



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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Sorry but I am a day late again this week – i was in Vienna for the European Commodity Exchange. The organizer mentioned that there were 3,200 people registered for the event which is quite believable as Friday was very busy.

## WEEKLY GRAIN AND PROTEIN REPORT October 19, 2019

Other than wheat, the grain and oilseed markets in the US were quiet this week. Very little happened to the price for corn, soybeans and soymeal while soft red winter wheat jumped by about USD 9 to 10 m/t with hard red winter wheat up by about USD 5 m/t – spring wheat was quiet.

Much of the rally in wheat prices is due to the very low estimate for winter wheat stocks from the USDA at about the lowest level in five year. Wheat export sales were also a little bullish this week with total wheat export sales up by about 15% on the week and 25% on the year.

On the export sales side of things, both US corn and soybeans are down on the year so far with corn exports off by just over 50% in August and down 19% on the year, while soybeans are down by 17% on the year but up strongly in August due to China.

The harvest weather in most of the US looks quite good and farmers will be out in the fields working like mad. Both corn and soybean harvests are expected to show good increases this week. Seems the last weeks risk of bad weather and early snow storms has abated or at least the better weather has melted the snow that did fall.

There doesn't seem to be any good reason this week to expect higher prices for grains --- just don't see anything bullish in the market but then it may just all depend on what is happening with China.

### **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		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		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$39/40.00	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$42/43.00	Down \$1.00	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	\$56/57.00	Down \$1.00	X



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France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$18/19.00	Down \$2.00	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		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)	\$16/17.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$31/32.00		X
France/Germany to South Africa: 30,000 m/t	\$44/45.00		X
France/Germany to Turkey: 35,000 m/t	\$18/19.00	Up \$1.00	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	\$24/25.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	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	\$41/42.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$42/43.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$43/44.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$23/24.00	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		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$36/37.00	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		X
Brazil to Saudi Arabia 30/40,000 m/t	\$43/44.00	Down \$2.00	X
Brazil to Spain: 50,000 m/t	\$29/30.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$32/33.00		X
Australia to China: 40-55,000 m/t – round trip	\$20/20.50	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		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)	\$18/19.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00		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 dich)	\$18/19.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$23/24.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$42/43.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$42/43.00		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)	\$23/24.00	Down \$1.00	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



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Black Sea to Libya: 25/35,000 m/t	\$25/26.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$32/33.00	Up \$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		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)	1855	Down 69	X
Baltic Capesize Index (100,000 plus DWT)	3064	Down 226	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1840	Down 76	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1222	Up 4	x
Baltic Handisize Index (25,000 plus DWT)	651	Down 7	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 November 2019/January 2020

Wheat, USA Soft Red Winter, US Gulf	USD 232/235	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 209/212	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 196/198	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 203/205	X
Wheat, Romania 12.5 pro	USD 199/201	X
Wheat, Superior, France, Rouen	USD 202/204	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 190/193 Dec/Jan	X
Wheat, feed, Black Sea	USD 194/196	X
Barley, France, Rouen port	USD 192/194	X
Barley, feed, Argentina, up river	USD 180/183 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 182/185	X
Corn, 2YC FOB NOLA USA	USD 173/175	X
Corn, 3YC FOB USA Pacific northwest	USD 193/195	X
Corn, FOB Argentina port, upriver	USD 155/158	X
Corn, FOB Brazil port	USD 168/171	X
Corn, FOB France – Atlantic	USD 188/190	X
Corn, FOB Romania	USD 168/171	X
Corn, FOB Russia	USD 166/169	X
Corn, FOB Ukraine, 30,000+ m/t	USD 164/167	X
Sorghum, FOB Argentina port	USD 147/150	X
Sorghum, FOB Texas	USD 183/186	X
Soymeal, 48% protein, FOB NOLA	USD 345/348	X
Soymeal, 48% protein, USA, Rotterdam	USD 370/373	X
Soymeal, Argentina, Rotterdam	USD 346/349	X
Soymeal, 47% pro, FOB Argentina	USD 312/315	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 337/340	X
Soymeal, 48% protein, FOB Brazil	USD 310/313	X



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Soybeans, FOB NOLA	USD 357/360	X
Soybeans, Argentina, FOB	USD 356/359	X
Soybeans, Brazil, FOB	USD 368/371	X
Soybeans, Black Sea	USD 348/351	X
Corn Gluten Meal, USA FOB NOLA	USD 485/495 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 170/175 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 193/198	x

Corn prices in the US didn't do much this week so all corn by-products were just catching up with what had happened last week. Both corn gluten meal and corn gluten feed moved a little higher but DDGS has stayed at lower levels as DDGS supply seems to be running well ahead of demand – at least in the export market.

The winter storms in the US that had been slowing railway transport have cleared up so product is now moving smoothly for export and this may put a little downward pressure on export prices – especially for DDGS.

Nothing much exciting to report in the market this week.

## 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 400/410 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

Reports from Australia show that the cattle slaughter is dropping which will lead to lower supplies of meat and bone meal (MBM) and will help the MBM exporters in Australia to reduce their very large current stocks and perhaps even push price a little higher. However, there certainly doesn't seem to be much of a move to higher prices so far as prices are steady to weaker for most exports.

In the US the price for both MBM and feathermeal is having trouble staying steady as excess supplies are working to push prices lower.

No one much is looking for any higher prices in the near term due to large stocks in almost all export markets but as the cattle slaughter slows there may still be a small chance that prices could rally a little.

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

Still quiet times in the Peru fishmeal business --- nothing to sell, no fishing and empty warehouses. However, there was a report that some fishmeal prices look to be moving a little higher – even with little to sell.

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The new fishing quota is expected in a couple of weeks and 2019 looks to be a very good year for fishmeal. As you can see from the numbers below 2019 is looking to be about the best year in five years and should easily top 1 million mt of production. It is also interesting to see that China is now a larger share of Peru fishmeal exports than only three years ago.

## Peruvian Fishmeal Exports

Year	Total Exports	China	Share
2015	682,936 MT	507,751 MT	74.35%
2016	623,373 MT	440,891 MT	70.73%
2017	<b>1,000,647 MT</b>	803,556 MT	80.30%
2018	<b>1,006,337 MT</b>	807,844 MT	80.28%
<b>(*) 2019 (Jan/Sept)</b>	<b>841,437 MT</b>	<b>647,901 MT</b>	<b>77.00%</b>

(\*) sub revision

Source: Peru customs

Matter in Peru for fishmeal will remain quite until the Imarpe cruises are over and we have a new quota but with the size of the advance sales there may not be too much of a rush to further purchases

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,835
Danish fishmeal	64% protein	1,370
Peru fishmeal	64% protein	1,430
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,790

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	



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INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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