



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT December 08, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

So, how did we end up the week – well, corn prices were up by about USD 3 to 4 m/t while soybeans jumped higher by USD 8 to 10 m/t – winter wheat too had an up week moving USD 4 to 6 m/t higher.

Much of the running and jumping in the market this week was totally tied to the US/China situation and stories/rumors/guesses about what was actually happening or about the meaning of the announcements regarding US/China discussions. At the end of the week there was probably more confusion than we started the week with – at least at the start of the week we knew the situation and hoped for improvement.

Corn exports this week were higher than expected which gave a little strength to prices while farmers are said to be holding back in selling corn which also adds a little upward push. There is probably no sense, in a farmer's mind, to be selling corn when the market looks to be moving higher. Some of the corn market experts feel that corn can easily start to creep higher.

Soybeans also had quite a good export week and add that to the possible improvement on US/China trade relations and beans had good reason to rally. Argentina was a good buyer of US soybeans again this week – about 150,000 m/t – and China is reported to lining up to buy US soybeans for January.

According to a number of trade people, US wheat is in a trading range – up USD 5 or 6 then down the same – and this week just happens to be the up side of the range. The trade says that is was an improvement in export sales that kept wheat prices firm – the success in export business has been very good recently. There are also some stories that winter wheat acreage may be lower than had been expected which would keep some strength in winter wheat prices.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$20/21.00	Up \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$20/21.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$34/35.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$33/34.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$35/36.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$37/38.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$38/39.00	Up \$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)	\$37/38.00	Corrected	x
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	X
US Gulf Japan: Panamax	\$48/49.00	Steady	X
US Gulf China: Panamax	\$47/48.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Up \$1.00	X
US PNW Japan: Panamax	\$26/27.00	Steady	X
US PNW China: Panamax	\$25/26.00	Steady	X



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US East Coast Egypt: Panamax	\$42/43.00	Steady	X
US East Coast Nigeria: Handisize	\$47/48.00	Up \$1.00	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	Steady	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)	\$20/21.00	Down \$1.00	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	Steady	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	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	\$41/42.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$35/36.00	Steady	X
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	Steady	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	Steady	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Steady	X
Brazil to Europe: 50,000 m/t	\$33/34.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$33/34.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$32/33.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$18.00/18.50	Up \$0.50	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	\$33/34.00	Up \$1.00	X
Ukraine to India: 45/50,000 m/t	\$29/30.00	Up \$1.00	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)	\$34/35.00	Up \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$34/35.00	Down \$1.00	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	Steady	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)	\$47/48.00	Down \$2.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$23/24.00	Up \$1.00	X



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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	Up \$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	\$19/20.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$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)	\$18/19.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	1372	Up 141	X
Baltic Capesize Index (100,000 plus DWT)	2197	Up 442	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1469	Up 6	X
Baltic Supramax Index (50,000 to 60,000 DWT)	953	Up 9	X
Baltic Handysize Index (25,000 plus DWT)	625	Down 1	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 January/March 2019

Wheat, USA Soft Red Winter, NOLA	USD 228/230	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 240/244	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 223/226	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 234/236	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 201/205	X
Wheat, feed, Black Sea	USD 218/221	X
Barley, France, Rouen port	USD 234/236	X
Barley, feed, Argentina, up river	USD 203/206	X
Barley, feed, Black Sea, 30,000+	USD 240/243	X
Corn, 2YC FOB NOLA USA	USD 170/173	X
Corn, 3YC FOB USA Pacific northwest	USD 191/193	X
Corn, FOB Argentina port, upriver	USD 173/176	X
Corn, FOB Brazil port	USD 178/180	X
Corn, FOB France - Atlantic	USD 207/209	X
Corn, FOB Romania	USD 169/172	X
Corn, FOB Russia	USD 188/192	X
Corn, FOB Ukraine, 30,000+ m/t	USD 164/168	X
Sorghum, FOB Argentina port	USD 159/161	X
Sorghum, FOB Texas	USD 170/173	X
Soymeal, 48% protein, FOB NOLA	USD 344/348	X
Soymeal, 48% protein, USA, Rotterdam	USD 369/373	X
Soymeal, Argentina, Rotterdam	USD 369/372	X



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Soymeal, 47% pro, FOB Argentina	USD 326/330	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 362/365	X
Soymeal, 48% protein, FOB Brazil	USD 330/334	X
Soybeans, FOB NOLA	USD 347/351	X
Soybeans, Argentina, FOB	USD 362/366	X
Soybeans, Brazil, FOB	USD 363/367	X
Soybeans, Black Sea	USD np prices	
Corn Gluten Meal, USA FOB NOLA	USD 625>>605 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 189>>179 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 218/224	x

All corn by-product prices were higher this week – helped a little by slightly higher corn prices but mostly higher due to strong export and domestic demand. Winter feeding demand is moving domestic US prices higher along with much stronger soymeal prices. Feed producers in the US can easily swing over to DDGS when corn and soymeal prices rally.

Export markets to Asia are reported to show very good demand with Indonesia's DDGS demand being very, very strong the last month or so.

Corn gluten meal and corn gluten feed also had strong price rallies although the export demand was a little quiet this week.

The feeling in the trade seems to be that corn by-products prices will be steady to higher due to the very good seasonal demand and the expectation of a solution to the US/China soybean situation which will push all proteins higher as US soybean/soymeal prices will return to their more normal but higher levels.

The USDA grain crushing report was out this week and DDGS production for October was at just a shade over 1.8 million m/t, up a little from September – corn gluten meal production reached almost 83,000 m/t for October while corn gluten feed was at 257,000 m/t. The amount of corn used for ethanol production was up by close to 4.0% from September.

USA exports of corn by-products – 10 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/Oct 2018	Corn Gluten Meal Jan/Oct 2018	Corn Gluten Feed Jan/Oct 2018
Australia		5,800	
Bangladesh	128,800	6,000	
Burma	51,000	2,600	
Cambodia	42,900		900
Canada	557,800	62,000	
Chile		118,100	
China	179,700		
Colombia	154,300	77,600	22,200
Costa Rica	68,500		
Denmark		6,600	
Ecuador	25,400	4,300	



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Egypt	192,300	133,200	
El Salvador	52,300	3,000	
Guatemala	48,400	6,800	
Honduras	48,700	7,300	
Indonesia	653,800	106,900	1,700
Ireland	322,100		400,300
Israel	249,000	800	228,600
Jamaica	15,700		
Japan	395,500	12,900	
Malaysia	58,800	23,500	
Mexico	1,705,500	18,100	22,800
Morocco	173,100		55,300
New Zealand	228,400		45,000
Panama	16,900		
Peru	18,900	7,600	
Philippines	170,000	1,300	300
Portugal	18,500		35,300
Saudi Arabia	4,700	500	
South Korea	987,600		900
Spain	194,200		
Sri Lanka	13,100		
Taiwan	182,200	30,100	
Thailand	863,300	26,600	800
Tunisia	42,900		
Turkey	887,100		67,900
UK	228,400	1,500	91,800
Vietnam	971,300	14,000	

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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 730/740 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 520/540 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/820 m/t CNF Asia

Meat and bone meal prices in Asia are reported to be lower this week due to low prices from the US hitting the market. US domestic demand has softened so much of the production is moving into the export market and pushing down prices. Asia represents just over 51% of US MBM and poultry meal exports and 55% of feathermeal exports so it is the part of the world that has the major effect on demand and prices.

Poultry meal prices to Asia were a little lower on the week and all prices out of Australia are trading in a very wide range - still due to the Indonesia problems.

USA domestic meat and bone meal prices were also lower on the week due to large supplies but feathermeal is strengthening as demand is up.



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USA exports of animal protein – 10 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feather meal
	Jan/Oct 2018	Jan/Oct 2018
Burma	3,200	
Canada	46,500	14,300
Chile	300	25,100
China	39,100	29,300
Colombia	1,000	100
Ecuador	12,900	
Germany		
Honduras	7,600	
Indonesia	149,300	22,800
Jamaica	1,200	
Malaysia	6,900	
Mexico	164,400	
Peru	4,600	700
Philippines	19,000	700
Sri Lanka	2,400	
Thailand	13,100	
Vietnam	42,100	1,800
Total exports	516,500	94,800

@USDA GATS December 2018

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru remains quite good with the total at the end of the week standing at about 1.15 million m/t – 262,000 m/t of fishmeal and 31,000 m/t of fishoil. There has been some bad weather and it is expected that fishing will drop off for some ports.

The Peru fishmeal industry is certainly very happy about the way fishing has gone so far, much better than most had expected. Talk is that the full quota will be reached in early January. The catch to date is certainly enough to cover all the prebooked sales so now it is the time to get some more buyers into the market.

As to buyers, it doesn't look like China will be jumping into the market since their aqua season is over and they have a good backup of fishmeal orders in Peru for December/January shipment.

There hasn't been any change in prices this week – I guess just not enough activity to get the market moving. However, if we don't see some buyers appearing then the producers may just get a little easier in their price ideas.



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It was interesting to read the latest USDA 2019 world forecasts on fishmeal this week: total world production at 4.71 million m/t with exports at 2.37 mm/t, total consumption at 4.89 mm/t and ending world stocks standing at 280,000 m/t – certainly shows that almost all fishmeal is consumed each year.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,755
Danish fishmeal	64% protein	1,475
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
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

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