

## HAMMERSMITH Marketing Ltd

-----  
Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,  
PO Box N-3944, Nassau, Bahamas. Email: tradegroUp@hammersmith.biz  
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office: +33.9.7044.4881 Mobile: +33.6.8068.4564  
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

### WEEKLY FEED GRAIN AND PROTEIN REPORT November 03, 2018

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

Soybeans and soymeal had an up week this week on some feelings that the US and China could reach some agreement on the trade situation. However, by the end of the week the chance of a solution seemed to have moved a little further away which could result in soybean/meal prices moving lower again next week.

Corn prices were up a little on the week as the trade seemed to expect that the WASDE report next week will be a little bullish for corn – of course moving prices up only a dollar or two is not much of a serious rally. Everyone is waiting to see what the USDA WASDE report will have to say.

It was disappointing for the soybean guys when the White House said that there was no change in the trade situation with China – but, prices didn't collapse, and we ended the week with soybeans up by about USD 10 m/t. It will be very interesting to see what happens on Monday.

Wheat had a nice quiet week this week as prices were up a dollar or down a dollar all week. Perhaps the market is waiting to see what the USDA WASDE has to say next week. The wheat business done to Egypt certainly put a smile on the faces of a few wheat people – they will be looking for more business in weeks to come.

#### **Crop Situation and Condition – USA/France --- reports November 02, 2018**

<b><u>USA</u></b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b><u>Condition</u></b>					
Winter wheat	3	11	33	45	8
<b><u>Harvested</u></b>	This week %	Last week %	This week 2017	Average 2013/17	
Corn	63	49	52	63	
Sorghum	53	46	57	66	
Soybeans	72	53	81	81	
<b><u>Planted</u></b>					

Wheat, winter	78	72	83	85	
<b>France</b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b>Condition</b>					
Corn	5	13	24	52	5
<b>Harvested</b>	This week %	Last week %	This week 2017		
Corn	99	91	85		
<b>Planted</b>	This week %	Last week %	This week 2017		
Wheat, winter	69	51	75		
Barley, winter	76	61	85		

@ USDA and AgriMer

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$21/22.00	Steady	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Steady	x
US Gulf Israel: 50,000 m/t	\$33/34.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$34/35.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$35/36.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$36/37.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$33/34.00	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	Down \$1.00	X
US Gulf Japan: Panamax	\$49/50.00	Steady	X
US Gulf China: Panamax	\$48/49.00	Steady	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Down \$1.00	X
US PNW Japan: Panamax	\$27/28.00	Steady	X
US PNW China: Panamax	\$26/27.00	Steady	X
US East Coast Egypt: Panamax	\$42/43.00	Steady	X
US East Coast Nigeria: Handisize	\$46/47.00	Steady	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	\$31/32.00	Steady	X
France/Germany to China: 50,000 m/t	\$37/38.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$14/15.00	Steady	X
France/Germany to India: 50,000 m/t	\$25/26.00	Down \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$21/22.00	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	\$26/27.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$24/25.00	Down \$1.00	X
France/Germany to Turkey: 35,000 m/t	\$15/16.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$38/39.00	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	\$43/44.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$36/37.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$38/39.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$35/36.00	Down \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$33/34.00	Steady	X
Argentina to South Africa 50,000 m/t	\$30/31.00	Steady	X
Argentina to Spain: 50,000 m/t	\$38/39.00	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	\$21/22.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$38/39.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$38/39.00	Down \$2.00	X
Brazil to Europe: 50,000 m/t	\$33/34.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$37/38.00	Steady	X
Brazil to Spain: 50,000 m/t	\$33/34.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$34/35.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	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	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$27/28.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$13/14.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$31/32.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/34.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$17/18.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00	Down \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$48/49.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$38/39.00	Steady	X
Black Sea to Europe: 50,000 m/t	\$24/25.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$24/25.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$28/29.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$20/21.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$33/34.00	Down \$2.00	x
Black Sea to South Africa – 30,000 m//t	\$38/39.00	Steady	X
Black Sea to Turkey – 30,000 m/t	\$11/12.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	Down \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1457	Down 62	x
Baltic Capesize Index (100,000 plus DWT)	2502	Down 24	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1530	Down 53	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1051	Down 66	X
Baltic Handisize Index (25,000 plus DWT)	666	Down 9	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 November 2018/January 2019

Wheat, USA Soft Red Winter, NOLA	USD 216/220	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 235/240	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 218/222	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 228/232	X
Wheat, Romania 12.5 pro	USD 231/235	X
Wheat, Superior, France, Rouen	USD 227/229	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 210/214 Jan/Feb 2019	X
Wheat, feed, Black Sea	USD 213/217	x
Barley, France, Rouen port	USD 228/231	X
Barley, feed, Argentina, up river	USD no prices	x
Barley, feed, Black Sea, 30,000+	USD 236/241	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 167/170	x
Corn, 3YC FOB USA Pacific northwest	USD 179/183	x
Corn, FOB Argentina port, upriver	USD 159/163	X
Corn, FOB Brazil port	USD 165/170	X
Corn, FOB France - Atlantic	USD 192/196	x
Corn, FOB Romania	USD 167/171	X
Corn, FOB Russia	USD 184/188	X
Corn, FOB Ukraine, 30,000+ m/t	USD 162/166	X
Sorghum, FOB Argentina port	USD 156/161	X
Sorghum, FOB Texas	USD 170/174	x
Soymeal, 48% protein, FOB NOLA	USD 355/361	X
Soymeal, 48% protein, USA, Rotterdam	USD 380/386	X
Soymeal, Argentina, Rotterdam	USD 369/373	X
Soymeal, 47% pro, FOB Argentina	USD 335/339	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 377/381	X
Soymeal, 48% protein, FOB Brazil	USD 343/347	X
Soybeans, FOB NOLA	USD 335/340	X
Soybeans, Argentina, FOB	USD 385/389	X
Soybeans, Brazil, FOB	USD 406/410	X
Soybeans, Black Sea	USD 347/353	X
Corn Gluten Meal, USA FOB NOLA	USD 545 >> 525 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 177 >> 160 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 193/199	x

According to trade reports this week, markets for corn by-products were very quiet. Not that there was no business just that there was no strong demand either for export or domestic markets – business was just plodding along.

The USDA national price report shows a small increase in corn gluten meal prices – perhaps USD 3 or 4 m/t - corn gluten feed prices showed no change at all while DDGS prices are reported to be steady.

Corn prices did not change on the week, but soymeal was up a little but seems like not enough to move corn by-product prices higher.

**USA exports of corn by-products – 9 months 2018 – major destinations and selected countries – in m/t**

<b>Country</b>	<b>Distillers Dried Grains DDGS Jan/Sept 2018</b>	<b>Corn Gluten Meal Jan/Sept 2018</b>	<b>Corn Gluten Feed Jan/Sept 2018</b>
Australia		4,400	
Bangladesh	111,800	4,700	
Burma	44,700	2,600	
Cambodia	38,300		900
Canada	494,800	55,900	
Chile		106,100	
China	151,200		
Colombia	150,500	77,600	22,200
Costa Rica	55,100		
Denmark		6,600	
Ecuador	19,300	3,600	
Egypt	191,800	132,300	
El Salvador	49,200	3,000	
Guatemala	42,100	6,800	
Honduras	47,400	6,800	
Indonesia	557,500	100,200	1,700
Ireland	289,100		352,200
Israel	234,800	800	219,400
Jamaica	15,700		
Japan	371,300	9,500	
Malaysia	52,100	21,000	
Mexico	1,545,500	11,500	20,900
Morocco	145,600		47,900
New Zealand	185,900		39,600
Panama	16,000		
Peru	18,900	7,300	
Philippines	145,500	1,100	300
Portugal	18,500		35,300
Saudi Arabia	4,700	500	
South Korea	916,300		900
Spain	165,500		

Sri Lanka	11,200		
Taiwan	164,800	27,200	
Thailand	770,300	23,300	700
Tunisia	22,000		
Turkey	887,100		67,900
UK	156,200	1,500	66,300
Vietnam	868,400	11,900	
Total all exports	8,958,900	629,100	876,600

@USDA GATS Nov 2018

### 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 570/580 m/t CNF Asia
Australian Poultry Meal, pet food	USD 750/760 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 490/510 m/t CNF Asia USD 480/520 to Indonesia
USA Feathermeal, 80% protein	USD 570/580 m/t CNF Asia
USA Poultry Meal, feed grade	USD 550/570 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 750/770 m/t CNF Asia

Australian prices for meat and bone meal are not as low this week even though nothing has changed with Indonesia and OZ is still having to fight for business but now it is just a fight and not a panic. New Zealand prices are still very firm due to the extra Indonesian market demand.

Overall one could say that meat and bone meal prices in Asia are steady, but it looks like there could be some room for lower prices in coming days.

US export demand has been quite good this week but there is concern that China will add tariffs to US animal proteins. Buyers for China have been bidding well below the market just in case there is a tariff added.

US domestic prices have been steady with little or no price change recorded. However, if a China tariff slows export sales then domestic markets could fill up with supply and prices could slip.

### USA exports of animal protein – 9 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feather meal
-------------	--	--------------

	Jan/Sept 2018	Jan/Sept 2018
Burma	3,000	
Canada	42,400	13,800
Chile	300	22,100
China	34,400	28,500
Colombia	800	100
Ecuador	11,300	
Germany		
Honduras	6,800	
Indonesia	130,500	17,400
Jamaica	1,100	
Malaysia	6,700	
Mexico	145,500	
Peru	4,100	700
Philippines	17,300	600
Sri Lanka	1,900	
Thailand	12,200	
Vietnam	36,800	800
Total exports	458,000	86,600

@USDA GATS Oct 2018

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

No change seen in fishmeal prices from Peru this week. And, surprise there was a little fishing in the South of Peru with just over 1,500 m/t landed which brings the total up to 58,000 m/t versus a quota of 535,000 m/t – but at least the south has added 13,500 m/t of fishmeal to the total for the season.

It looks like the announcement of the new Northern Peru fishing quota may be a little later than hoped – bad weather has delayed the research cruises a few days. So, perhaps nothing declared before mid-November.

According to post IFFO trade reports, the majority of folks are expecting a quota between 2.0 and 2.2 million m/t – higher numbers don't now seem to be expected. Pre-sales for the new season now seem to be getting close to 200,000 m/t.

The end of September Peru fishmeal export numbers show China as the #1 market at 762,400 m/t – 82.0% of total exports (January/September 2018) – exports to Japan, Vietnam and Taiwan represent another 11% of the business. Other than Asia, the next biggest importer is Germany at 22,200 m/t – 2.4% of exports.

The latest IFFO report shows world fishmeal production up by 18% - 266,000 m/t – for 43 weeks of 2018 - with Chile up by 14.5%, Peru up by 32.7% with Denmark/Norway down by 6.2% and Iceland up by 2.8%. total production for Chile, Peru, Denmark/Norway and Iceland is 1.73 million m/t for 43 weeks.

There were a couple of articles in the press this week about how factory vessels are badly overfishing West African waters to produce fishmeal and how Chinese fishmeal factories are springing up on shore. One report said that fishing had doubled in the last couple of year while another said that landings had increased tenfold in five years. This is certainly not a new situation but is one that only gets news coverage every couple of years, but it seems that this year more experts are saying that overfishing will eliminate fish stocks on the West Africa Atlantic coast.

### **European fishmeal prices – FOB North German port.**

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,760
Danish fishmeal	64% protein	1,480
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,750

### **PERU "INDICATION" FISHMEAL PRICES:**

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS

Minimum shipment of 200 m/t for fishmeal

<u>Specification</u>	<u>Price per m/t FOB</u>	
	<u>vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1260/1280 m/t	
67% protein standard steam	1340/1360 m/t	
67% protein 150 TVN	1480/1500 m/t	No prices
67% protein 120 TVN	1530/1545 m/t	1560/1580
67% protein 1000 hist, 120 TVN	1580/1600 m/t	1600/1620
68% protein 500 hist, 120 TVN	1630/1650 m/t	1630/1650
Fish oil, crude bulk	1500/1550	1400/1450
Fish oil, crude drums	1550/1600	
Fish oil, flexi tank	1650/1700	
Fish oil, Omega 3: 28%EPA/DHA	1750/1800	

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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are



solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2018 Wayne S. Bacon