



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT October 20, 2018

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

This coming week is the European Grain Bourse in Rouen, France – there should be at least 2,500 grain people wandering around the conference center, hoping to make new contacts or meet old friends. I will be there on behalf of the US Grains Council, so keep an eye out for me.

It was kind of a quiet week in the grain/oilseed business in the US this week as everyone worked on digesting the details of the USDA WASDE report and watched the US harvest progress.

Corn prices were down a little on the week as the US harvest is chugging along quite well and yields look quite decent. There has also been good corn news from other non-US markets with the harvests seemingly quite good in both France and the Ukraine and even South Africa looking to better corn crop this coming season.

The US corn harvest should pick up this week as the weather forecast looks good, so farmers will be out in the fields harvesting away.

Soybeans were down a little on the week with about 300,000 m/t of soybean export cancellations being announced – probably all for China. US soybean harvest is running behind normal levels but with the US weather drying out we should see a good increase in the harvest and it doesn't take the US farmer very long to catch up on the harvest once they get some dry weather.

Like everything else, wheat prices didn't do much this week – even the trade reports found very little to say about US wheat with most trade reports mentioning the finish of Ukraine's wheat harvest and winter wheat planting in France. Just a quiet week.

### **Crop Situation and Condition – USA/France --- reports October 18, 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	6	11	28	44	11
Soybeans	3	8	23	48	18
<b><u>Harvested</u></b>	This week %	Last week %	This week 2017	Average 2013/17	
Corn	39	34	27	35	
Sorghum	42	39	39	48	
Soybeans	38	32	47	53	
<b><u>Planted</u></b>					
Wheat, winter	65	57	58	67	



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<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	81	65	47		
<b>Planted</b>	This week %	Last week %	This week 2017		
Wheat, winter	32	15	39		
Barley, winter	44	20	54		

@ 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	\$34/35.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$33/34.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$35/36.00	Up \$1.00	x
US Gulf Morocco: 30,000(5,000 disch)	\$36/37.00	Steady	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00	Steady	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	Steady	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	x
US Gulf Japan: Panamax	\$49/50.00	Steady	X
US Gulf China: Panamax	\$48/49.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$27/28.00	Down \$1.00	X
US PNW China: Panamax	\$26/27.00	Down \$1.00	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	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	\$44/45.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$43/44.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$38/39.00	Steady	X



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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	Steady	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	Steady	X
Brazil to Japan: 55,000 m/t	\$40/41.00	Steady	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	Steady	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	\$19.50/20.00	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	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	\$32/33.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	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)	\$27/28.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$35/37.00	Steady	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	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$52/53.00	Steady	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	Steady	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	\$33/34.00	Down \$3.00	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)	\$19/20.00	Down \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1565	Up 29	X
Baltic Capesize Index (100,000 plus DWT)	2176	Up 7	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1789	Up 14	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1181	Down 23	X
Baltic Handisize Index (25,000 plus DWT)	668	Up 11	X



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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 2018/January 2019

Wheat, USA Soft Red Winter, NOLA	USD 219/224	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 239/244	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 221/225	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 233/237	x
Wheat, Romania 12.5 pro	USD 235/239	x
Wheat, Superior, France, Rouen	USD 236/238	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 207/211 Jan/Feb 2019	x
Wheat, feed, Black Sea	USD 213/217	x
Barley, France, Rouen port	USD 239/241	x
Barley, feed, Argentina, up river	USD no prices	
Barley, feed, Black Sea, 30,000+	USD 236/240	x
Barley, feed, USA Pacific Northwest	USD 220/225	
Corn, 2YC FOB NOLA USA	USD 164/167	x
Corn, 3YC FOB USA Pacific northwest	USD 179/183	x
Corn, FOB Argentina port, upriver	USD 161/166	x
Corn, FOB Brazil port	USD 171/176	x
Corn, FOB France - Atlantic	USD 199/202	x
Corn, FOB Romania	USD 170/174	x
Corn, FOB Russia	USD 186/190	x
Corn, FOB Ukraine, 30,000+ m/t	USD 163/167	x
Sorghum, FOB Argentina port	USD 156/161	x
Sorghum, FOB Texas	USD 175/179	x
Soymeal, 48% protein, FOB NOLA	USD 358/361	X
Soymeal, 48% protein, USA, Rotterdam	USD 383/386	x
Soymeal, Argentina, Rotterdam	USD 369/373	x
Soymeal, 47% pro, FOB Argentina	USD 339/344	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 380/384	x
Soymeal, 48% protein, FOB Brazil	USD 351/355	X
Soybeans, FOB NOLA	USD 328/332	x
Soybeans, Argentina, FOB	USD 394/399	x
Soybeans, Brazil, FOB	USD 410/415	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 187/192	x

The USDA national price report shows almost no change in prices for corn by-products this week – corn gluten meal and corn gluten feed were steady while DDGS did slip a little lower but there were no major changes in prices.

Export business for US DDGS remains very good with much of the buying interest coming from Asia.



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Overall prices seem to be steady with demand still very good and supply keeping up. We are just kind of moving along in a trading range with not much excitement in the market for now.

There is some concern in the US that the EU may add on the 25% tariff to a broader range of products --- which could include DDGS and corn gluten feed. There has been nothing official on this just some worried comments in the US. The 25% tariff currently applies to US corn imports which has certainly cut off any US corn business to the EU but has helped the sorghum business to Spain.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 340/350 m/t CNF Asia
Australian MBM 50% protein	USD 380/390 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 490/510 m/t CNF Asia
USA Feathermeal, 80% protein	USD 500/520 to Indonesia
USA Poultry Meal, feed grade	USD 570/580 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 550/570 m/t CNF Asia
	USD 750/770 m/t CNF Asia

The Jacobsen Report this week says that MBM prices into Indonesia have gotten as high as USD 520 m/t while Australian MBM is being seen in other Asian markets as low as USD 380 m/t – that is quite a spread in prices. Australian exporters are pushing hard to find replacement markets for the closed Indonesian markets, so discounting is rife.

US animal protein prices didn't do too much this week, but good export demand could start to move prices a little higher, but it is tough to move much higher versus vegetable proteins. Trade reports feel that while MBM prices will probably remain steady, US poultry meal prices could move higher.

The "Global Animal Feed Protein Market Report 2018" was published last week but at a price of USD 2,350 will not be of interest to the broad animal protein market.

The following from the publisher of the report: "The report spread across 125 pages is an overview of the Global Animal Feed Protein Market Report 2018. The Global Animal Feed Protein Market is projected to grow at a healthy growth rate from 2018 to 2022 according to new research. The study focuses on market trends, leading players, supply chain trends, technological innovations, key developments, and future strategies."

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

Everything is very quiet in the Peru fishmeal business this week, actually in all fishmeal markets, as all the important folks were in Rome for the IFFO conference. Who knows, perhaps there was lots of new business done in Rome, but we won't hear anything until everyone get back home and the post-IFFO trade reports get published.

There was an announcement this week from Cargill on their new product – "Latitude" – a feed ingredient made from canola this is said to be a replacement for fish oil in some aquaculture feeds. Because Latitude is vegetable based it is said to be a fully sustainable product that offers high levels of Omega-3s without affecting the "over farmed oceans". Latitude seems to be designed mainly for salmon farming and will be commercially available in 2020.



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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,770
Danish fishmeal	64% protein	1,495
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,770

## **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	1250/1270 m/t	
67% protein standard steam	1320/1340 m/t	
67% protein 150 TVN	1470/1490 m/t	No prices
67% protein 120 TVN	1520/1540 m/t	1530/1550
67% protein 1000 hist, 120 TVN	1560/1580 m/t	1570/1590
68% protein 500 hist, 120 TVN	1600/1620 m/t	1600/1620
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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