



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT December 15, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

All the talk about China this week did its best to get prices rallying but this didn't happen – both soybeans and soymeal were lower on the week as the sales to China were not at all spectacular. As the say in the UK, the soybean sales to China were just a "damp squib" – which means that there was just no bang in the sale.

Stories in the market say that China should be buying US soybeans, wheat and corn but it seems that this was not the week for that kind of buying from China. There was the talk that the need from China could be 3.0 million m/t of US corn and about the same for US wheat.

Other than China stories there was little to get the corn market excited, so prices were about unchanged on the week while disappointment with the China business helped soybeans to drop by about USD 6 m/t. Not much happened to wheat prices this week as there was just nothing exciting in the market at all.

With Christmas and New Year on the horizon things could be very quiet for a couple of weeks. On the other hand, China could do what Russia did many years ago and buy huge amounts of needed grains and oilseeds right after Christmas when no one is watching, and we are all sitting back with tummies full of Christmas turkey and brussels sprouts.

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	Steady	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$20/21.00	Steady	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	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$38/39.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$36/37.00	Down \$1.00	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	Steady	X
US PNW Japan: Panamax	\$26/27.00	Steady	X
US PNW China: Panamax	\$25/26.00	Steady	X
US East Coast Egypt: Panamax	\$42/43.00	Steady	X
US East Coast Nigeria: Handisize	\$47/48.00	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	Steady	X
France/Germany to China: 50,000 m/t	\$37/38.00	Steady	X



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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	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	Steady	X
France/Germany to Turkey: 35,000 m/t	\$16/17.00	Up \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$34/35.00	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	\$40/41.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$39/40.00	Down \$1.00	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	\$35/36.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$34/35.00	Down \$1.00	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	Steady	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	\$18.50/19.00	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	Up \$0.50	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	Down \$1.00	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	Down \$1.00	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$15/16.00	Up \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$34/35.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$34/35.00	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	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	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00	Steady	X
Black Sea to Europe: 50,000 m/t	\$22/23.00	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)	\$22/23.00	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	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$28/29.00	Down \$2.00	X
Black Sea to South Africa – 30,000 m/t	\$38/39.00	Steady	X



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Black Sea to Turkey – 30,000 m/t	\$13/14.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Down \$1.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	1401	Up 29	X
Baltic Capesize Index (100,000 plus DWT)	2383	Up 186	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1478	Up 9	X
Baltic Supramax Index (50,000 to 60,000 DWT)	974	Up 21	X
Baltic Handysize Index (25,000 plus DWT)	617	Down 8	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 230/234	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 242/246	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 225/228	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 235/238	X
Wheat, Romania 12.5 pro	USD 231/235	X
Wheat, Superior, France, Rouen	USD 239/240	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 203/206	X
Wheat, feed, Black Sea	USD 219/222	X
Barley, France, Rouen port	USD 240/241	X
Barley, feed, Argentina, up river	USD 200/203	X
Barley, feed, Black Sea, 30,000+	USD 238/242	X
Corn, 2YC FOB NOLA USA	USD 172/174	X
Corn, 3YC FOB USA Pacific northwest	USD 194/196	X
Corn, FOB Argentina port, upriver	USD 174/177	X
Corn, FOB Brazil port	USD 179/182	X
Corn, FOB France - Atlantic	USD 207/209	X
Corn, FOB Romania	USD 170/173	X
Corn, FOB Russia	USD 186/189	X
Corn, FOB Ukraine, 30,000+ m/t	USD 169/173	X
Sorghum, FOB Argentina port	USD 160/163	X
Sorghum, FOB Texas	USD 175/178	X
Soymeal, 48% protein, FOB NOLA	USD 342/346	X
Soymeal, 48% protein, USA, Rotterdam	USD 367/371	X
Soymeal, Argentina, Rotterdam	USD 361/364	X
Soymeal, 47% pro, FOB Argentina	USD 324/328	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 352/356	X
Soymeal, 48% protein, FOB Brazil	USD 321/324	X
Soybeans, FOB NOLA	USD 342/346	X
Soybeans, Argentina, FOB	USD 355/358	X
Soybeans, Brazil, FOB	USD 349/352	X



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Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 630>>610 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 195>>185 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 222/226	x

Export prices for all corn by products were higher this week mainly of good export demand and stronger US domestic consumption. Export buyers are having to pay a little more to get the products away from the US feed industry – feed demand is always higher in the winter.

DDGS prices out of the US are USD 4 to 5 m/t higher for export but demand is still very good. A few extra dollars doesn't seem to have scared off the buyers.

According to the USDA prices, DDGS was up in the US by USD 5 to 8 m/t with corn gluten meal domestic prices steady and corn gluten feed prices down by close to USD 5 m/t – also in the domestic market only.

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 470/480 m/t CNF Asia
USA Feathermeal, 80% protein	USD 450/460 to Indonesia
USA Poultry Meal, feed grade	USD 580/600 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 520/540 m/t CNF Asia
	USD 800/820 m/t CNF Asia

As the Christmas/New Year holiday period moves closer the prices for animal proteins are moving just a little higher – there will probably be very limited shipping for 10 days or so which will mean that export buyers in Asia will have to pay up to get a shipping slot in late December or early January.

The shipments out of Australia and New Zealand have been quite this week and much the same is seen from the US.

In the US, it looks like producers are trying to push prices a little higher – probably due to the upcoming holidays and the reduced production. There is still good demand for feathermeal and buyers seem to be sniffing around for export supplies of poultry meal.

The market will probably be very quiet over the next couple of weeks until we get into early January and all the holidays are behind us.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The total catch in Peru is now up to just under 1.5 million m/t with the daily catch averaging above 50,000 m/t – certainly much better than we had all anticipated a few weeks ago. The catch will give us about 340,000 m/t of fishmeal and 40,000 m/t of fishoil.

It was reported in the trade that China had done a little new buying at prices around USD 30 to 40 below the prices shown below. There is said to be more buying interest out there but at lower price



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levels – producers don't feel too inclined to sell lower. Sales to date are said to be just over 270,000 m/t which leaves quite a bit of fishmeal still available.

The latest import number for China for 2019 is at 1.6 million m/t – so far in the first 11 months of 2018, Peru has shipped about 775,000 m/t of fishmeal to China – almost 81% of total fishmeal exports. Peru's total fishmeal exports for 11 months are bumping on 960,000 m/t.

MSI Ceres mentions this week that Indian fishmeal and fishoil is now approved for China. They also mention how fishmeal and other feed items are slipping into China with reduced import duties via the porous Vietnam border with China -- China, they say, is trying to clamp down on the practice which has been allowing third-country products to enter China as Vietnam origin.

On the price side of things, if Chinese buyers are bidding below producers asking prices then it would seem that prices will probably move lower. After all, China is the biggest buyer and the sales are needed by Peru.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,785
Danish fishmeal	64% protein	1,475
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,795

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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