



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT October 12, 2019

The feeling in most of the expert analysis of the USDA's WASDE report is that the report was quite neutral overall. Reports also say that the rally in grain prices on Friday was more due to weather than WASDE.

Corn was up by about USD 7 m/t on Friday and about USD 4 m/t on the week. The expected fall storms could slow the harvest in many areas which is always good for higher prices while the possibility of a China agreement could also be very good for all grains – even though China is not a corn importer the market excitement helped to push prices.

Soybeans to were up on the week, by about USD 7 m/t, with reports saying that the expectation of a China/US trade agreement was enough to push the market up. There was also heavy rain in some main soybean areas which could delay some harvest and perhaps affect harvest quality.

There was also some concern in the soybean markets that India's soybean crop may be down by about 20% and that the soybean planting in Brazil is the slowest that it has been in year --- two very interesting points to help push soybeans higher.

Wheat prices were also higher and experts were saying that this was due mainly to general buying excitement in futures markets and a little concern over the weather for the harvest and for the winter wheat planting.

Top 20 US Export Destinations for Grains and Oilseeds – 8 months to August 2019 – in m/t

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	565,900			30,100	
Argentina				203,000	
Bangladesh	37,100			443,800	25,200
Brazil	192,300				
Belgium				33,000	38,600
Burma				15,800	122,500
Cameroon			20,700		
Canada	87,800	1,617,200	35,800	428,600	577,500
Chile	318,000			15,000	
China	42,000	250,000	628,200	12,982,700	
Colombia	438,000	2,851,100		423,300	761,800
Costa Rica	70,300	614,800		195,500	61,100
Cuba		58,000		42,100	
Djibouti			49,100		90,400
Dominican Rep	212,000	330,600		19,000	339,400

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Ecuador	249,200	27,600			391,100
El Salvador	202,900	493,000			192,800
Egypt	726,700			1,606,000	
Eritrea			31,500		
Ethiopia	170,800				
France				95,200	
Germany				400,600	
Guatemala	390,300	750,300			286,900
Haiti	115,400	43,200			
Honduras	201,800	420,500			189,700
Indonesia	1,016,700	3,800		1,738,200	26,800
Iraq	472,300				
Israel	112,400	75,900		76,700	123,200
Italy	240,700		36,600	205,200	58,200
Jamaica	133,300	161,100			76,400
Japan	1,678,200	8,866,400	220,400	1,582,300	205,900
Kenya	124,500				
Lebanon				48,700	
Malaysia	394,300	22,300		406,200	
Mexico	2,443,800	10,041,400	338,000	3,387,000	1,160,600
Morocco		61,800			243,000
Nepal				86,100	
Netherlands				1,147,100	
New Zealand		126,600			
Nigeria	1,632,700			20,800	
Nicaragua		252,000			87,300
Pakistan				332,400	
Panama	71,600	314,000		20,800	136,000
Peru	312,800	1,029,400		180,000	123,900
Philippines	1,985,200	71,500	200	81,700	1,434,400
Poland					127,200
Portugal				160,000	
Romania					49,700
Saudi Arabia	30,100	418,700			
South Africa	153,700		54,500		
South Korea	787,100	1,865,900	5,400	701,300	60,400
Spain		500	371,700	686,200	69,200
Sri Lanka	68,100				139,200
Sudan	53,100				
Taiwan	862,900	995,400	6,500	922,400	16,300
Thailand	424,200			657,800	128,900
Trinidad	89,800	56,600			19,200
Tunisia				64,400	33,700
UK	25,300			116,600	
Venezuela	59,500				68,100
Vietnam	136,400	65,000		263,700	414,400
Yemen	465,300				

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

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US Gulf to Europe: 60/70,000 (10,000 disch)	\$20/21.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$20/21.00		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)	\$37/38.00		x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$36/37.00		x
US Gulf Nigeria: 30,000 m/t	\$55/56.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$40/41.00		X
US Gulf South Africa: 45,000 m/t	\$43/44.00		X
US Gulf Japan: Panamax	\$51/52.00		X
US Gulf China: Panamax	\$50/51.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$29/30.00		X
US PNW China: Panamax	\$28/29.00		x
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$57/58.00	Down \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$20/21.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$40/41.00		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
France/Germany to India: 50,000 m/t	\$33/34.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00		X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$17/18.00		X
France/Germany to Saudi Arabia: 50/60,000	\$31/32.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$44/45.00		X
France/Germany to Turkey: 35,000 m/t	\$17/18.00	Down \$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)	\$31/32.00		X
Argentina to China: 50,000 m/t, with top-off	\$41/42.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00		X
Argentina to Egypt: 50,000 m/t	\$23/24.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$22/23.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00		X
Argentina to Jordan: 50,000 m/t	\$40/41.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00	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	\$22/23.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$31/32.00		x
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$35/36.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$39/40.00		X
Brazil to Japan: 55,000 m/t	\$38/39.00		X
Brazil to Europe: 50,000 m/t	\$29/30.00		X
Brazil to Morocco: 25/30,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$45/46.00	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		X



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Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Up \$0.50	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		X
Ukraine to China: 50,000 m/t	\$31/32.00	Up \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	No prices		X
Ukraine to India: 45/50,000 m/t	No prices		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00		X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00	Up \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00	Up \$3.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Down \$2.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Down \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$23/24.00	Up \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$42/43.00	Up \$7.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$42/43.00	Up \$2.00	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)	\$24/25.00	Up \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$28/29.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$31/32.00	Down \$1.00	X
Black Sea to South Africa – 30,000 m//t	\$40/41.00		X
Black Sea to Turkey – 30,000 m/t	\$16/17.00	Down \$2.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00		X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1924	Up 157	X
Baltic Capesize Index (100,000 plus DWT)	3290	Up 269	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1916	Up 185	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1218	Up 19	X
Baltic Handisize Index (25,000 plus DWT)	658	Down 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/December 2019

Wheat, USA Soft Red Winter, US Gulf	USD 223/226	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 206/209	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 191/194	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 196/199	X
Wheat, Romania 12.5 pro	USD 194/197	X
Wheat, Superior, France, Rouen	USD 196/199	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 185/188 Dec/Jan	X
Wheat, feed, Black Sea	USD 189/192	X
Barley, France, Rouen port	USD 185/187	X

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Barley, feed, Argentina, up river	USD 174/177 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 181/184	X
Corn, 2YC FOB NOLA USA	USD 175/178	X
Corn, 3YC FOB USA Pacific northwest	USD 196/199	X
Corn, FOB Argentina port, upriver	USD 150/153	X
Corn, FOB Brazil port	USD 167/170	X
Corn, FOB France – Atlantic	USD 185/188	X
Corn, FOB Romania	USD 164/167	X
Corn, FOB Russia	USD 165/168	X
Corn, FOB Ukraine, 30,000+ m/t	USD 165/168	X
Sorghum, FOB Argentina port	USD 148/151	X
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 348/351	X
Soymeal, 48% protein, USA, Rotterdam	USD 373/376	X
Soymeal, Argentina, Rotterdam	USD 349/352	X
Soymeal, 47% pro, FOB Argentina	USD 311/314	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 346/349	X
Soymeal, 48% protein, FOB Brazil	USD 317/320	X
Soybeans, FOB NOLA	USD 358/361	X
Soybeans, Argentina, FOB	USD 353/356	X
Soybeans, Brazil, FOB	USD 369/372	X
Soybeans, Black Sea	USD 344/347	X
Corn Gluten Meal, USA FOB NOLA	USD 475/485 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 165/170 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 195/200	x

Corn prices moved higher at the end of the week, thanks to the WASDE report and this should push corn byproduct prices higher next week. There was a move higher in DDGS prices, but this was probably more demand related than WASDE related. DDGS prices had been very low for a couple of weeks and look very good to export buyers.

The USGC was saying this week that difficult logistics, due to storms in the US, had helped to push up prices a little – especially to the US west coast.

Looking at the export numbers below you see that Egypt has moved back into number one position for corn gluten meal buyers while Ireland and Israel continue to dominate corn gluten feed exports. DDGS has a much broader base of importing countries – this makes sense as countries that import corn and soybean (and there are many) are natural for DDGS imports.

USA exports of corn by-products – 8 months to August 2019 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS 2019	Corn Gluten Meal 2019	Corn Gluten Feed 2019
Australia		2,200	
Bangladesh	124,300	22,800	
Burma	43,700	300	600

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Cambodia	34,300		
Canada	442,200	39,100	
Chile		84,500	
China	102,500	13,300	
Colombia	114,500	40,000	16,700
Costa Rica	66,100		
Ecuador	21,200	2,300	
Egypt	78,500	106,000	15,500
El Salvador	47,000	4,700	
Guatemala	46,400	2,100	1,800
Honduras	44,300	5,000	
Indonesia	612,600	99,200	6,200
Ireland	190,100		222,900
Israel	182,300		146,800
Japan	331,000	5,500	
Malaysia	44,500	23,400	
Mexico	1,402,000	12,600	26,100
Morocco	148,400		28,500
New Zealand	102,200		18,700
Peru	10,100	5,800	
Philippines	162,700	1,800	700
Portugal	14,200		18,000
South Korea	857,800	900	
Spain	103,400		
Taiwan	155,100	21,400	
Thailand	364,300	22,800	
Turkey	426,100		96,900
UK	149,700		51,100
Vietnam	796,000	12,500	

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 355/365 m/t CNF Asia
Australian MBM 50% protein	USD 395/405 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 550/560 m/t CNF Asia
Australian Poultry Meal, pet food	USD 680/700 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 400/420 m/t CNF Asia
	USD 390/405 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry Meal, feed grade	USD 380/400 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/650 m/t CNF Asia

Prices for meat and bone meal into major markets in Asia slipped lower this week as supply continued to race ahead of demand. Trade reports say that there will probably be more weakness in prices. Australia, New Zealand and the US all seem to have very good supply but very few interested buyers.

The large supply of animal proteins in the US has pushed domestic prices down, which is helping push export prices lower. Meat and bone meal look very weak in the US domestic market but

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feathermeal too isn't very strong. However, as the Jacobsen Report mentioned, the demand from the pet food industry should increase and this will take some of the surplus out of the market.

These days, more and more animal feed formulations are becoming 100% vegetable protein based which is making it difficult for animal proteins and pushing prices lower and lower. Of course, this has been a trend for a long time as animal proteins have fallen out of favor or been overwhelmed by the low cost supply of vegetable proteins.

USA exports of animal protein – 8 months to August 2019 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
Burma	3,800	
Cambodia	1,500	
Canada	34,100	6,300
Chile	23,900	29,600
China	103,100	3,600
Colombia	900	
Ecuador	20,500	500
Germany		
Guatemala	1,700	
Honduras	4,600	1,400
Indonesia	147,000	15,800
Jamaica		
Malaysia	7,900	
Mexico	131,000	
Peru	1,200	900
Philippines	17,400	200
Sri Lanka	1,700	
Thailand	21,200	
Vietnam	51,400	1,700
Total exports	573,600 Up 37.0%	59,900 Down 23.0%

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Everything is very quiet in the fishmeal market in Peru – very few buyers and no willing sellers. China was just back from holidays so buyers from there were not in the market at all. However, MSI Ceres did mention in their weekly report that there was some small super prime business done at slightly higher prices.

Peru has been suffering some political upheaval which has shaken all markets a little – even the fishmeal market. A new national election has been set for January 2020.

There has been some discussion in Peru about an end of October start to the new fishing season but most feel that this will not happen with mid-November being a more likely start.

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The IFFO's annual conference will take place in Shanghai on November 4 to 6 and all the major fishmeal people are expected to attend. This will just about coincide with the new Peru fishing season so there may be a rush of new business booked in Shanghai.

There was a report out this week that stated the aquafeed business will increase from USD 47.3 billion in 2019 to USD 71.7 billion in 2025. This is a tremendous increase in quite a short period of time. It makes one wonder where they are going to find all the ingredients for all this aquafeed. It certainly won't be fishmeal as the world fishmeal supply is quite constant. The report feels that much of the growth will be covered by increased use of soymeal and soy by-products.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,810
Danish fishmeal	64% protein	1,360
Peru fishmeal	64% protein	1,430
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,770

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	1150/1170 m/t	No prices
67% protein 120 TVN	1200/1220 m/t	1200/1220
67% protein 1000 hist, 120 TVN	1250/1270 m/t	1250/1270
68% protein 500 hist, 120 TVN	1300/1320 m/t	1300/1320
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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