



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT September 14, 2019

Ah, there is nothing like a USDA WASDE week to get the blood flowing and the market excited. As the week ended, we had US soybeans up by about USD 15 m/t with soymeal following at about USD 10 m/t higher, corn prices too were up but just by USD 5 m/t or so. Soft red winter wheat was up by about USD 8 m/t with hard red winter up only USD 3 m/t.

The rally in corn prices after WASDE was a surprise to most as the numbers didn't seem to justify any bullish attitude for corn. Perhaps next week will see a Monday drop back to the pre-WASDE price level. The corn harvest has started in the south of the US so this should put some pressure on price, especially cash prices.

For soybeans, the WASDE report was supportive along with the announcement of 5 million m/t of US soybeans to China at a reduced import tariff. Reading the experts reports at the end of the week there seems to be the feeling that this week's rally in soybean prices will not hold and that we could see prices weaken next week.

Looking at wheat, market experts were saying that there was no fundamental reason for this week's rally, just that the market was oversold and once some shorts started to cover then everyone jumped on and covered their shorts – especially for soft red winter.

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		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00		X
US Gulf Israel: 50,000 m/t	\$33/34.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00		X
US Gulf Turkey: 50,000 m/t	\$34/35.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$38/39.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00		X
US Gulf Nigeria: 30,000 m/t	\$52/53.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$38/39.00		X
US Gulf South Africa: 45,000 m/t	\$41/42.00	Up \$1.00	X
US Gulf Japan: Panamax	\$52/53.00		X
US Gulf China: Panamax	\$51/52.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$30/31.00		X
US PNW China: Panamax	\$29/30.00		X
US East Coast Egypt: Panamax	\$54/55.00	Up \$2.00	X
US East Coast Nigeria: Handisize	\$56/57.00	Up \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$18/19.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$39/40.00		X
France/Germany to China: 50,000 m/t	\$40/41.00		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X



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France/Germany to India: 50,000 m/t	\$34/35.00		X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$21/22.00		X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$17/18.00		X
France/Germany to Saudi Arabia: 50/60,000	\$30/31.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$41/42.00		x
France/Germany to Turkey: 35,000 m/t	\$18/19.00		X
France/Germany to Yemen: 30,000 m/t	No prices		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$29/30.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$43/44.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Down \$1.00	x
Argentina to Egypt: 50,000 m/t	\$27/28.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$24/25.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$25/26.00		X
Argentina to Jordan: 50,000 m/t	\$38/39.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$39/40.00		X
Argentina to South Africa 50,000 m/t	\$41/42.00		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)	\$29/30.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$22/23.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$41/42.00		X
Brazil to Japan: 55,000 m/t	\$40/41.00		X
Brazil to Europe: 50,000 m/t	\$29/30.00		X
Brazil to Morocco: 25/30,000 m/t	\$31/32.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$43/44.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$29/30.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$32/33.00	Up \$1.00	x
Australia to China: 40-55,000 m/t – round trip	\$22/22.50	Up \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$30/31.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$32/33.00		X
Ukraine to Bangladesh: 45,000 m/t	\$66/67.00	Down \$3.00	X
Ukraine to India: 45/50,000 m/t	\$63/64.00	Down \$3.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$24/25.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/33.00	Up \$10.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$18/19.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$19/20.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$35/36.00	Down \$2.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$40/41.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$20/21.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$22/23.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$28/29.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$31/32.00		X
Black Sea to South Africa – 30,000 m//t	\$40/41.00		X
Black Sea to Turkey – 30,000 m/t	\$18/19.00		X



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Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00	Down \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	2462	Down 150	X
Baltic Capesize Index (100,000 plus DWT)	4547	Down 402	x
Baltic Panamax Index (60,000 to 80,000 DWT)	2133	Down 83	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1299	Down 39	X
Baltic Handisize Index (25,000 plus DWT)	691	Up 2	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 October/December 2019

Wheat, USA Soft Red Winter, US Gulf	USD 214/217	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 196/200	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 181/184	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 185/188	X
Wheat, Romania 12.5 pro	USD 186/189	X
Wheat, Superior, France, Rouen	USD 188/190	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 178/181 Dec/Jan	X
Wheat, feed, Black Sea	USD 179/182	X
Barley, France, Rouen port	USD 173/176	X
Barley, feed, Argentina, up river	USD 168/171 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 177/180	X
Corn, 2YC FOB NOLA USA	USD 160/163	X
Corn, 3YC FOB USA Pacific northwest	USD 180/183	x
Corn, FOB Argentina port, upriver	USD 149/152	X
Corn, FOB Brazil port	USD 155/158	X
Corn, FOB France – Atlantic	USD 182/184	X
Corn, FOB Romania	USD 157/160	X
Corn, FOB Russia	USD 162/165	X
Corn, FOB Ukraine, 30,000+ m/t	USD 155/158	X
Sorghum, FOB Argentina port	USD 145/148	X
Sorghum, FOB Texas	USD 168/170	X
Soymeal, 48% protein, FOB NOLA	USD 341/344	X
Soymeal, 48% protein, USA, Rotterdam	USD 366/369	X
Soymeal, Argentina, Rotterdam	USD 347/350	X
Soymeal, 47% pro, FOB Argentina	USD 300/303	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 339/342	X
Soymeal, 48% protein, FOB Brazil	USD 304/307	X
Soybeans, FOB NOLA	USD 339/342	X
Soybeans, Argentina, FOB	USD 348/351	X
Soybeans, Brazil, FOB	USD 368/371	X



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Soybeans, Black Sea	USD 344/347	X
Corn Gluten Meal, USA FOB NOLA	USD 480/490 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 172/175 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 199/204	X

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 355/375 m/t CNF Asia
Australian MBM 50% protein	USD 395/415 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 570/580 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 405/415 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry Meal, feed grade	no prices
USA Poultry Meal, pet food grade	USD 600/650 m/t CNF Asia

The animal protein export markets were very quiet this week – most buyers seemed to be out of the market. Perhaps waiting to see what the US protein meal markets would do after the WASDE report.

Supplies of animal proteins in New Zealand, Australia and the US are said to be very good and, in the US, the low prices for pet food grade poultry meal seem to be looking higher. The Jacobsen Report this week says that there are reports that the spot poultry meal price in some locations is up by as much as USD 85 m/t.

Jacobsen was also saying that, due to low prices, meat and bone meal in the US is being used to the maximum in animal feed formulations. The jump in US soymeal prices late in the week will probably give room for an increase in meat and bone meal prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Very quiet in Peru. Still no fishing in the south of the country and no results as yet on surveys for the next northern fishing season.

There is still some business being done as the last of the available stocks are being sold. Looks like the season will end with empty cupboards as all will be sold – even the floor sweepings. Buyers are looking at the new season and seem to want to buy at USD 20 to 30 m/t below the levels shown below. Some say that there has been some 68 pro Super Prime business done at USD 1330. Sales for the next season are estimated to be getting close to the 100,000 m/t level.

As to prices for the next season, while buyers are looking lower, sellers are trying to hold firm at current levels. It is going to depend mainly on the situation in China and how much fishmeal they will need – will African Swine Fever get worse and spread through Asia, will it cause a drop in all feed consumption.

As I said, markets are quiet and all we do now is speculate on what the future will bring.

PERU "INDICATION" FISHMEAL PRICES:

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European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,845
Danish fishmeal	64% protein	1,385
Peru fishmeal	64% protein	1,430
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,840

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 vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1050/1070 m/t	
67% protein standard steam	1100/1120 m/t	
67% protein 150 TVN	1200/1220 m/t	No prices
67% protein 120 TVN	1250/1270 m/t	1300/1320
67% protein 1000 hist, 120 TVN	1300/1320 m/t	1350/1370
68% protein 500 hist, 120 TVN	1350/1370 m/t	1400/1450
Fish oil, crude bulk	1800/1850	
Fish oil, crude drums	1850/1900	
Fish oil, flexi tank	1950/2000	
Fish oil, Omega 3: 28%EPA/DHA	2000/2200	

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

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