 m/t	
67% protein 150 TVN	1580/1600 m/t	No prices
67% protein 120 TVN	1630/1650 m/t	No prices
67% protein 1000 hist, 120 TVN	1680/1700 m/t	1750/1770
68% protein 500 hist, 120 TVN	1730/1750 m/t	1800/1200
Fish oil, crude bulk	2600/2650	No info
Fish oil, crude drums	2700/2750	
Fish oil, flexi tank	2800/2850	
Fish oil, Omega 3: 28%EPA/DHA	3000/3100	



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

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