



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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I was in Cairo this week for a business visit – haven't been to Cairo in a few years. It was a very good trip and it was great to see how Cairo has changed yet how it is still the same.

WEEKLY FEED GRAIN AND PROTEIN REPORT September 21, 2019

Market prices were a little quieter this week as the market tried to recover from the WASDE report. There was little or no change in corn prices, but soybeans did drop by USD 6 m/t or so while soymeal was down by USD 7 m/t. US spring wheat prices also moved lower by about USD 6 m/t while winter wheat was up by about USD 2 m/t.

There was little to see in the corn market this week that would change prices. However, the longer term weather forecast does show some heavy rain which could delay the corn harvest in some parts of the US. Most market reports at the end of the week show prices for corn remaining steady since there seems to be very little that can push prices higher or lower. Once we get a little further into the corn harvest then the yield levels will be seen and this could change the price direction.

Soybean prices slipped lower again and most trade reports say that it was China related due to the China delegation cancelling visits to farms in Montana. US President Trump also made a few comments about trade with China that upset the market and made a US/China trade agreement look further away. Soymeal prices too moved lower on the week, but this was just due to the drop in soybean prices – there wasn't anything much new to report on soymeal.

Spring wheat prices have been very strong for a while due to quality concerns with the crop and rain delays in the harvest. The spring wheat harvest is said to be about 20% behind the five-year harvest average.

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	\$54/55.00	Up \$2.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00	Up \$2.00	X
US Gulf South Africa: 45,000 m/t	\$42/43.00	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	\$38/39.00	Up \$1.00	X



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US PNW Japan: Panamax	\$30/31.00		X
US PNW China: Panamax	\$29/30.00		X
US East Coast Egypt: Panamax	\$55/56.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$56/57.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$40/41.00	Up \$1.00	X
France/Germany to China: 50,000 m/t	\$41/42.00	Up \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$34/35.00		X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00	Up \$1.00	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		X
France/Germany to South Africa: 30,000 m/t	\$43/44.00	Up \$2.00	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Up \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$52/53.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$43/44.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00		X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$26/27.00	Up \$1.00	X
Argentina to Jordan: 50,000 m/t	\$39/40.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$40/41.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$42/43.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$23/24.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	No price		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$33/34.00	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	\$31/32.00	Up \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$32/33.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$44/45.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$31/32.00	Up \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$34/35.00	Up \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$20/20.50	Down \$2.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$31/32.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$31/32.00	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$70/71.00	Up \$4.00	X
Ukraine to India: 45/50,000 m/t	\$67/68.00	Up \$4.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00		X
Ukraine to East Med: coaster (1,000 disch)	\$24/25.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/33.00		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		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		x



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Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$41/42.00	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)	\$22/23.00		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)	\$29/30.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$33/34.00	Up \$2.00	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
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Down \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	2131	Down 331	x
Baltic Capesize Index (100,000 plus DWT)	3952	Down 595	X
Baltic Panamax Index (60,000 to 80,000 DWT)	2013	Down 120	x
Baltic Supramax Index (50,000 to 60,000 DWT)	1300	Up 1	X
Baltic Handisize Index (25,000 plus DWT)	692	Up 1	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 213/217	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 201/204	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 183/186	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 186/189	X
Wheat, Romania 12.5 pro	USD 186/189	X
Wheat, Superior, France, Rouen	USD 186/188	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 181/184 Dec/Jan	X
Wheat, feed, Black Sea	USD 182/184	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 176/179	X
Corn, 2YC FOB NOLA USA	USD 163/166	X
Corn, 3YC FOB USA Pacific northwest	USD 180/183	X
Corn, FOB Argentina port, upriver	USD 150/153	X
Corn, FOB Brazil port	USD 157/160	X
Corn, FOB France – Atlantic	USD 183/185	X
Corn, FOB Romania	USD 157/160	X
Corn, FOB Russia	USD 160/163	X
Corn, FOB Ukraine, 30,000+ m/t	USD 157/160	X
Sorghum, FOB Argentina port	USD 148/151	X
Sorghum, FOB Texas	USD 170/173	X



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Soymeal, 48% protein, FOB NOLA	USD 334/337	X
Soymeal, 48% protein, USA, Rotterdam	USD 359/362	X
Soymeal, Argentina, Rotterdam	USD 340/343	X
Soymeal, 47% pro, FOB Argentina	USD 301/304	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 333/336	X
Soymeal, 48% protein, FOB Brazil	USD 300/303	X
Soybeans, FOB NOLA	USD 336/339	X
Soybeans, Argentina, FOB	USD 347/350	X
Soybeans, Brazil, FOB	USD 356/359	X
Soybeans, Black Sea	USD 343/346	X
Corn Gluten Meal, USA FOB NOLA	USD 470/480 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 171/174 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 198/202	X

With corn prices up just a little this week, most corn by-product prices tended to be steady. Although, corn gluten meal did drop by about USD 10 m/t, but most export buyers feel that CGM is still too expensive versus soymeal. Thought are that CGM should slip lower by another USD 30 or more a m/t in order to get buyers excited again.

Both corn gluten feed and DDGS prices were steady this week but there was some talk in the trade that DDGS could move higher as some ethanol facilities are cutting back on production which will reduce the supply of DDGS.

The US Grains Council report this week was saying the DDGS is probably underpriced versus corn/soymeal.

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

It seemed to be very quiet in the animal protein business this week. In Australia they are saying that in coming months the drought reduced cattle supply will probably cause a drop in animal protein supplies which should push prices higher in Australia and in Asia.

In the US, according to the Jacobsen Report, there looks to be lots of supply of animal proteins. They report that meat and bone meal looks weak and that very low poultry meal prices are pushing feathermeal out of feed formulations.

Export business from the US was also very slow this week as soymeal seems to be the low cost flavor of the month.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

There seems to have been quite a flurry of sales to China for the next fishing season and presales are now said to be up to close to 300,000 m/t. While the market reports don't seem to show it, the trade says that most of the sales to China were at levels about USD 50 to 70 m/t lower than the prices shown in the table below. Super Prime is reported to have been booked at less than USD 1300 m/t.

The MSI Ceres report this week says that with as much as 60% of the next season's production now pre-sold most producers have pulled back from selling more – this probably means that prices will move a little higher from the recent bargain sale prices.

The latest Peru export numbers are out and show total exports for 2019 to end August at just over 770,000 m/t with 605,000 m/t going to China and another 96,000 m/t to other Asia destinations – which means that 91% of all fishmeal exports from Peru are going to Asia.

The latest El Nino/Nina report this week shows very little chance of any serious event this year --- with a chance of no more than 1 to 2%.

There were quite few articles in the press this week about insect meal and how it could very well be the future for the growth of protein in animal feed. That shouldn't bother the fishmeal folks much since they can't produce any more fishmeal to cover increased market needs. And it is also quite a long way away until there is any significant production of insect protein meal – but it is coming.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,830
Danish fishmeal	64% protein	1,390
Peru fishmeal	64% protein	1,430
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,820

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	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	



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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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