



# 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 October 13, 2018

### **SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN**

This week was the USDA-WASDE week and, as usual, the report was able to surprise a number of experts. The report did lower estimated corn yields and thus total corn production while reducing soybean production due to smaller planting.

However, we are still looking at a record soybean crop and the second largest corn crop so there should be enough supply to go around.

After the report and the small rally in futures prices, some trade reports said that the current delays in the harvest due to rain could cut yields to below the new lower USDA levels which may just put corn and perhaps soybeans into a short-term upward price trend – I don't say rally as that seems much more positive than just saying trend – prices may just tick up a little higher.

For the next couple of weeks, it looks like harvest weather will be the main price driver as rains look to be steady in some areas of the US while much colder temperatures are moving in.

Wheat prices too were up on the week but that seems to be mainly due to strong prices in most world markets and reports of possible problems in the Black Sea with a lack of rainfall for winter wheat and the possibility of lower yields in Australian wheat.

As a matter of information, the US soybean crush this year is running well ahead of 2017 with September crush up by 17%.

The European Grain Bourse is coming up in Rouen, France on October 25 and 26 – I will be attending. We lived in Rouen back in 2005 or so but have not been back in at least 10 years – it will be great to see the city again.

### **Crop Situation and Condition – USA/France --- reports October 10, 2018**

<b><u>USA</u></b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b><u>Condition</u></b>					
Corn	4	8	20	47	21
Sorghum	5	11	29	44	11
Soybeans	3	7	22	49	19
<b><u>Harvested</u></b>	This week %	Last week %	This week 2017	Average 2013/17	
Corn	34	26	21	26	
Sorghum	39	34	35	42	
Soybeans	32	23	34	36	
<b><u>Planted</u></b>					



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Wheat, winter	57	43	46	54	
<b>France</b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b>Condition</b>					
Corn	5	13	24	52	5
<b>Harvested</b>	This week %	Last week %	This week 2017		
Corn	65	42	24		
<b>Planted</b>	This week %	Last week %	This week 2017		
Wheat, winter	15	5	16		
Barley, winter	20	6	26		

@ USDA and AgriMer

## 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	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	\$33/34.00	Up \$2.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00	Up \$2.00	X
US Gulf Turkey: 50,000 m/t	\$34/35.00	Up \$2.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$36/37.00	Up \$2.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00	Up \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$34/35.00	Up \$1.0	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	X
US Gulf Japan: Panamax	\$49/50.00	Up \$2.00	X
US Gulf China: Panamax	\$48/49.00	Up \$2.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$28/29.00	Up \$2.00	X
US PNW China: Panamax	\$27/28.00	Up \$2.00	X
US East Coast Egypt: Panamax	\$43/44.00	Steady	X
US East Coast Nigeria: Handisize	\$46/47.00	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	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	\$15/16.00	Down \$1.00	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



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Argentina to China: 50,000 m/t, with top-off	\$44/45.00	Up \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$43/44.00	Up \$2.00	X
Argentina to Egypt: 50,000 m/t	\$38/39.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$39/40.00	Steady	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	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$33/34.00	Steady	X
Argentina to South Africa 50,000 m/t	\$30/31.00	Steady	X
Argentina to Spain: 50,000 m/t	\$39/40.00	Steady	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	\$22/23.00	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	\$39/40.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$40/41.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$33/34.00	Down \$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	Steady	X
Brazil to Spain: 50,000 m/t	\$33/34.00	Down \$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	\$19.50/20.00	Down \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Down \$0.50	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	\$32/33.00	Down \$1.00	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	Down \$1.00	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)	\$27/28.00	Up \$2.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$35/37.00	Up \$2.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$17/18.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Up \$3.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$52/53.00	Up \$2.00	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)	\$16/17.00	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	Steady	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)	\$20/21.00	Up \$2.00	X
Baltic Dry Index	1536	Up 43	X
Baltic Capesize Index	2169	Up 88	X
Baltic Panamax Index	1775	Up 48	X
Baltic Supramax Index	1204	Up 7	X
Baltic Handisize Index	657	Up 20	x



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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 219/225	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 244/249	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 217/220	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 232/236	X
Wheat, Romania 12.5 pro	USD 228/232	X
Wheat, Superior, France, Rouen	USD 238/240	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 211/215 Jan/Feb 2019	X
Wheat, feed, Black Sea	USD 207/211	X
Barley, France, Rouen port	USD 243/245	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 168/171	x
Corn, 3YC FOB USA Pacific northwest	USD 181/184	x
Corn, FOB Argentina port, upriver	USD 166/169	X
Corn, FOB Brazil port	USD 172/176	X
Corn, FOB France - Atlantic	USD 207/210	x
Corn, FOB Romania	USD 171/175	X
Corn, FOB Russia	USD 188/192	X
Corn, FOB Ukraine, 30,000+ m/t	USD 166/169	X
Sorghum, FOB Argentina port	USD 158/161	x
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 360/363	X
Soymeal, 48% protein, USA, Rotterdam	USD 385/388	X
Soymeal, Argentina, Rotterdam	USD 377/380	X
Soymeal, 47% pro, FOB Argentina	USD 340/344	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 385/388	X
Soymeal, 48% protein, FOB Brazil	USD 353/357	X
Soybeans, FOB NOLA	USD 329/334	X
Soybeans, Argentina, FOB	USD 399/404	X
Soybeans, Brazil, FOB	USD 418/421	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 170>>165 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 183/186	x



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

The USDA average price report this week has US domestic corn gluten feed pellets down by close to USD 7 m/t, but this has not been seen in the export market yet. For both corn gluten meal and DDGS the USDA shows domestic prices to be unchanged.

Trade reports from the US say that business this week has been very slow with buyers standing aside due to what they feel are high export prices. The problems with the river system in the US has moved export prices a little higher and buyer seem to feel that once the transport to export ports gets all smoothed out then we could see some lower export prices. Buyers could be right but overall the prices for corn by-products look quite attractive versus other alternatives and versus recent higher prices.

Not much happened in the corn/soybean/protein markets this week that would push prices into a new trend – so for now looks like steady prices.

## 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 530/540 m/t CNF Asia
Australian Poultry Meal, pet food	USD 790/800 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 750/770 m/t CNF Asia

Meat and bone meal prices to Indonesia remain strong this week due to the absence of Australia from the market but the MBM price is looking less and less competitive versus soymeal so we could see a drop in buying interest. Australia is reported to be selling into other Asia markets at prices very much below what Indonesia is having to pay for MBM – it is all a matter of supply and demand. New Zealand prices were higher this week as NZ is still ok for Indonesia, but the extra demand coupled with small NZ supply pushed prices up.

USA prices to Asia are all said to be weak with buyers said to be able to bid below the prices shown above – and to be getting bids booked.

USA domestic prices didn't do much this week with most items seemingly in a trading range – no one is forecasting higher prices in the near term.

## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The fishmeal business in Peru remains very quiet but there was the word this week that Germany bought about 12,000 m/t of fishmeal from the next season. The price paid is said to be about as shown in the listing below. China is still out of the market for now – but they have already booked a good chunk of new season business – since the aqua season in China is at the end for the year.

Reports out of China say that their local production will increase by about 28% to 410,000 m/t which should reduce imports somewhat. Some trade people are saying that China's fishmeal imports could be down by 100,000 m/t in 2019, to about 1.38 million m/t.



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

The traders are all talking up the Peru market this week, in advance of the IFFO meeting in Rome next week. Some are saying that the new Peru quota will be at 2.5 million m/t which should move prices lower and keep buyers out of the market for now. Not much sense in buying any more fishmeal if the market price has a very good chance of slipping lower – of course, the 2.5 mm/t may all just be pipe dreams.

Some in the trade feel that with the fishing starting in mid to late December it would be next to impossible to land 2.5 million m/t this mainly because of normally poor fishing in January and little or no chance that 2.5 mm/t could be landed before January weather. But then, as we all recall there have been some good fishing periods in January in the not too distant past.

November and December will be very interesting months for Peru fishmeal.

## **European fishmeal prices – FOB North German port.**

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,790
Danish fishmeal	64% protein	1,495
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,775

## **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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2018 Wayne S. Bacon