



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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I had an interesting situation last night, after picking my wife up at Marseille airport, we were vehicle number 5 in a 10 car pile up on the motorway – pretty scary at 130 km hour (80 mph). I was actually able to get stopped without hitting anyone but the four cars behind didn't do quite as well and then we got crunched in the back. Luckily no one was hurt but only 2 of the 10 cars were still drivable – we were 1 of the 2.

And the best thing for me (other than no one being hurt) was that i was driving my wife 's Audi and not my old Porsche.

WEEKLY GRAIN AND PROTEIN REPORT November 30, 2019

This week was a quieter than normal week as most of the US grain companies were closed for the Thursday Thanksgiving holiday and then closed or short-staffed for the Friday.

Corn prices were steady on the week – both cash and futures – while soybean prices were down by about USD 7 m/t with soymeal down by USD 6 to 9 m/t. US soft red winter wheat (SRW) was up by USD 8 to 10 m/t while hard red winter wheat (HRW) was up by USD 5 to 7 m/t. US spring wheat was up too but that was just in reaction to the rally in winter wheat.

The rally in wheat prices is reported to be due to good export sales coupled with low planted acreage in the US. Reports say that the soft red winter wheat (SRW) supply is going to be very tight in 2020 and the current spread between SRW and HRW is a record high levels. Not very often that you see SRW at a large premium to HRW.

Corn futures were up on Friday on lower volume so may dip back down on Monday when every trader is back to work. There doesn't seem to be much reason for corn prices to move higher. Even with the weekly export sales number being higher than the trade had expected that doesn't look to be something that will continue. There were some reports that corn prices moved even higher in areas close to ethanol production facilities but that is more of a regional than national thing.

Poor old soybeans just can't seem to get anything positive going – the USA/China situation drags on with daily rumors and the feeling that nothing is going to happen before 2020. China says that the US is trying to interfere in Hong Kong which may slow down any talks/negotiations. Soybean export sales are quite good but would sure be better if there was an agreement with China – or so we all expect.

Also with soybeans, the crop situation in South America looks quite good which is keeping pressure on soybean prices.

Exports say that soybean futures are "over sold" and that a rally is due and that is just needs something to kick the rally off. I guess another China rumor could do that.

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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		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$19/20.00		X
US Gulf Israel: 50,000 m/t	\$29/30.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00		X
US Gulf Turkey: 50,000 m/t	\$30/31.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$35/37.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00		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	\$46/47.00		X
US Gulf China: Panamax	\$45/46.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00	Up \$1.00	X
US PNW Japan: Panamax	\$25/26.00		X
US PNW China: Panamax	\$24/25.00		X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$55/56.00	Down \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$40/41.00		X
France/Germany to China: 50,000 m/t	\$37/38.00		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$31/32.00		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	\$43/44.00		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)	\$31/32.00		X
Argentina to China: 50,000 m/t, with top-off	\$37/38.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00		X
Argentina to Egypt: 50,000 m/t	\$25/26.00		X
Argentina to Europe: 50/60,000 m/t	\$24/25.00		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		X
Argentina to Saudi Arabia: 50,000 m/t	\$41/42.00		X
Argentina to South Africa 50,000 m/t	\$42/43.00		X
Argentina to Spain: 50,000 m/t	\$24/25.00		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	\$19/20.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$38/39.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$34/35.00		X
Brazil to Japan: 55,000 m/t	\$33/34.00		X
Brazil to Europe: 50,000 m/t	\$29/30.00		x
Brazil to Morocco: 25/30,000 m/t	\$35/36.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$43/44.00		X
Brazil to Spain: 50,000 m/t	\$29/30.00		X



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Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00		X
Australia to China: 40-55,000 m/t – round trip	\$20/20.50		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
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Up \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00		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		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$43/44.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$40/41.00	Up \$1.00	x
Black Sea to Europe: 50,000 m/t	\$20/21.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$25/26.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m//t	\$41/42.00		X
Black Sea to Turkey – 30,000 m/t	\$16/17.00	Up \$2.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00		x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1528	Up 244	X
Baltic Capesize Index (100,000 plus DWT)	3131	Up 638	x
Baltic Panamax Index (60,000 to 80,000 DWT)	1225	Up 96	X
Baltic Supramax Index (50,000 to 60,000 DWT)	816	Up 69	x
Baltic Handisize Index (25,000 plus DWT)	501	Up 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 December 2019/January 2020

Wheat, USA Soft Red Winter, US Gulf	USD 242/244	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 217/220	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 207/209	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 210/212	X
Wheat, Romania 12.5 pro	USD 208/210	X
Wheat, Superior, France, Rouen	USD 205/207	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 199/201	X
Wheat, feed, Black Sea	USD 201/203	X
Barley, France, Rouen port	USD 187/189	X
Barley, feed, Argentina, up river	USD 186/188	X



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Barley, feed, Black Sea, 30,000+	USD 189/191	X
Corn, 2YC FOB NOLA USA	USD 172/175	X
Corn, 3YC FOB USA Pacific northwest	USD 191/194	X
Corn, FOB Argentina port, upriver	USD 172/175	X
Corn, FOB Brazil port	USD 177/180	X
Corn, FOB France – Atlantic	USD 185/188	X
Corn, FOB Romania	USD 170/173	X
Corn, FOB Russia	USD 176/179	X
Corn, FOB Ukraine, 30,000+ m/t	USD 169/172	X
Sorghum, FOB Argentina port	USD 148/151	X
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 335/338	X
Soymeal, 48% protein, USA, Rotterdam	USD 360/363	X
Soymeal, Argentina, Rotterdam	USD 344/347	X
Soymeal, 47% pro, FOB Argentina	USD 314/317	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 342/345	X
Soymeal, 48% protein, FOB Brazil	USD 314/317	X
Soybeans, FOB NOLA	USD 346/349	X
Soybeans, Argentina, FOB	USD 342/345	X
Soybeans, Brazil, FOB	USD 356/359	X
Soybeans, Black Sea	USD 360/363	X
Corn Gluten Meal, USA FOB NOLA	USD 505/515 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 198/201 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 215/218 m/t	X

Sorry but there is no update on corn byproducts this week as all the trade reports missed this week due to the two day holiday in the US.

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 350/360 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 600/620 m/t CNF Asia

Sorry but there is no update on animal proteins this week as all the trade reports missed this week due to the two day holiday in the US.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

With fishing bans in place in Peru, the catch numbers have fallen off as have the number of active vessels. This week we landed about 100,000 m/t, down from the high two weeks ago of 260,000 m/t and there were only 1,150 vessels active versus the 3,000 two weeks ago. Total catch to date is now up to 627,000 m/t leaving about 2.16 million m/t still to land.

Looking at the catch numbers, the feeling in the trade seems to be that the full quota will not be landed between today and the end of January. The average weekly catch number will have to be in the area of 250,000 m/t to reach the total and that is not an easy weekly total to reach. The weekly MSI Ceres report said that they feel the landings by the end of December will be at about 1.6 mm/t which leaves another 1.2 mm/t for January – a level that is much higher than normal catch levels for January. Trade estimates look to be at about 2.0 million m/t for a final catch number against the quota (total quota is 2,786,000 m/t)

So, even with a very generous quota we may not end up with as much fishmeal as the industry had hoped.

Due to the situation above, fishmeal producers are not aggressively selling new crop fishmeal. No sense in getting too carried away selling of you don't have a good idea exactly how much you may have.

The uncertainty about how many fish we can land and how much fishmeal/fishoil will be produced in Peru has certainly helped to keep prices steady. Producers are looking to steady to higher prices while buyers are still convinced that prices will move lower. For now, there is very little actual business being done.

China's fishmeal import numbers for 2019 to the end of October show total imports at 1.25 million m/t with 53.9% - 674,000 m/t – coming from Peru. As usual, Peru is the largest origin followed by Vietnam 103,000 m/t, Russia 66,500 m/t, Mauritania 63,600 m/t and Chile with 59,200 m/t with 17 more countries of origin further down on the supply list. The top 5 origins represent 77% of China's fishmeal imports.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,625
Danish fishmeal	64% protein	1,355
Peru fishmeal	64% protein	1,430
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,590

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS

Minimum shipment of 200 m/t for fishmeal

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>

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65/66 protein	1090/1110 m/t	
67% protein standard steam	1140/1160 m/t	
67% protein 150 TVN	1190/1210 m/t	No prices
67% protein 120 TVN	1240/1260 m/t	1240/1260
67% protein 1000 hist, 120 TVN	1290/1310 m/t	1290/1310
68% protein 500 hist, 120 TVN	1340/1360 m/t	1340/1360
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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