



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT March 09, 2019

### **SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN**

Ah the USDA WASDE Report – most of the comments from the trade say that this month's report was a nothing report or at least it certainly wasn't a bullish report as had been expected by some in the trade.

US corn ending stocks are higher per WASDE due to lower exports and a small drop in ethanol use of corn. The corn futures did move a little lower but bad weather for planting in parts of the US kept prices from falling much. Overall, export corn prices were down by USD 3 or 4 on the week.

There was not much to affect soybeans in the WASDE although world supplies are very high. The report had nothing that would stop US soybean prices from slipping lower on the week, although ending stocks were lower – soybeans were down by about USD 6 m/t while soymeal was USD 4 to 5 m/t lower.

And then there is poor old winter wheat – it just keeps moving lower and lower in price. Although futures prices did move up a little, very little, after the WASDE. The WASDE did have lower export numbers and higher ending stocks. Wheat production is also forecasted to be higher in Europe on much better winter weather and increased winter wheat plantings.

It looks like a bumper year for corn, soybeans and wheat in 2019 as most every producer (except perhaps Australia) looks to be having a great year so far.

### **Top 15 US Export Destinations for Grains and Oilseeds – 12 months 2018 – in m/t**

Country	Wheat	Corn	Sorghum	Soybeans
Algeria	308,600			
Argentina				2,050,700
Bangladesh	449,800			1,197,200
Cameroon			10,100	
Canada		1,971,300		775,300
China	394,400	289,700	2,715,400	8,335,900
Colombia	413,200	5,509,800	25,200	726,500
Costa Rica		867,600		280,500
Djibouti			38,700	
Dominican Rep	291,600	947,200		
Egypt	120,700	1,861,600		3,186,600
El Salvador		601,600		
Eritrea			30,000	
Germany				901,900
Guatemala	548,400	1,153,300		
Honduras	322,700	620,100		
Indonesia	778,400	151,200		2,636,800



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Iran				985,200
Iraq	882,100			
Israel		814,800		
Italy	484,100			881,300
Japan	2,797,400	15,254,700	372,700	2,344,800
Kenya			51,200	
Malaysia	192,600			598,200
Mexico	2,810,000	16,723,700	193,800	4,568,300
Morocco	357,500	822,700		
Netherlands		439,800		3,784,700
Nicaragua		338,400		
Nigeria	816,200			
Pakistan				1,929,800
Panama		507,000		
Peru	241,700	3,074,300		261,700
Philippines	2,583,400	167,100		
Portugal		227,500		472,600
Saudi Arabia		1,724,000		348,100
Somalia			62,900	
South Africa			53,000	
South Korea	1,521,300	7,268,400	59,600	838,600
Spain	156,700	1,167,100	285,100	1,812,900
Sudan			211,900	
Taiwan	982,200	3,212,100		2,193,400
Thailand	687,800			1,599,000
Tunisia		451,700		448,200
Turkey				240,100
Venezuela	340,800	510,000		
Vietnam	275,100	1,909,000		1,258,300
UK	130,100			326,900
Yemen	480,400			

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

Looking at the Baltic Index level for Capesize vessels, the owners of that size vessel must be wondering how they will ever make a dollar or two. Grain sized vessels are showing some strength, but the bigger vessels are dying – ah the China factor.

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16/17.00	Steady	
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$16/17.00	Steady	
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)	\$34/35.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$43/44.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$33/34.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$34/35.00	Steady	X
US Gulf Japan: Panamax	\$40/41.00	Up \$1.00	X



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US Gulf China: Panamax	\$39/40.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$23/24.00	Steady	X
US PNW China: Panamax	\$22/23.00	Steady	X
US East Coast Egypt: Panamax	\$42/43.00	Steady	X
US East Coast Nigeria: Handisize	\$47/48.00	down \$1.00	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
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	\$33/34.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$32/33.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$32/33.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$34/35.00	Up \$1.00	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	\$30/31.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$34/35.00	Up \$1.00	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	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Steady	X
Brazil to China: 55,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$30/31.00	Up \$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	\$30/31.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$28/29.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$17.50/18.00	Up \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.00/19.50	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	\$33/34.00	Up \$1.00	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)	\$15/16.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$19/20.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$15/16.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$14/15.00	Steady	X



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Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$35/36.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$35/36.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00	Down \$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	\$21/22.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Up \$1.00	X
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)	\$17/18.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	649	Down 15	X
Baltic Capesize Index (100,000 plus DWT)	235	Down 148	X
Baltic Panamax Index (60,000 to 80,000 DWT)	894	Up 31	X
Baltic Supramax Index (50,000 to 60,000 DWT)	790	Up 31	X
Baltic Handisize Index (25,000 plus DWT)	421	Up 28	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 200/203	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 215/217	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 222/225	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 227/230	X
Wheat, Romania 12.5 pro	USD 229/232	X
Wheat, Superior, France, Rouen	USD 213/215	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 189/192	X
Wheat, feed, Black Sea	USD 217/220	X
Barley, France, Rouen port	USD 196/198	X
Barley, feed, Argentina, up river	USD 173/176	X
Barley, feed, Black Sea, 30,000+	USD 198/201	X
Corn, 2YC FOB NOLA USA	USD 170/172	X
Corn, 3YC FOB USA Pacific northwest	USD 194/196	X
Corn, FOB Argentina port, upriver	USD 160/163	X
Corn, FOB Brazil port	USD 157/160 Aug/Sep	X
Corn, FOB France - Atlantic	USD 196/199	X
Corn, FOB Romania	USD 170/173	X
Corn, FOB Russia	USD 181/184	X
Corn, FOB Ukraine, 30,000+ m/t	USD 172/175	X
Sorghum, FOB Argentina port	USD 167/170	X
Sorghum, FOB Texas	USD 175/179	X



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Soymeal, 48% protein, FOB NOLA	USD 336/340	X
Soymeal, 48% protein, USA, Rotterdam	USD 361/365	X
Soymeal, Argentina, Rotterdam	USD 350/353	X
Soymeal, 47% pro, FOB Argentina	USD 319/322	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 344/347	X
Soymeal, 48% protein, FOB Brazil	USD 313/316	X
Soybeans, FOB NOLA	USD 347/350	X
Soybeans, Argentina, FOB	USD 333/336	X
Soybeans, Brazil, FOB	USD 337/340	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 165>>155 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 227>>219	x

Corn byproduct prices slipped a little lower this week following the way corn and vegetable proteins were all moving. Only DDGS spot prices continued strong as there seems to be no end in sight to the DDGS logistics problems – the US Grain Council report this week said that all logistics problems could carry on for another month (perhaps more).

Corn gluten feed export prices were down by about USD 5 m/t and corn gluten meal ranged between steady to down USD 10 m/t. Overall there was no change in export DDGS prices, but it will be great to see an end to the Mississippi problems and the spot premium for NOLA DDGS.

## **USA exports of corn by-products – 12 months 2018 – major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
	Jan/Dec 2018	Jan/Dec 2018	Jan/Dec 2018
Australia	7,000	6,100	
Bangladesh	155,600	7,600	
Burma	70,700	2,600	
Cambodia	53,300		900
Canada	664,300	71,800	
Chile		140,900	
China	206,700		
Colombia	220,200	100,000	28,400
Costa Rica	77,100		
Denmark		6,600	
Ecuador	36,200	5100	
Egypt	193,300	134,700	
El Salvador	70,300	4,000	
Guatemala	66,400	9,000	
Honduras	53,500	8,900	
Indonesia	853,500	145,800	3,300
Ireland	396,300		492,600



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Israel	275,600	800	262,600
Jamaica	21,000		
Japan	466,800	15,100	
Malaysia	66,700	34,200	
Mexico	2,012,500	20,900	25,200
Morocco	190,700		55,300
New Zealand	247,400		50,400
Nicaragua	7,500		
Panama	19,200		
Peru	29,500	8,800	
Philippines	209,200	2,000	300
Portugal	48,600		51,000
Saudi Arabia	6,000	500	
South Korea	1,148,800		900
Spain	213,700		
Sri Lanka	16,300		
Taiwan	224,800	38,700	
Thailand	1,039,400	35,300	800
Tunisia	42,900		
Turkey	887,100		67,900
UK	323,800	1,500	126,900
Vietnam	1250,700	16,200	
Total exports	11,884,000	820,900	1,167,100

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## 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 575/585 m/t CNF Asia
USA Poultry Meal, feed grade	USD 525/545 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 720/740 m/t CNF Asia

Markets for animal proteins in Asia seemed quiet this week as buyers were not too active and were resisting efforts by producers/exporters to move prices higher. Weakness in most vegetable protein prices is certainly helping to keep animal protein from moving higher.

Domestic prices in Australia were weaker and this could move into the export market – OZ is still not able to ship to Indonesia, so OZ exporters are heavy up on supply but weak on demand. Prices from both New Zealand and the USA were steady on the week.

Domestic price in the US were also steady with very little market excitement with good supply keeping prices from rising as had been expected but also lower soymeal prices tend to put a lid on the prices.

There was talk this week about the Brexit effect on the rendering industry in the EU. It seems that



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much of the category 1 meat and bone meal produced in the EU has been shipped to the UK for incineration as Europe just doesn't have the capacity. It is expected that after Brexit this will stop and EU renderers will have no outlet for the supply. Reports say that MBM production for incineration is at about 1 million m/t per year. Seems that the Brexit created problems are never ending.

## **USA exports of animal protein – 12 months 2018 – major destinations – in m/t**

<b>Destination</b>	<b>Meat and bone meal – includes poultry and pork</b>	<b>Feather meal</b>
	<b>Jan/Dec 2018</b>	<b>Jan/Dec 2018</b>
Burma	4,900	
Cambodia	2,000	
Canada	54,500	15,100
Chile	300	30,300
China	52,100	30,800
Colombia	1,200	100
Ecuador	16,800	
Germany		
Honduras	8,700	
Indonesia	187,600	28,100
Jamaica	1,200	
Malaysia	7,800	
Mexico	197,100	
Peru	5,800	800
Philippines	23,600	900
Sri Lanka	2,500	
Thailand	18,100	
Vietnam	53,700	3,900
<b>Total exports</b>	<b>640,400</b>	<b>109,900</b>

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## **SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN**

Still no southern Peru fishing – juvenile level is still too high.

The increase in Peru fishing rights taxes is expected to be announced in the next two weeks. there are several ideas on exactly what the tax will be or how it will apply but all that is known for sure is that the 0.25% per m/t of fish landed will be increasing and most experts seem to feel it will go to about 1.0% or 1.25%. Needless to say, fishmeal prices will have to move a little higher to cover the increased taxes.

There is still little or no sales activity, but it is said that the odd buyer has been sniffing around for new season fishmeal and sellers are looking at steady prices, but buyers are looking quite a bit lower.

There has been a little concern in the trade about the high level of juvenile fish and what appears to be a spawning season that has been later than normal --- will these two factors cause the next quota



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to be lower – only time and Imarpe research cruises will tell. There seems to be a little rumbling in the trade that the next quota may not be as high as the industry was expecting or hoping.

There was an interesting article this week in Scientific American about aquaculture with some interesting numbers: 50% of all food fish comes from aquaculture and 90% of all forage fish landed are used in fishmeal production. Aquaculture production is forecasted by the UN to increase by 26% by 2026 which means that demand for protein will outgrow the fishmeal industry. The world protein industry is working feverishly to develop fishmeal alternatives like algae meal, yeast meal, insect meal, bacteria meal. While there do seem to be several possible alternatives in the works, the prices are high and the production is low and amino acids are tough to get correct. However, all the current problems aside, protein/amino acid/omega 3 alternatives to fishmeal will be found and need to be found because fishmeal/fish oil are finite resources.

## **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	1500/1510 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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