



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT October 27, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Sorry that I am a day late with this week's report. I didn't get back from the European Commodity Exchange event until late Saturday – and the with a devil of a cold. It was much colder in Rouen than I had expected – that is what happens when you live in the warmer south of France.

Other than a little rally in wheat prices on Friday, we had a down week for almost everything, except corn. Corn ended up unchanged on the week while US soybeans were down by about USD 5 m/t and soymeal down by about the same. While most wheat was down by about USD 5 m/t on the week the rally on Friday kept wheat from being down by USD 10 m/t. The rally was said to be somewhat technical as wheat prices hit lows than bounced a little causing futures shorts to be covered. Overall there didn't seem to be any fundamental reason for the rally just futures panic.

Corn was much the same as wheat, prices had been down all week when the rally in wheat prices hit and had some spill over effect on corn prices. Corn had reached the low for two-weeks so perhaps a small rally was due.

There didn't seem to be much reason for soybeans to rally – so they didn't – well they were up a little on Friday but still down on the week. The USDA did announce soybean sale of 260,000 m/t to an unnamed destination, so this perked the market up a little. There has been some talk of quality problems with the soybean crop due to too much rain on pre-harvest soybeans, but most experts say that this is not at all a serious risk to the crop.

Crop Situation and Condition – USA/France --- reports October 26, 2018

<u>USA</u>	Very poor %	Poor %	Fair %	Good %	Very Good %
<u>Condition</u>					
Corn	4	8	20	48	20
Sorghum	6	11	28	44	11
Soybeans	3	8	23	48	18
<u>Harvested</u>	This week %	Last week %	This week 2017	Average 2013/17	
Corn	49	39	37	47	
Sorghum	46	42	46	56	
Soybeans	53	38	67	69	
<u>Planted</u>					
Wheat, winter	72	65	73	77	



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France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Corn	5	13	24	52	5
Harvested	This week %	Last week %	This week 2017		
Corn	91	81	70		
Planted	This week %	Last week %	This week 2017		
Wheat, winter	51	32	58		
Barley, winter	61	44	72		

@ 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	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00	down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$34/35.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$35/36.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$36/37.00	Down \$1.00	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	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	Steady	X
US PNW China: Panamax	\$26/27.00	Steady	X
US East Coast Egypt: Panamax	\$42/43.00	Down \$1.00	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	\$37/38.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$14/15.00	Down \$1.00	X
France/Germany to India: 50,000 m/t	\$26/27.00	Down \$1.00	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	\$26/27.00	Down \$1.00	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	\$43/44.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$37/38.00	Down \$1.00	X



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Argentina to Europe: 50/60,000 m/t	\$38/39.00	Down \$1.00	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	\$38/39.00	Down \$1.00	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	\$21/22.00	Down \$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	Steady	X
Brazil to Japan: 55,000 m/t	\$40/41.00	Steady	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	\$34/35.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Down \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	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	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)	\$31/32.00	Up \$4.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/34.00	Down \$3.00	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)	\$20/21.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Up \$4.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$48/49.00	Down \$4.00	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	\$23/24.00	Down \$1.00	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)	\$23/24.00	Down \$1.00	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	\$35/36.00	up \$2.00	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)	\$21/22.00	Up \$2.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1519	Down 46	X
Baltic Capesize Index (100,000 plus DWT)	2526	Up 350	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1583	Down 206	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1117	Down 64	X
Baltic Handisize Index (25,000 plus DWT)	675	Up 7	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 215/220	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 233/238	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 219/223	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 230/234	x
Wheat, Romania 12.5 pro	USD 232/236	x
Wheat, Superior, France, Rouen	USD 226/228	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 210/214 Jan/Feb 2019	x
Wheat, feed, Black Sea	USD 213/217	x
Barley, France, Rouen port	USD 233/236	x
Barley, feed, Argentina, up river	USD no prices	x
Barley, feed, Black Sea, 30,000+	USD 238/241	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 161/164	X
Corn, 3YC FOB USA Pacific northwest	USD 176/180	x
Corn, FOB Argentina port, upriver	USD 160/164	x
Corn, FOB Brazil port	USD 165/170	x
Corn, FOB France - Atlantic	USD 189/195	x
Corn, FOB Romania	USD 166/170	x
Corn, FOB Russia	USD 186/190	x
Corn, FOB Ukraine, 30,000+ m/t	USD 160/164	x
Sorghum, FOB Argentina port	USD 156/161	x
Sorghum, FOB Texas	USD 172/176	x
Soymeal, 48% protein, FOB NOLA	USD 346/351	X
Soymeal, 48% protein, USA, Rotterdam	USD 371/376	x
Soymeal, Argentina, Rotterdam	USD 363/368	X
Soymeal, 47% pro, FOB Argentina	USD 326/331	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 361/366	x
Soymeal, 48% protein, FOB Brazil	USD 337/341	X
Soybeans, FOB NOLA	USD 321/326	x
Soybeans, Argentina, FOB	USD 378/383	X
Soybeans, Brazil, FOB	USD 402/406	x
Soybeans, Black Sea	USD 347/353	x
Corn Gluten Meal, USA FOB NOLA	USD 540>>520 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 180>>170 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 189/195	X

The US Grains Council held their Export Exchange event in Minneapolis this week and it is reported that trade teams from across the world were in attendance both at the Exchange and for side trips to US production and export areas – farms, ethanol factories and export ports. The Exchange is said to have been very well supported by the US grain (mainly corn and sorghum) and by-product export trade.



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Last week's USDA national price report shows almost no change in the prices for corn gluten feed and corn gluten meal with perhaps just a little weakness in DDGS domestic prices.

Export buying interest is reported to be steady for DDGS and corn gluten meal and a little weak for corn gluten feed – but that is only this week, and one week does not a trend make.

The USGC weekly report commented that export business was slow because all the buyers were at the USGC event in Minneapolis – they could be correct.

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 570/580 m/t CNF Asia
Australian Poultry Meal, pet food	USD 760/780 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 490/510 m/t CNF Asia
	USD 575/520 to Indonesia
USA Feathermeal, 80% protein	USD 570/580 m/t CNF Asia
USA Poultry Meal, feed grade	USD 550/570 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 750/770 m/t CNF Asia

Most animal protein export prices into Asia were steady this week but for smaller exporters like New Zealand the increased demand from Indonesia is doing its best to move prices higher. Australian prices are still quite weak as exporters try to move some product – trade reports say that Australia may just have to move prices even lower to capture some export business.

Indonesia has long been one of the major export destinations for Australian MBM and as Indonesia is also the major MBM importer in the region, and with Australia not allowed in Indonesia, it is not easy for OZ to replace the business without lowering prices to other possible markets.

In the US both domestic and export prices were quite steady but with supplies being quite good there has been the feeling that there may be room for US prices to dip lower.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The feeling in the fishmeal trade is that the next quota in Peru will be at about 2.2 million m/t of catch and that at that level they say there should be no major change in prices ---- current pricing seems to be expecting 2.2 mm/t. Of course, if the quota is up to 2.5million we would expect some price weakness or strength if only at 2.0 mm/t.

The word from the IFFO meeting in Rome was that it was a very good meeting but that little or no new business was concluded – no one much wants to make further buying/selling commitments without knowing the quota.

The expected El Nino event for the Peru fishing areas is expected to be a very mild event with no major effect at all on the fishing situation. At least one report said that the initial phase of the El Nino arrived and left with no one noticing.

Cargill has just announced the opening of their new shrimp feed mill in Ecuador in partnership with Naturisa of Ecuador. Total production will be about 165,000 m/t per year with about 75% being for



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the shrimp industry. This facilities production represents about 20% of Ecuador's current feed demand.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,770
Danish fishmeal	64% protein	1,485
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	1260/1280 m/t	
67% protein standard steam	1340/1360 m/t	
67% protein 150 TVN	1480/1500 m/t	No prices
67% protein 120 TVN	1530/1545 m/t	1560/1580
67% protein 1000 hist, 120 TVN	1580/1600 m/t	1600/1620
68% protein 500 hist, 120 TVN	1630/1650 m/t	1630/1650
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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