



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT October 06, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This week was an up week for all US grains/oilseeds/meals with corn prices moving up by about USD 5 to 6 m/t, soybeans up by USD 8 to 10 m/t, soymeal up by USD 10 m/t and even wheat prices were able to rally by about USD 5 m/t.

The trade feeling was that very good export sales got the market in a buying mood which pushed prices higher, but most trade reports are also pointing out that the huge harvest is quickly moving into the silos and that there should be a good chunk of harvest pressure to keep prices from moving higher.

There was some concern in the trade that the corn harvest could see some rain related delays and perhaps some quality problems due to the high moisture levels. This rainfall will probably not be all that important and the harvest will continue on at the normal very high level as is normally seen in the US.

Soybean prices rallied on the same wet weather forecast that pushed corn higher but there were also comments that very good soymeal demand was a factor in the soybean price rally. Soymeal exports are running ahead of the USDA projections. There was also the comment that Brazil's advance sales of soybeans are running well ahead of last year which helps to keep prices firm.

Wheat prices are said to be higher because wheat prices are higher everywhere in the world and the market seems to be expecting even higher prices. In wheat futures, speculators seem to be moving from short to long as higher prices do look possible.

Monday is a holiday for many in the US, for Columbus Day, although the CBOT will be open and grain will be trading.

Crop Situation and Condition – USA --- USDA report October 03, 2018

USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Corn	4	8	19	47	22
Sorghum	6	11	29	44	10
Soybeans	3	7	22	49	19
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Corn	26	16	16	17	
Sorghum	34	30	34	36	
Soybeans	23	14	20	20	



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Planted					
Wheat, winter	43	28	34	40	
France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Corn	5	13	25	52	5

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	Up \$1.00	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	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$30/31.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$32/33.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$34/35.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$35/36.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	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	Steady	X
US Gulf China: Panamax	\$46/47.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$26/27.00	Steady	X
US PNW China: Panamax	\$25/26.00	Steady	X
US East Coast Egypt: Panamax	\$43/44.00	Steady	X
US East Coast Nigeria: Handisize	\$46/47.00	Up \$1.00	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	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	\$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	Steady	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	Steady	X
Argentina to Europe: 50/60,000 m/t	\$39/40.00	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	\$36/37.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$33/34.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$30/31.00	Up \$1.00	X



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Argentina to Spain: 50,000 m/t	\$39/40.00	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	\$21/22.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to China: 55,000 m/t	\$38/39.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$39/40.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$34/35.00	Up \$1.00	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	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$35/36.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$20.00/20.50	Up \$0.50	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	Steady	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)	\$17/18.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$16/17.00	Steady	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	Steady	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)	\$17/18.00	Down \$1.00	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	\$36/37.00	Up \$1.00	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)	\$18/19.00	Down \$1.00	X
Baltic Dry Index	1536	Down 4	X
Baltic Capesize Index	2081	Up 81	X
Baltic Panamax Index	1727	Up 32	X
Baltic Supramax Index	1197	Up 3	X
Baltic Handysize Index	637	Up 8	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



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Wheat, USA Soft Red Winter, NOLA	USD 219/224	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 237/242	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 211/215	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 228/233	x
Wheat, Romania 12.5 pro	USD 226/230	x
Wheat, Superior, France, Rouen	USD 237/239	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 211/215 Jan/Feb 2019	X
Wheat, feed, Black Sea	USD 198/204	
Barley, France, Rouen port	USD 241/243	x
Barley, feed, Argentina, up river	USD no prices	x
Barley, feed, Black Sea, 30,000+	USD 233/237	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 164/168	X
Corn, 3YC FOB USA Pacific northwest	USD 181/184	x
Corn, FOB Argentina port, upriver	USD 164/168	x
Corn, FOB Brazil port	USD 169/173	x
Corn, FOB France - Atlantic	USD 206/209	x
Corn, FOB Romania	USD 171/175	x
Corn, FOB Russia	USD 186/190	x
Corn, FOB Ukraine, 30,000+ m/t	USD 166/169	x
Sorghum, FOB Argentina port	USD 158/161	x
Sorghum, FOB Texas	USD 178/181	x
Soymeal, 48% protein, FOB NOLA	USD 365/369	X
Soymeal, 48% protein, USA, Rotterdam	USD 390/394	x
Soymeal, Argentina, Rotterdam	USD 375/379	X
Soymeal, 47% pro, FOB Argentina	USD 337/341	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 374/378	x
Soymeal, 48% protein, FOB Brazil	USD 351/354	x
Soybeans, FOB NOLA	USD 323/328	X
Soybeans, Argentina, FOB	USD 399/404	X
Soybeans, Brazil, FOB	USD 416/420	x
Soybeans, Black Sea	USD 362/367	x
Corn Gluten Meal, USA FOB NOLA	USD 520>>500 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 172>>167 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 185/190	X

There was very little change in corn byproduct prices this week even with corn prices moving higher – although the USDA national price report did show corn gluten feed prices up by just over USD 4 m/t with corn gluten meal up by about USD 3 m/t but DDGS prices quite steady in most markets.

There seems to be a good deal of export interest, especially in DDGS, as prices are very competitive with corn/soymeal. Asian buyers are said to be very active in the export market -- as has been pointed out before, we could be at the low for the year on prices, as the pressure of the large US corn and soybean harvest keeps prices from going any direction except down.

Once the harvest all gets in the bins we should see prices start to trend higher, at least that is what happens most years.



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The USDA corn crushing report came out this week and there is nothing startling in the numbers – DDGS production for august was at 2.16 million m/t, corn gluten feed at 325,000 m/t and corn gluten meal at about 92,000 m/t. DDGS production is up on last year a little and up on last month while both CGF and CGM were down on last month and last year – but nothing to excite the market much.

USA exports of corn by-products – 8 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/August 2018	Corn Gluten Meal Jan/August 2018	Corn Gluten Feed Jan/August 2018
Australia		4,000	
Bangladesh	97,300	4,200	
Burma	37,100	1,800	
Cambodia	33,500		900
Canada	439,000	48,200	
Chile		90,400	
China	122,500		
Colombia	133,200	58,900	14,800
Costa Rica	55,100		
Denmark		6,600	
Ecuador	19,300	3,300	
Egypt	191,800	131,500	
El Salvador	47,500	3,000	
Guatemala	36,900	6,800	
Honduras	37,900	5,900	
Indonesia	490,000	85,600	1,400
Ireland	246,600		286,000
Israel	220,400	800	193,400
Jamaica	14,000		
Japan	310,900	6,000	
Malaysia	46,500	16,800	
Mexico	1,396,100	10,200	17,800
Morocco	120,700		41,300
New Zealand	150,100		37,900
Panama	13,300		
Peru	18,900	6,800	
Philippines	119,300	800	
Portugal	15,600		29,800
Saudi Arabia	4,200	500	
South Korea	811,700		900
Spain	138,000		
Sri Lanka	10,700		
Taiwan	143,800	24,600	
Thailand	676,100	21,100	
Tunisia	22,000		
Turkey	845,000		67,900
UK	110,600	1,500	51,900
Vietnam	746,500	9,700	



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Total all exports	7,930,600	745,200	551,900

@USDA GATS Oct 2018

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 345/355 m/t CNF Asia
Australian MBM 50% protein	USD 375/385 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 480/490 m/t CNF Asia
	USD 475/500 to Indonesia
USA Feathermeal, 80% protein	USD 570/580 m/t CNF Asia
USA Poultry Meal, feed grade	USD 560/580 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 770/800 m/t CNF Asia

Prices into Indonesia took another jump higher as limited supply (due to limited suppliers) put a squeeze on the market and pushed every price up. Trade reports were saying that the run up in prices will probably result in Indonesia buyers switching to soymeal. In areas outside of Indonesia, the extra supply of MBM from Australia (since it cant go to Indonesia) is pushing CNF prices lower for buyers in most other Asian destinations.

USA export prices were also lower on the week due to very good supplies in the US and the need to move some product into other markets. Meat and bone meal prices were lower as was feathermeal and poultry meal. The Jacobsen report was commenting that poultry meal export prices are lower due to concerns of possible tariffs for import into China – there are no new tariffs yet but it could certainly happen.

US domestic prices tended to be steady on the week as higher soymeal prices helped to keep animal protein prices from moving lower.

USA exports of animal protein – 8 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feather meal
	Jan/August 2018	Jan/August 2018
Burma	3,000	
Canada	38,200	13,200
Chile	300	19,400
China	32,300	27,000
Colombia	800	100
Ecuador	10,300	
Germany		
Honduras	6,500	
Indonesia	115,500	17,400
Jamaica	1,100	
Malaysia	6,000	
Mexico	129,500	



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Peru	3,100	700
Philippines	14,300	400
Sri Lanka	1,900	
Thailand	11,200	
Vietnam	33,500	
Total exports	409,600	78,300

@USDA GATS Oct 2018

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

According to trade reports from Peru, all the research cruises on the fish biomass should be completed by late October which should mean fishing can begin in the second half of November. Everyone is hoping to get the next season going as soon as possible as weather into January can be very bad which could curtail fishing --- the plan is to land a lot of fish in late November and December and leave little for January.

Also in the trade reports was the comment that all the balances of fishmeal from old orders have now been pretty well shipped and warehouses are empty – all that is left to do is to sweep up.

China has been on holidays for the past week and into next week, so things are even more quiet than usual for the time of year – the between fishing season doldrums.

Only a few days now until the fishmeal/oil industry gathers in Rome for the annual IFFO conference. I should probably attend but not being an IFFO member I would have to spend all my time in the lobby and the hallways as I couldn't attend much. I am not too inclined to hang around in the lobby. Although it would be good to see some old friends in the fishmeal business.

No change in prices this week as there has been very little activity with China closed.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,790
Danish fishmeal	64% protein	1,500
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,790

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



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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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