



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 31, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

As was to be expected the USDA Quarterly Stocks and Planting Intentions report was the excitement of the week. Reported stocks in the report were above what the trade had expected for both corn and soybeans and close to expectations for wheat – both corn and soybean stock levels were higher than March 2017 with soybean stocks much higher. Certainly bearish stocks for corn and soybeans.

Offsetting the bearish stock levels were bullish planting intentions for corn and soybeans. The trade expectations had been for slightly lower corn planting and higher soybean planting but the USDA surprised everyone with lower corn levels than expected and even lower soybean levels. Quelle surprise as the French say.

So, before the US went off to the long Easter weekend we had corn futures up by USD 5 to 6 m/t, soybean futures up by USD 10 to 11 m/t, soymeal up by USD 11 to 13 m/t. Only wheat was reasonably steady with winter wheat up by about USD 2 m/t while spring wheat was down by about USD 4 m/t on a bearish USDA report for spring wheat.

It will be very interesting to see what Monday brings --- will prices continue to rally or will the USDA report not seem quite as bullish after a three-day weekend.

Price-wise next week should be very exciting.

Also, with the USDA being the main topic, there was little concern over Brazil and Argentina – we will be back to thinking about there crops come Monday.

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	Steady	X
US Gulf Israel: 50,000 m/t	\$29/30.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$31/32.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Steady	x
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	Down \$1.00	X
US Gulf Japan: Panamax	\$45/46.00	Steady	X
US Gulf China: Panamax	\$44/45.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$24/25.00	Steady	X
US PNW China: Panamax	\$23/24.00	Steady	X
US East Coast Egypt: Panamax	\$45/46.00	Steady	X
US East Coast Nigeria: Handisize	\$42/43.00	Steady	X



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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)	\$11/12.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$23/24.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$28/29.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$19/20.00	Down \$1.00	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	\$41/42.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$28/29.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$27/28.00	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	\$30/31.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	Steady	X
Argentina to South Africa 50,000 m/t	\$27/28.00	Steady	X
Argentina to Spain: 50,000 m/t	\$27/28.00	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	\$20/21.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Steady	X
Brazil to China: 55,000 m/t	\$34/35.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$26/27.00	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	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Down \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$21.50/22.00	Steady	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	Down \$2.00	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)	\$12/13.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$29/30.00	Steady	X
Russia to Turkey: coaster (1,000 disch)	\$38/39.00	Steady	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)	\$15/16.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$29/30.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$53/54.00	Steady	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	\$19/20.00	New	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)	\$19/20.00	Down \$1.00	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	\$20/21.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00	Steady	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)	\$17/18.00	Steady	X
Black Sea to Yemen: 50,000 m/t	No info		x
Baltic Dry Index	1055	Down 67	x
Baltic Capesize Index	1010	Down 147	X
Baltic Panamax Index	1495	Down 92	X
Baltic Supramax Index	1080	Down 41	x
Baltic Handysize Index	652	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 April 2018/June 2018

Wheat, USA Soft Red Winter, NOLA	USD 208>>201	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 218/221	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 200/203	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 207/210	X
Wheat, Romania 12.5 pro	USD 206/208	X
Wheat, Superior, France, Rouen	USD 204/207	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 222/225	X
Wheat, feed, Black Sea	USD 195/198	X
Barley, France, Rouen port	USD 214/217	x
Barley, feed, Argentina	USD 212/215	X
Barley, feed, Black Sea, 30,000+	USD 206/210	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 186/188	x
Corn, 3YC FOB USA Pacific northwest	USD 197/199	x
Corn, FOB Argentina port, Upriver	USD 190/183	X
Corn, FOB Brazil port	USD 184/188 July/August	X
Corn, FOB France - Atlantic	USD 203/206	x
Corn, FOB Romania	USD 202/204	X
Corn, FOB Russia	USD 200/203	X
Corn, FOB Ukraine, 30,000+ m/t	USD 199/202	X
Sorghum, FOB Argentina port	USD 184/187	x
Sorghum, FOB Texas	USD 194/197 April/May	X
Soymeal, 48% protein, FOB NOLA	USD 445/448	X
Soymeal, 48% protein, USA, Rotterdam	USD 470/473	X
Soymeal, Argentina, Rotterdam	USD 445/450	X
Soymeal, 47% pro, FOB Argentina	USD 427/430	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 443/445	X



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Soymeal, 48% protein, FOB Brazil	USD 412/419	X
Soybeans, FOB NOLA	USD 408/411	X
Soybeans, Argentina, FOB	USD 413/416	X
Soybeans, Brazil, FOB	USD 420/423	x
Soybeans, Black Sea	USD 423/427	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 245 >>235 May/July m/t	x

The USDA report on national average prices is prepared early in the week so doesn't yet include the rally caused by the Thursday USDA planting report.

The average price in the US for soymeal is reported by the USDA to be up by about USD 11 m/t with corn gluten feed up by about USD 1 m/t and corn gluten meal up by USD 10 m/t. the USDA shows DDGS prices to be steady on the week.

According to this weeks US Grains Council report US DDGS prices increased by about USD 6 m/t as soon as the USDA report was issued. Prices into major markets in Asia for DDGS are said to be USD 7 m/t or so higher. Looks like buyers will be in for higher prices for a while now.

It is also reported that interest for corn gluten meal into Egypt has picked up. Egypt had been the largest importer of CGM a couple of year ago but devaluation slowed the imports. However, after a slow start to the year, Egypt's CGM imports are picking up --- both in vessels and containers.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 380/400 m/t CNF Asia
Australian MBM 50% protein	USD 420/440 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 490/500 m/t CNF Asia
Australian Poultry Meal, pet food	USD 820/830 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 530/540 m/t CNF Asia
	USD 510/530 to Indonesia
USA Feathermeal, 80% protein	USD 535/545 m/t CNF Asia
USA Poultry Meal, feed grade	USD 610/620 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 900/920 m/t CNF Asia

According to the Jacobsen Report, US prices for meat and bone meal into Indonesia were lower this week with some sales reported from the US just below USD 500 m/t. Local buyers are bidding even lower but so far sellers are not going any lower. The rally in soymeal prices could certainly put a stop to any further price drops.

Australia MBM prices are said to be firming as demand is good, but supply is not.

Asian demand for feathermeal is also said to be very good which could push prices higher and may price the US out of the market.

Not much change in US domestic prices for animal proteins but this could change on Monday, once everyone is back from their long weekend and can factor in the strong rally seen in soymeal prices. However, the experts seem to feel that US animal protein prices probably will not increase too much due to very good supply levels.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Not much going on in Peru this week as most companies were closed both Thursday and Friday for Easter and some again on Monday.

The work in Peru is that the IMARPE cruise is going very well with results looking good for the next Peru fishing season. There are some thoughts that the new quota could be as high as 3 million m/t catch but most experts are quite happy with 2.5 million m/t. New season fishing is expected to happen about mid-April – so we should hear on the actual quota very soon.

It is a little difficult to get an accurate handle on prices for the new season – the indications below show a jump of about USD 50 m/t in Peru, but this may just represent exporters hopes rather than actual business.

MSI Ceres reported this week that prices in China have fallen as locals want to clear out their higher priced stocks before the next Peru season when prices could be lower – better to lose a bit today than a lot tomorrow. What is that famous saying: “first loss is best loss”.

Pre-sales of next seasons fishmeal stand at about 300,000 m/t which will be about 50% of production if you assume a quota of 2.5 million m/t catch.

Not much catch in the fishing in the south of Peru this week but the total so far is now up to 92,000 m/t which yields 21,000 m/t of fishmeal.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,875
Danish fishmeal	64% protein	1,600
Peru fishmeal	64% protein	1,600
Chile fishmeal	67% protein	1,660
Iceland fishmeal	70% protein	1,870

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	1450/1470 m/t	
65/66 protein	1500/1520 m/t	
67% protein standard steam	1550/1570 m/t	
67% protein 150 TVN	1630/1650 m/t	No prices
67% protein 120 TVN	1680/1700 m/t	No prices
67% protein 1000 hist, 120 TVN	1730/1750 m/t	1700/1720
68% protein 500 hist, 120 TVN	1780/1800 m/t	1800/1850
Fish oil, crude bulk	2500/2550	No info



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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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