



Hammersmith Trade Services

A division of 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 September 29, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Price wise, things were not all that exciting this week – except perhaps for wheat prices. Corn, soybeans and soymeal showed very little change on the week while wheat prices did drop between USD 4 to 6 m/t.

The USDA stocks report was out this week and was a little bearish for corn as stocks were higher than expected by the trade. Some experts say that this is due to lower feed use for corn in the summer months. With another 84% of the corn crop in the US still to be harvested, we are going to see a lot of corn shortly – but US corn exports are very strong since export prices are good and only the US has corn to ship – for now.

There is some concern in the US about weather delaying the corn harvest and some possible damage to the corn crop, but this doesn't seem to be much of a price or supply concern at present.

Soybeans too had higher stock numbers in the USDA report but most in the trade feel that this will have little effect on prices since China problems are driving soybean prices and a few extra beans are not going to make a bearish situation much worse.

As with corn, there are some concerns that the wet US weather will delay the harvest and result in crop losses in some areas – but this doesn't look to be too serious. As mentioned above, China is the price driver for US soybeans.

Wheat prices were up a little on Friday as the USDA stocks report was perhaps a little bullish, at least not as bearish as corn and beans. But overall for the week, wheat prices were lower. Exports for the year for US wheat are down by 8% which adds to the bearishness.

Crop Situation and Condition – USA --- USDA report September 24, 2018

<u>USA</u>	Very poor %	Poor %	Fair %	Good %	Very Good %
<u>Condition</u>					
Corn	4	8	19	47	22
Sorghum	5	11	29	45	10
Soybeans	3	7	22	49	19
<u>Harvested</u>	This week %	Last week %	This week 2017	Average 2013/17	
Corn	16	9	10	11	
Sorghum	30	26	32	32	
Soybeans	14	6	9	8	
<u>Planted</u>					
Wheat, winter	28	13	22	26	



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France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Corn	5	13	23	53	5

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$20/21.00	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	\$31/32.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$30/31.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$32/33.00	Up \$1.00	x
US Gulf Morocco: 30,000(5,000 disch)	\$33/34.00	Up \$1.00	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$44/45.00	Up \$1.00	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$33/34.00	Steady	x
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	x
US Gulf Japan: Panamax	\$47/48.00	Up \$2.00	X
US Gulf China: Panamax	\$46/47.00	Up \$2.00	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$26/27.00	Up \$1.00	X
US PNW China: Panamax	\$25/26.00	Up \$1.00	x
US East Coast Egypt: Panamax	\$43/44.00	Up \$1.00	x
US East Coast Nigeria: Handisize	\$45/46.00	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	\$38/39.00	Up \$1.00	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	\$27/28.00	Steady	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	\$27/28.00	Up \$1.00	x
France/Germany to South Africa: 30,000 m/t	\$25/26.00	Steady	x
France/Germany to Turkey: 35,000 m/t	\$16/17.00	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	\$42/43.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$38/39.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$38/39.00	Up \$1.00	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	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$32/33.00	Steady	x
Argentina to South Africa 50,000 m/t	\$29/30.00	Steady	X
Argentina to Spain: 50,000 m/t	\$38/39.00	Up \$1.00	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	\$20/21.00	Steady	X



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Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Steady	x
Brazil to China: 55,000 m/t	\$37/38.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$38/39.00	Up \$1.00	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	\$36/37.00	Steady	x
Brazil to Spain: 50,000 m/t	\$33/35.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$35/36.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	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	\$33/34.00	Down \$1.00	x
Ukraine to Bangladesh: 45,000 m/t	\$33/34.00	Steady	x
Ukraine to India: 45/50,000 m/t	\$29/30.00	Steady	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)	\$25/26.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$33/34.00	Up \$5.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$16/17.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$50/51.00	Up \$5.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$38/39.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$24/25.00	Steady	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$18/19.00	Up \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$24/25.00	Steady	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	\$35/36.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$38/39.00	Up \$1.00	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	Up \$1.00	X
Baltic Dry Index	1540	Up 127	x
Baltic Capesize Index	2000	Up 160	X
Baltic Panamax Index	1695	Up 109	X
Baltic Supramax Index	1194	Up 19	X
Baltic Handysize Index	629	Up 12	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 2018/December 2018

Wheat, USA Soft Red Winter, NOLA	USD 216/220	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 234/244	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 211/215	x



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Wheat, Russia 12.5 pro, 30,000+ m/t	USD 220/224	x
Wheat, Romania 12.5 pro	USD 221/225	x
Wheat, Superior, France, Rouen	USD 236/238	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 223/228 Jan/Feb 2019	x
Wheat, feed, Black Sea	USD 198/204	x
Barley, France, Rouen port	USD 237/239	x
Barley, feed, Argentina, up river	USD no prices	x
Barley, feed, Black Sea, 30,000+	USD 230/234	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 158/162	x
Corn, 3YC FOB USA Pacific northwest	USD 173/178	x
Corn, FOB Argentina port, upriver	USD 163/166	x
Corn, FOB Brazil port	USD 172/175	x
Corn, FOB France - Atlantic	USD 209/211	x
Corn, FOB Romania	USD 169/172	x
Corn, FOB Russia	USD 180/184	x
Corn, FOB Ukraine, 30,000+ m/t	USD 163/167	x
Sorghum, FOB Argentina port	USD 154/158	x
Sorghum, FOB Texas	USD 177/179	X
Soymeal, 48% protein, FOB NOLA	USD 352/356	X
Soymeal, 48% protein, USA, Rotterdam	USD 377/381	X
Soymeal, Argentina, Rotterdam	USD 374/378	X
Soymeal, 47% pro, FOB Argentina	USD 340/344	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 374/377	x
Soymeal, 48% protein, FOB Brazil	USD 345/350	X
Soybeans, FOB NOLA	USD 317/321	x
Soybeans, Argentina, FOB	USD 386/390	X
Soybeans, Brazil, FOB	USD 400/403	X
Soybeans, Black Sea	USD 358/362	x
Corn Gluten Meal, USA FOB NOLA	USD 520>>500 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 170>>165 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 185/189	x

This week's USGC report was saying that international demand for DDGS at current very low prices may cause the trend to change to higher price levels. DDGS, along with corn gluten feed and corn gluten meal, are certainly a bargain these days – especially when you look at international prices.

The trade feels that the current low prices are going to attract a good deal of export interest and as the saying goes – “the best solution to low prices is low prices”. There is nothing like low prices to perk up demand.

The USDA report this week has domestic USA prices showing steady for DDGS, steady for corn gluten feed and about USD 6 m/t lower for corn gluten meal.

The feeling for corn byproduct prices is that we are probably at, or close to, the lows of the year – this because corn is probably at the same point and from here on in it would not be too surprising to see corn prices and byproduct prices start to move higher. I think that, if I was a buyer, I would be locking in some positions for last quarter of 2018 before prices moved higher.



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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 330/340 m/t CNF Asia
Australian MBM 50% protein	USD 360/370 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 550/560 m/t CNF Asia
Australian Poultry Meal, pet food	USD 810/820 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 450/460 m/t CNF Asia
	USD 445/455 to Indonesia
USA Feathermeal, 80% protein	USD 600/620 m/t CNF Asia
USA Poultry Meal, feed grade	USD 580/590 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 810/820 m/t CNF Asia

Prices for animal proteins from Australia continued to drop this week as the ban on OZ meat and bone meal to Indonesia is really hurting exporters. The weakness in OZ prices is certainly a boon to other importing countries in Asia.

US export prices for meat and bone meal were steady on the week but poultry meal moved a little lower. With poultry meal, it is a case of very large current production and even though demand is good there is just too much supply.

In the US domestic market, meat and bone meal prices were steady while both feathermeal and poultry meal moved lower.

The Jacobsen Report was commenting that MBM prices look to be able to move a little higher but that overall animal protein prices could slip a little lower.

With US MBM exports replacing some OZ exports into Indonesia, US prices to Asia may not drop, since Asia is a main US export buyer of MBM.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

According to reports from Peru the IMARPE research cruise has finished and results are waited. Rumours are that the results were very good and that the spawning season has finished. The IMARPE report is said to be expected by the end of October and will include the results for all the various cruises.

It looks like there could be an El Nino event in Peru – but only a mild one – in early 2019, but this may not have any effect on the fishing season – depending on the actual event timing.

The Feed Conferences in China are over, and stories are swirling around about how much business was done. The trade doesn't seem to feel that there was a great deal of business done – perhaps buyers are waiting for the new quota and expect lower prices while the sellers are holding out for higher prices. The trade does say that the pre-season fishmeal sales look to be in the 150,000 m/t range – some say higher, some lower.

The IFFO Conference in Rome is coming up on October 15th --- perhaps there will be more business done in Rome than was done at the China conferences.

For now, we are just all waiting for some results from IMARPE and the new quota.

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All is expected to stay quiet for Peruvian fishmeal until we get some news.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,810
Danish fishmeal	64% protein	1,500
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,800

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
65/66 protein	1280/1300 m/t	
67% protein standard steam	1330/1350 m/t	
67% protein 150 TVN	1480/1500 m/t	No prices
67% protein 120 TVN	1530/1550 m/t	1530/1550
67% protein 1000 hist, 120 TVN	1580/1600 m/t	1600/1620
68% protein 500 hist, 120 TVN	1630/1650 m/t	1620/1640
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

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