



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT December 02, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

The grain and oilseed markets finished the week on the strong side with most prices for corn, soybeans and wheat showing a little rally on Friday – was this the G20 meeting rally.

Corn prices finished the week up by just USD 3-4 m/t higher with soybeans up by closer to USD 5 m/t and soymeal up by USD 3 to 5 m/t. US winter wheat was also up on the week – from USD 3 to 6 m/t higher.

Most trade reports at the end of the week said that the small rally in grains and oilseeds was all tied to positive thoughts about a possible solution to some of the US/China trade problems through serious discussions at the G20 in Argentina – we will see.

The futures market moved higher due to quite a bit of short covering – no one wanted to be short if there is an agreement on trade with china coming out of the Argentina meetings.

The warm weather that has been seen in quite bit of the US is expected to come to an end this week with much colder weather and a good chunk of snow in some areas along with rain in the south. The snow and rain is certainly needed to insure moisture levels for the winter crops and to build moisture for the spring crops.

So, will Monday see a big rally in grains – will all the trade problems be solved – probably not, but it would be nice if they were.

Crop Situation and Condition – USA/France --- reports November 30, 2018

| <u>USA</u> | Very poor % | Poor % | Fair % | Good % | Very Good % |
|-------------------------|-------------|-------------|----------------|-----------------|-------------|
| <u>Condition</u> | | | | | |
| Winter wheat | 3 | 10 | 32 | 45 | 10 |
| <u>Harvested</u> | This week % | Last week % | This week 2017 | Average 2013/17 | |
| Corn | 94 | 90 | 94 | 96 | |
| Sorghum | 89 | 80 | 94 | 94 | |
| Soybeans | 94 | 91 | 99 | 98 | |
| <u>Planted</u> | | | | | |
| Wheat, winter | 95 | 93 | 99 | 99 | |
| <u>France</u> | Very poor % | Poor % | Fair % | Good % | Very Good % |
| <u>Condition</u> | | | | | |



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| | | | | | |
|------------------|-------------|-------------|----------------|----|---|
| Corn | 5 | 13 | 24 | 52 | 5 |
| Wheat, winter | 0 | 3 | 15 | 81 | 1 |
| Barley, winter | 1 | 5 | 18 | 75 | 1 |
| | | | | | |
| Harvested | This week % | Last week % | This week 2017 | | |
| Corn | 100 | 100 | 100 | | |
| | | | | | |
| Planted | This week % | Last week % | This week 2017 | | |
| Wheat, winter | 99 | 97 | 99 | | |
| Hard wheat | 77 | 62 | 84 | | |
| Barley, winter | 100 | 99 | 100 | | |
| | | | | | |

@ 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) | \$19/20.00 | Steady | x |
| US Gulf to Spain: 50,000 m/t (5,000 disch) | \$19/20.00 | 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) | \$33/34.00 | Steady | X |
| US Gulf South Africa: 45,000 m/t | \$38/39.00 | Steady | X |
| US Gulf Japan: Panamax | \$48/49.00 | Down \$1.00 | X |
| US Gulf China: Panamax | \$47/48.00 | Down \$1.00 | X |
| US PNW South Africa – 40,000 m/t | \$36/37.00 | Down \$1.00 | X |
| US PNW Japan: Panamax | \$26/27.00 | Down \$1.00 | X |
| US PNW China: Panamax | \$25/26.00 | Down \$1.00 | X |
| US East Coast Egypt: Panamax | \$42/43.00 | 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 | \$30/31.00 | Down \$1.00 | X |
| France/Germany to China: 50,000 m/t | \$37/38.00 | Steady | X |
| France/Germany to Egypt: 50,000 m/t (10,000 disch) | \$14/15.00 | Steady | X |
| France/Germany to India: 50,000 m/t | \$24/25.00 | 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 | \$26/27.00 | Steady | X |
| France/Germany to South Africa: 30,000 m/t | \$22/23.00 | Down \$1.00 | X |
| France/Germany to Turkey: 35,000 m/t | \$14/15.00 | Steady | X |
| France/Germany to Yemen: 30,000 m/t | \$35/36.00 | Down \$1.00 | 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 | \$41/42.00 | Down \$1.00 | X |
| Argentina to Japan: 50,000 m/t, with top-off | \$40/41.00 | Down \$1.00 | X |
| Argentina to Egypt: 50,000 m/t | \$35/36.00 | Steady | X |



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| | | | |
|---|---------------|-------------|---|
| Argentina to Europe: 50/60,000 m/t | \$38/39.00 | Steady | X |
| Argentina to Morocco: 25/30,000 m/t(3,000 disch) | \$23/24.00 | Steady | X |
| Argentina to Jordan: 50,000 m/t | \$35/36.00 | 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 | 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 | \$20/21.00 | Down \$1.00 | X |
| | | | |
| Brazil to Algeria/Tunisia: 25/30,000 m/t | \$28/29.00 | Steady | X |
| Brazil to China: 55,000 m/t | \$36/37.00 | Down \$1.00 | X |
| Brazil to Japan: 55,000 m/t | \$35/36.00 | Down \$1.00 | 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 | \$32/33.00 | Steady | x |
| | | | |
| Australia to China: 40-55,000 m/t – round trip | \$17.50/18.00 | Steady | X |
| Australia to Japan: 40-55,000 m/t – round trip | \$19.00/19.50 | Steady | X |
| Australia to Saudi Arabia: 40-55,000 m/t | \$25/26.00 | Steady | X |
| | | | |
| Ukraine to China: 50,000 m/t | \$32/33.00 | 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) | \$33/34.00 | Steady | X |
| Russia to Turkey - Izmir: coaster (1,000 disch) - | \$35/36.00 | Steady | X |
| Black Sea to Egypt: 40/50,000 m/t – (6,000 disch) | \$16/17.00 | Steady | X |
| Black Sea to Egypt: 30,000 m/t – (4,000 dich) | \$16/17.00 | Down \$1.00 | X |
| Ukraine to Egypt: coaster 3,000 m/t (1,000 disch) | \$34/35.00 | Steady | X |
| Russia to Egypt: coaster 3,000 m/t (1,000 disch) | \$49/50.00 | 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 | \$22/23.00 | Steady | X |
| Black Sea to Morocco: 30,000 m/t (3,000 disch) | \$16/17.00 | Down \$2.00 | X |
| Black Sea to Spain: 40/50,000 m/t (8,000 disch) | \$22/23.00 | 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 | \$18/19.00 | Down \$1.00 | X |
| Black Sea to Saudi Arabia – Jeddah – 50k | \$29/30.00 | Down \$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 | \$12/13.00 | Steady | X |
| Black Sea to Tunisia/Algeria: 30,000(5,000 disch) | \$17/18.00 | Down \$2.00 | X |
| | | | |
| Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included) | 1231 | Up 138 | x |
| Baltic Capesize Index (100,000 plus DWT) | 1755 | Up 698 | x |
| Baltic Panamax Index (60,000 to 80,000 DWT) | 1463 | Up 87 | x |
| Baltic Supramax Index (50,000 to 60,000 DWT) | 944 | Down 8 | X |
| Baltic Handisize Index (25,000 plus DWT) | 626 | Down 9 | 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 December 2018/February 2019

| | | |
|---|--------------------------|---|
| Wheat, USA Soft Red Winter, NOLA | USD 219/223 | X |
| Wheat, USA Hard Red Winter 11 protein -NOLA | USD 235/239 | X |
| Wheat, Ukraine 11.5 pro, 30,000+ m/t | USD 223/227 | X |
| Wheat, Russia 12.5 pro, 30,000+ m/t | USD 226/230 | X |
| Wheat, Romania 12.5 pro | USD 229/232 | X |
| Wheat, Superior, France, Rouen | USD 232/235 | X |
| Wheat, milling, 12.0%, Argentina, Upriver | USD 202/206 Jan/Feb 2019 | X |
| Wheat, feed, Black Sea | USD 219/222 | X |
| | | |
| Barley, France, Rouen port | USD 234/236 | X |
| Barley, feed, Argentina, up river | USD no prices | X |
| Barley, feed, Black Sea, 30,000+ | USD 237/241 | X |
| | | |
| Corn, 2YC FOB NOLA USA | USD 165/168 | X |
| Corn, 3YC FOB USA Pacific northwest | USD 183/185 | X |
| Corn, FOB Argentina port, upriver | USD 169/173 | X |
| Corn, FOB Brazil port | USD 175/178 | X |
| Corn, FOB France - Atlantic | USD 205/207 | X |
| Corn, FOB Romania | USD 169/172 | X |
| Corn, FOB Russia | USD 186/190 | X |
| Corn, FOB Ukraine, 30,000+ m/t | USD 165/169 | X |
| Sorghum, FOB Argentina port | USD 156/159 | X |
| Sorghum, FOB Texas | USD 168/171 | X |
| | | |
| Soymeal, 48% protein, FOB NOLA | USD 346/349 | X |
| Soymeal, 48% protein, USA, Rotterdam | USD 371/374 | X |
| Soymeal, Argentina, Rotterdam | USD 363/366 | X |
| Soymeal, 47% pro, FOB Argentina | USD 327/331 | X |
| Soymeal, 48% protein, Brazil, Rotterdam | USD 360/364 | X |
| Soymeal, 48% protein, FOB Brazil | USD 330/334 | X |
| Soybeans, FOB NOLA | USD 339/343 | X |
| Soybeans, Argentina, FOB | USD 369/373 | X |
| Soybeans, Brazil, FOB | USD 367/370 | X |
| Soybeans, Black Sea | USD np prices | X |
| | | |
| Corn Gluten Meal, USA FOB NOLA | USD 572>>562 m/t | X |
| Corn Gluten Feed, USA FOB NOLA | USD 182>>172 m/t | X |
| DDGS corn, 35 profat, USA FOB NOLA | USD 208/211 | X |
| | | |

DDGS prices moved higher this week by about USD 4 to 5 m/t following export corn prices small rally. Export demand for DDGS remains very good so no one much is expecting and short-term price weakness.



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USA domestic prices didn't change much on the week with both corn gluten meal and corn gluten feed prices very steady across much of the US – only DDGS showed a small uptick in price but that varied between USD 2 and 5 m/t higher.

Corn by product prices will continue to follow corn/soymeal prices and with both up in price this week we could see more of a rally in corn by-product prices next week.

Container shipments, minimum 200 m/t

| | |
|-------------------------------------|--------------------------|
| Australian MBM 45% protein | USD 380/390 m/t CNF Asia |
| Australian MBM 50% protein | USD 420/430 m/t CNF Asia |
| Australian Feathermeal, 80% protein | USD 570/580 m/t CNF Asia |
| Australian Poultry Meal, pet food | USD 750/760 m/t CNF Asia |
| USA Meat & Bone meal, 50% protein | USD 480/490 m/t CNF Asia |
| | USD 470/480 to Indonesia |
| USA Feathermeal, 80% protein | USD 580/600 m/t CNF Asia |
| USA Poultry Meal, feed grade | USD 530/550 m/t CNF Asia |
| USA Poultry Meal, pet food grade | USD 800/820 m/t CNF Asia |

Meat and bone meal prices moved lower this week as there seemed to be a good supply at softer prices – much of this from the US. No one is looking to see higher prices for December, but things could change in January when some experts feel that prices will start to move higher as supply levels are expected to drop.

Demand for poultry meal, especially pet food grade, is reported by the Jacobsen Report to be very good from Asia – feed grade poultry meal is not as strong.

USA domestic prices are steady this week with nothing too exciting happening in the animal protein market. However, feathermeal prices are firm and could move higher on the winter demand for feathermeal. Supply is good for all animal proteins in the US as is demand – so things are all balanced for now with the next serious changes in prices not expected before January – after all the holidays.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The landings in Peru are now at 800,000 m/t against the quota of 2.1 million m/t – 38% completed. This catch represents about 181,000 m/t of fishmeal and 20,000 m/t of fishoil. Close to 500 vessels per day were actively fishing.

As you can see by the numbers, fishing continues to be very good – much better than most experts had been forecasting. Some experts are now saying that the full quota will be close to being completed by the end of December with not too much carry over into January when fishing is normally not as good. Of course, there are others who feel that the current very good fishing is going to have to come to an end – probably shortly, due mainly to rough seas.

New export business in Peru is quite slow to develop with both China and Europe out of the market. China doesn't seem to need any more fishmeal for now due to good stocks on hand with Europe out of the market due to ethoxyquin restrictions in Europe.

As to prices, nothing has changed this week – buyers are out of the market and sellers are all busy fishing and processing. Some reports do say that with the good fishing there is a better chance that prices will slip lower than to be steady or higher – only time and demand will tell.



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European fishmeal prices – FOB North German port.

| Type | Protein % | Price per m/t USD |
|------------------|-------------|-------------------|
| Herring fishmeal | 72% protein | 1,750 |
| Danish fishmeal | 64% protein | 1,480 |
| Peru fishmeal | 64% protein | 1,470 |
| Chile fishmeal | 67% protein | 1,520 |
| Iceland fishmeal | 70% protein | 1,750 |

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 | 1220/1240 m/t | |
| 67% protein standard steam | 1280/1300 m/t | |
| 67% protein 150 TVN | 1430/1450 m/t | No prices |
| 67% protein 120 TVN | 1480/1500 m/t | 1490/1510 |
| 67% protein 1000 hist, 120 TVN | 1530/1550 m/t | 1520/1540 |
| 68% protein 500 hist, 120 TVN | 1580/1600 m/t | 1570/1590 |
| Fish oil, crude bulk | 1500/1550 | 1380/1400 |
| 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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