



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT October 26, 2019

US soybean and soymeal prices moved lower this week – both by USD 5 to 7 m/t. Winter wheat too moved lower, also by USD 5 to 7 m/t. Corn prices were quiet but did finish the week up by about USD 2 m/t which is nothing major at all for corn.

The weakness in the soybean prices is said to be due to a lack of information about the US/China trade situation for soybeans. China is also having serious problems with African Swine Fever with the pig population said to be down by 40%. So, even once agreement is reached there may not be the same level of Chinese soybean needs as in past years. The early harvest of soybeans in some areas is said to be showing a wide range of yields but it is too early to say if total yield could be up or down.

Not much in the news for corn – freezing weather looks to be on the way, but this could be good for the upcoming harvest as the ground will be hard. According to the USDA the corn maturity numbers are behind the normal level at 86% mature versus a more normal 97%. Harvest to date is at just 30% compared to the five-year average of 47%. The US farmers can catch up the harvest very quickly, so this number probably means little on the prices. There has been a drop in ethanol production which will mean lower corn use, but this is probably only short term. We will have to watch the harvest to say which way prices could move.

Experts are saying that winter wheat prices dipped due to technical selling but that prices are expected to move a little higher as the planting of winter wheat is slower than in past years.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$19/20.00	Down \$1.00	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$19/20.00	Down \$1.00	X
US Gulf Israel: 50,000 m/t	\$32/33.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$31/32.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$33/34.00	Down \$1.00	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		X
US Gulf South Africa: 45,000 m/t	\$42/43.00		X
US Gulf Japan: Panamax	\$50/51.00	Down \$1.00	X
US Gulf China: Panamax	\$49/50.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$28/29.00	Down \$1.00	X
US PNW China: Panamax	\$27/28.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00		x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00	Up \$2.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$40/41.00		X

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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		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		x
France/Germany to Yemen: 30,000 m/t	\$52/53.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$29/30.00	Down \$2.00	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		X
Argentina to Europe: 50/60,000 m/t	\$24/25.00	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	\$42/43.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$43/44.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$43/44.00		X
Argentina to Spain: 50,000 m/t	\$24/25.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$29/30.00	Down \$2.00	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		X
Brazil to China: 55,000 m/t	\$38/39.00	Down \$1.00	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	\$34/35.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$44/45.00	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
Australia to China: 40-55,000 m/t – round trip	\$20.50/21	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	\$32/33.00	Up \$1.00	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)	\$16/17.00	Down \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00	Up \$2.00	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)	\$16/17.00	Down \$1.00	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)	\$25/26.00	Up \$2.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$38/39.00	Down \$4.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$41/42.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$23/24.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$27/28.00	Down \$2.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00	Down \$2.00	X



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Black Sea to South Africa – 30,000 m/t	\$41/42.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$14/15.00	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)	1801	Down 54	x
Baltic Capesize Index (100,000 plus DWT)	3009	Down 55	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1695	Down 145	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1187	Down 35	x
Baltic Handisize Index (25,000 plus DWT)	631	Down 20	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 229/232	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 207/210	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 204/207	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 208/211	X
Wheat, Romania 12.5 pro	USD 207/210	X
Wheat, Superior, France, Rouen	USD 201/203	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 192/195 Dec/Jan	X
Wheat, feed, Black Sea	USD 199/202	X
Barley, France, Rouen port	USD 189/191	X
Barley, feed, Argentina, up river	USD 180/183 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 186/189	X
Corn, 2YC FOB NOLA USA	USD 173/175	X
Corn, 3YC FOB USA Pacific northwest	USD 192/194	X
Corn, FOB Argentina port, upriver	USD 158/161	X
Corn, FOB Brazil port	USD 168/171	X
Corn, FOB France – Atlantic	USD 187/189	X
Corn, FOB Romania	USD 164/167	X
Corn, FOB Russia	USD 166/169	X
Corn, FOB Ukraine, 30,000+ m/t	USD 165/168	X
Sorghum, FOB Argentina port	USD 145/148	X
Sorghum, FOB Texas	USD 180/183	X
Soymeal, 48% protein, FOB NOLA	USD 340/343	X
Soymeal, 48% protein, USA, Rotterdam	USD 365/368	X
Soymeal, Argentina, Rotterdam	USD 346/349	X
Soymeal, 47% pro, FOB Argentina	USD 310/313	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 341/344	X
Soymeal, 48% protein, FOB Brazil	USD 314/317	X
Soybeans, FOB NOLA	USD 361/364	X
Soybeans, Argentina, FOB	USD 353/356	X

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Soybeans, Brazil, FOB	USD 368/371	X
Soybeans, Black Sea	USD 352/355	X
Corn Gluten Meal, USA FOB NOLA	USD 490/500 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 173/177 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 200/205 m/t	X

All the low priced DDGS seems to have disappeared from the market as prices for November shipment moved higher by about USD 7 to 8 m/t. If there was a short-term surplus of DDGS it is now a thing of the past. However, as I have seen in my email this week, buyers in Asia are still hoping to book last week's prices.

Corn gluten feed prices were steady this week – which is about normal for corn gluten feed. However, corn gluten meal prices did move a little higher but just a little.

I had a seller of corn gluten meal (CGM) talk to me this week about the possibility of CGM exports to Egypt but unfortunately European prices are always (or nearly always) much too high for export versus US CGM. Europe has a captive market for CGM due to a very, very, very high import tariff, so prices in Europe tend to be very high.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 360/370 m/t CNF Asia
Australian MBM 50% protein	USD 400/410 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 700/710 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 400/410 m/t CNF Asia
	USD 380/390 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 380/400 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/650 m/t CNF Asia

It is interesting that I was told this week that my US export prices for feed grade poultry meal are much too low, but this may be due to a difference in understanding --- so, I have changed to description of US poultry meal to poultry by-product meal. The prices shown in this section should be quite accurate as they are obtained from good market sources including the Jacobsen International Animal Protein Report.

Prices in Asia for meat and bone meal (MBM) are reported to be a little lower this week --- seems to be many sellers and a dearth of buyers.

Australia is still waiting for approval to ship MBM to Indonesia. Approval seems to be taking quite a long time.

The Jacobsen Report this week was saying that the spread of African Swine Fever (ASF) to other countries in Asia is causing some drop in demand for protein. ASF looks to be spreading rather than being controlled.

Combine ASF with competitive vegetable protein prices and large animal protein supplies and it doesn't look possible that prices will be moving any higher --- at least not in the short run.

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The domestic market in the USA is facing the same supply/demand situation as Asia --- lots of supply and not too much demand. No one is currently forecasting higher prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

As has been for the past few weeks, Peru is very quiet again – at least from a fishmeal point of view. The feeling on the next quota seems to be that it will be set at 2 million m/t or perhaps a little higher or even a little lower --- as usual, we are all just guessing.

There will be holidays in Peru on October 31 and November 01, so everyone is hoping for the new quota the week of November 04 when everyone is back to work.

Little or no new business has been reported this week as we all wait for the next quota.

As MSI Ceres pointed out in their weekly report, the price trend will probably be set by the quota level – lower quota higher prices and higher quota lower prices.

As I have pointed out before, the world supply of fishmeal is quite fixed while the demand for animal/aqua protein increases every year --- fixed supply and increasing demand would seem to imply a continued long term trend to higher prices for fishmeal.

There was a report published this month – “Fishing for Catastrophe” – that comes down hard on fishmeal production as causing the collapse of fish stocks in India, Gambia and Vietnam. This is not a new situation as we have seen many areas damaged by overfishing until there is some control on the fishing. Morocco is another area where past overfishing badly depleted anchovy stocks. As we know, Peru and Chile have very tight regulations on fishing which go a long way towards protecting fishing stocks, but West Africa and Asia has long been wide open for fishing and, especially in West Africa, is very difficult to control.

And then there was another report that says that feeding fishmeal in aquaculture diets is very inefficient, but that fishmeal is a requirement in many aqua diets. One study has said that processing local food waste is a much better source of low cost protein. However, we are quite a long way from the cost-effective processing of food waste for its protein value --- but it will happen.

All this being said and as I have said many times before, every ton of fishmeal produced every year will be sold, there will be no surplus of fishmeal.



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PERUVIAN FISHMEAL EXPORTS JAN/SEP 2019 VS. 2018

		JAN/SEP	SHARE	JAN/SEP	SHARE	VARIATION
RANK	ASIA	2019 (MT)	% OF TTL	2018 (MT)	% OF TTL	2019 VS 2018 %
1	CHINA	647,901	76.93	762,977	81.95	-15.08
2	JAPAN	56,668	6.73	39,155	4.21	44.73
3	VIETNAM	29,026	3.45	36,780	3.95	-21.08
4	TAIWAN	21,456	2.55	24,476	2.63	-12.34
5	KOREA	4,060	0.48	8,031	0.86	-49.45
6	INDONESIA	977	0.12	1,546	0.17	-36.80
7	PHILIPPINES	975	0.12	953	0.10	2.31
8	MALAYSIA	314	0.04	318	0.03	-1.26
9	INDIA	256	0.03	529	0.06	-51.61
10	THAILAND	0	0.00	99	0.01	NA
	SUB TOTAL	761,633	90.43	874,864	93.97	-12.94
	EUROPE					
1	GERMANY	26,467	3.14	22,983	2.47	15.16
2	SPAIN	8,648	1.03	2,972	0.32	190.98
3	DENMARK	5,795	0.69	0	0.00	NA
4	TURKEY	1,013	0.12	1,919	0.21	-47.21
5	UK	762	0.09	0	0.00	NA
6	FRANCE	243	0.03	200	0.02	21.50
7	BULGARIA	200	0.02	0	0.00	NA
	SUB TOTAL	43,128	5.12	28,074	3.02	53.62
	AMERICAS					
1	ECUADOR	10,957	1.30	13,679	1.47	-19.90
2	CHILE	10,907	1.30	6,261	0.67	74.21
3	CANADA	5,974	0.71	1,458	0.16	309.74
4	GUATEMALA	2,049	0.24	1,140	0.12	79.74
5	HONDURAS	1,407	0.17	201	0.02	600.00
6	COSTA RICA	317	0.04	300	0.03	5.67
7	COLOMBIA	300	0.04	155	0.02	93.55
8	CUBA	141	0.02	120	0.01	17.50
9	USA	138	0.02	74	0.01	86.49
10	VENEZUELA	104	0.01	0	0.00	NA
11	URUGUAY	52	0.01	77	0.01	-32.47
12	DOM REP	25	0.00	25	0.00	0.00
13	PANAMA	0	0.00	97	0.01	NA
	SUB TOTAL	32,371	0.29	23,587	0.11	37.24
	OCEANIA					
1	AUSTRALIA	4,002	0.48	3,754	0.40	6.61
2	N. CALEDONIA	557	0.07	737	0.08	-24.42
	SUB TOTAL	4,559	0.07	4,491	0.08	-17.82
	MIDDLE EAST + AFRICA					
1	SAUDI ARABIA	503	0.06	0	0.00	NA
	SUB TOTAL	503	0.06	0	0.00	NA
	GRAND TOTAL	842,194	100.00	931,016	100.00	-9.54

@MSI Ceres S.A.C. --- week 42 report



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PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,850
Danish fishmeal	64% protein	1,360
Peru fishmeal	64% protein	1,430
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,780

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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