



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 10, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

So, this was the week of the WASDE – normally the most exciting week of the month during the winter period. Corn had a somewhat bullish WASDE report but only somewhat with prices only moving up by USD 2 or 3 m/t on the week. Soybeans and soymeal got hit hard by the WASDE with larger year end stocks in the US and higher expected yields in Brazil and ended the week with losses of about USD 12 m/t for soybeans and close to USD 20 m/t for soymeal. Wheat prices too were lower on the week with most saying that wheat was lower only because it had rallied too much or that it dropped only in reactions to everything else dropping – sometimes it is only emotion with little or no actual reasoning or just sell stops on major traders' computers.

There was a feeling in the market that soy bean prices had rallied too much in recent weeks and that the WASDE report just gave a reasonable opportunity to sell the market --- after all soybeans were up by more than USD 25 m/t this year so far.

It is reported in the US that farmers took advantage of the higher corn prices on Thursday and sold a chunk of corn – this also helped to weaken corn prices a little on Friday or, at least, cut off any rally.

Also, on corn, Ukraine's corn export prices hit their highest level in close to two years this week with same sales being reported at close to USD 196 m/t FOB. Trade reports say that we are now looking at a fight for corn business between the Ukraine, Argentina and the US – especially in the Middle East and North Africa.

Looking at Argentina – some trade reports say that with a little rain as seen in Argentina there seems to be the possibility that things will not get any worse for the soybean and corn crops. If so, that could mean the end to any Argentina weather price rally. The next few days will let us see how much rain will actually fall.

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	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	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	\$23/24.00	Down \$1.00	X
US PNW China: Panamax	\$22/23.00	Down \$1.00	x



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US East Coast Egypt: Panamax	\$45/46.00	Steady	x
US East Coast Nigeria: Handisize	\$41/42.00	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	Steady	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Steady	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	\$23/24.00	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	\$39/40.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Steady	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	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$29/30.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	Steady	X
Argentina to South Africa 50,000 m/t	\$25/26.00	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	\$33/34.00	Steady	X
Brazil to Japan: 55,000 m/t	\$34/35.00	Steady	X
Brazil to Europe: 50,000 m/t	\$23/24.00	Up \$1.00	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	\$25/26.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.50/21.00	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	x
Ukraine to China: 50,000 m/t	\$35/36.00	Up \$1.00	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	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)	\$51/52.00	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$33/34.00	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	Steady	X



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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	\$18/19.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00	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
Baltic Dry Index	1201	Down 6	X
Baltic Capesize Index	1479	Down 113	X
Baltic Panamax Index	1615	Up 115	X
Baltic Supramax Index	1032	Up 28	X
Baltic Handysize Index	611	Up 25	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 220>>215	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 236/240	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 191/194	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 203/207	x
Wheat, Romania 12.5 pro	USD 198/202	x
Wheat, Superior, France, Rouen	USD 204/207	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 190/194	x
Wheat, feed, Black Sea	USD 190/194	x
Barley, France, Rouen port	USD 211/213	X
Barley, feed, Argentina	USD no prices	X
Barley, feed, Black Sea, 30,000+	USD 195/199	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 198>>189	x
Corn, 3YC FOB USA Pacific northwest	USD 203>>194	x
Corn, FOB Argentina port, Upriver	USD 183/186	X
Corn, FOB Brazil port	USD 180/184 July/August	X
Corn, FOB France - Atlantic	USD 203/206	X
Corn, FOB Romania	USD 195/199	x
Corn, FOB Russia	USD 187/191	x
Corn, FOB Ukraine, 30,000+ m/t	USD 194/197	x
Sorghum, FOB Argentina port	USD 181/185	X
Sorghum, FOB Texas	USD 192/196 April/May	X
Soymeal, 48% protein, FOB NOLA	USD 439>>425	X
Soymeal, 48% protein, USA, Rotterdam	USD 464>>450	X
Soymeal, Argentina, Rotterdam	USD 450/453	X
Soymeal, 47% pro, FOB Argentina	USD 410/414	X



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Soymeal, 48% protein, Brazil, Rotterdam	USD 446/449	x
Soymeal, 48% protein, FOB Brazil	USD 397/402	x
Soybeans, FOB NOLA	USD 408/412	X
Soybeans, Argentina, FOB	USD 413/416	x
Soybeans, Brazil, FOB	USD 416/420	x
Soybeans, Black Sea	USD 415/420	x
Corn Gluten Meal, USA FOB NOLA	USD 620 >>600 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 190 >>170 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 234 >>222 July m/t	x

There are still serious logistics problems with exports which is maintaining the high premium for nearby shipment of all corn by-products. No one is too sure exactly when the problems in the Mississippi will all be solved but for now there are a great many problems getting barges down the river to NOLA.

There is reported to be quite a lot of interest in DDGS for April/May shipment, mainly from Asia, but buyers don't like the premiums and prices don't get back to "normal" until June/July. Prices could improve if the Mississippi River problems get resolved sooner than later but no one know for sure if that will happen.

From a price point of view, it is best if export buyers can hold off until June/July for shipment.

The USDA domestic price report this week shows corn gluten meal prices up by about USD 19 m/t with corn gluten feed down by about USD 2 m/t and DDGS prices steady to a couple of dollars m/t higher.

USA exports of corn by-products – 1 month 2018 – major destinations – in m/t

Country	Distillers Dried Grains DDGS January 2018	Corn Gluten Meal January 2018	Corn Gluten Feed January 2018
Bangladesh	10,800		
Canada	61,900	5,700	
Chile			
China	21,600		
Colombia	18,800	6,700	5,900
Egypt	19,800	9,300	
Indonesia	63,900	9,800	
Ireland	34,400		21,800
Israel	26,400		
Japan	45,600		
Malaysia		1,500	
Mexico	181,400	2,100	2,100
Morocco			
New Zealand	22,000		5,500
Philippines	8,700		
Portugal			12,300
South Korea	72,800		
Spain			



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Taiwan	17,700	4,500	
Thailand	85,800	2,400	
Turkey	77,500		
UK	21,900		
Vietnam	58,200		

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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 500/510 to Indonesia
USA Feathermeal, 80% protein	USD 535/545 m/t CNF Asia
USA Poultry Meal, feed grade	USD 595/605 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 915/925 m/t CNF Asia

Export prices for US meat and bone meal moved a little higher this week as they followed the moves in soymeal from last week. There is said to be good buying interest from China, Indonesia and Vietnam but according to the Jacobsen Report business to Vietnam may slow down due to large MBM purchases on the books.

Prices from both Argentina and New Zealand were trying to move higher as supplies were a little tight and all proteins prices were getting stronger.

In the US, most domestic animal protein prices were trying to move higher as buyers looked for deals in animal proteins to replace expensive soymeal. Currently, US MBM is priced very well against soymeal in domestic markets so demand for MBM is expected to continue – or price to rally.

USA exports of animal protein – 1 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feathermeal
	January 2018	January 2018
Canada	3,900	1,200
Chile		2,100
China	2,200	2,100
Ecuador	1,300	
Germany		
Honduras		
Indonesia	16,400	1,400
Malaysia	800	
Mexico	28,600	
Philippines	1,800	
Thailand	900	



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Vietnam	4,000	
Total exports	61,800	6,800

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Still almost little or no fishing in the South of Peru, just a bit around Ilo. The IMARPE research vessels are out on their cruise – it is said to be ending on April 06.

The trade reports that new business has been quite good this week with another 40,000 m/t or so booked. According to MSI Ceres, most of the new sales are for June/July shipment as May/June is fully booked. Total sales now seem to be about 30% of expected next quota fishmeal production.

The JCI and IFFO conference kicks off in China on March 22nd and should be well attended by all the important buyers and sellers in the fishmeal business. Most in the trade don't think that there will be much new business done at the conference as most people will be waiting to see what the actual Peru quota will be.

Most of the trade reports are leaning toward an early start to the next fishing season – perhaps in mid-April, shortly after the results of the IMARPE research are announced.

Prices look to remain steady until we get some word on the next quota. Of course, that could all change if buyers in China suddenly decided to rush into the Peru market. But for now, steady as she goes.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,870
Danish fishmeal	64% protein	1,600
Peru fishmeal	64% protein	1,605
Chile fishmeal	67% protein	1,655
Iceland fishmeal	70% protein	1,865

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	1700/1720
68% protein 500 hist, 120 TVN	1730/1750 m/t	1750/1770



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Fish oil, crude bulk	2500/2550	No info
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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