



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT December 21, 2019

This is the last weekly report before the Christmas Holiday --- all our very best for the holidays – good health, happiness and great family times.

This week was an up week for prices with soybeans leading the prices and moving higher by about USD 6 m/t followed by hard red winter wheat which was up by USD 7 m/t and soft red winter wheat up by USD 4 --- and corn was up too, but not all that much – only USD 2 or 3 m/t.

Soybeans have been moving steadily higher all December and are now up by about USD 25 m/t over the end of November price and with farmer selling still low should be expected to move even higher in January. Even without the China effect on US soybean exports, US beans do price quite well against Argentina and very well against Brazil – so importers have a good choice of origins for their beans and US beans fit right in.

Overall US corn did have quite a calm week – the price change was minimal. Trade reports are saying that US corn is now entering the period where it can compete very well again both Brazil and Black Sea corn with the expectation that we will see decent US corn export volume into Black Sea corn markets.

The rally in wheat prices is getting some people concerned as they feel that it has gone too far and that the market could be looking at a quick move lower.

With holidays coming up it is quite possible the strange things will happen to grain prices, as seem to happen every year --- it is all a matter of low volumes of business pushing prices in funny directions. So, perhaps one should just close the commodity book until January and have a couple of nice quiet weeks.

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

| | | | |
|---|------------|-------------|---|
| US Gulf to Europe: 60/70,000 (10,000 disch) | \$18/19.00 | down \$2.00 | X |
| US Gulf to Spain: 50,000 m/t (5,000 disch) | \$18/19.00 | Down \$2.00 | x |
| US Gulf Israel: 50,000 m/t | \$29/30.00 | Down \$1.00 | X |
| US Gulf to Egypt: Panamax (6,000 disch) | \$28/29.00 | Down \$1.00 | X |
| US Gulf Turkey: 50,000 m/t | \$30/31.00 | 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) | \$34/35.00 | Down \$1.00 | X |
| US Gulf Nigeria: 30,000 m/t | \$56/57.00 | | X |
| US Gulf other Med: 30,000 MT(5,000 disch) | \$40/41.00 | | X |
| US Gulf South Africa: 45,000 m/t | \$43/44.00 | Up \$1.00 | X |
| US Gulf Japan: Panamax | \$47/48.00 | | X |
| US Gulf China: Panamax | \$46/47.00 | | X |
| US PNW South Africa – 40,000 m/t | \$37/38.00 | | X |
| US PNW Japan: Panamax | \$26/27.00 | | X |
| US PNW China: Panamax | \$25/26.00 | | X |

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| | | | |
|--|------------|-------------|---|
| US East Coast Egypt: Panamax | \$56/57.00 | | X |
| US East Coast Nigeria: Handisize | \$56/57.00 | Up \$1.00 | X |
| | | | |
| France/Germany to Algeria: 30,000 m/t(3,000 disch) | \$22/23.00 | Up \$1.00 | X |
| France/Germany to Bangladesh: 35/45,000 m/t | \$41/42.00 | | X |
| France/Germany to China: 50,000 m/t | \$38/39.00 | | X |
| France/Germany to Egypt: 50,000 m/t (10,000 disch) | \$19/20.00 | | X |
| France/Germany to India: 50,000 m/t | \$31/32.00 | Down \$1.00 | 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 | \$33/34.00 | Up \$1.00 | X |
| France/Germany to South Africa: 30,000 m/t | \$44/45.00 | | X |
| France/Germany to Turkey: 35,000 m/t | \$19/20.00 | | X |
| France/Germany to Yemen: 30,000 m/t | \$52/53.00 | | X |
| | | | |
| Argentina to Algeria: 25/30,000 m/t(3,000 disch) | \$33/34.00 | Up \$2.00 | 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 | \$28/29.00 | Up \$1.00 | X |
| Argentina to Europe: 50/60,000 m/t | \$27/28.00 | Up \$1.00 | X |
| Argentina to Morocco: 25/30,000 m/t(3,000 disch) | \$27/28.00 | | X |
| Argentina to Jordan: 50,000 m/t | \$42/43.00 | | X |
| Argentina to Saudi Arabia: 50,000 m/t | \$43/44.00 | | X |
| Argentina to South Africa 50,000 m/t | \$43/44.00 | | X |
| Argentina to Spain: 50,000 m/t | \$27/28.00 | Up \$1.00 | X |
| Argentina to Tunisia: 25/30,000 m/t (3,000 disch) | \$33/34.00 | Up \$2.00 | X |
| Argentina to US Gulf: 25/35,000 m/t | \$20/21.00 | | x |
| | | | |
| Brazil to Algeria/Tunisia: 25/30,000 m/t | \$41/42.00 | 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 | \$33/34.00 | Up \$2.00 | X |
| Brazil to Morocco: 25/30,000 m/t | \$37/38.00 | Up \$1.00 | X |
| Brazil to Saudi Arabia 30/40,000 m/t | \$45/46.00 | Up \$1.00 | X |
| Brazil to Spain: 50,000 m/t | \$33/34.00 | Up \$2.00 | X |
| Brazil to Turkey/Egypt: 50,000 m/t | \$35/36.00 | Up \$2.00 | 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 | \$33/34.00 | Up \$1.00 | X |
| | | | |
| Ukraine to China: 50,000 m/t | \$34/35.00 | Up \$1.00 | X |
| Black Sea to East Med: 30,000 m/t (3,000 disch) | \$17/18.00 | Up \$1.00 | 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) | \$17/18.00 | Up \$1.00 | X |
| Black Sea to Egypt: 30,000 m/t – (4,000 dich) | \$17/18.00 | | X |
| Ukraine to Egypt: coaster 3,000 m/t (1,000 disch) | \$28/29.00 | Up \$3.00 | X |
| Russia to Egypt: coaster 3,000 m/t (1,000 disch) | \$40/41.00 | Down \$3.00 | X |
| Black Sea to Iraq: 50,000 m/t (4,000 disch) | \$36/37.00 | Down \$2.00 | X |
| Black Sea to Europe: 50,000 m/t | \$23/24.00 | Up \$1.00 | X |
| Black Sea to Morocco: 30,000 m/t (3,000 disch) | \$19/20.00 | | X |
| Black Sea to Spain: 40/50,000 m/t (8,000 disch) | \$23/24.00 | Up \$1.00 | X |



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|---|------------|-------------|---|
| Black Sea to Jordan: 50,000 m/t (5,000 disch) | \$24/25.00 | | X |
| Black Sea to Libya: 25/35,000 m/t | \$24/25.00 | Up \$1.00 | X |
| Black Sea to Saudi Arabia – Jeddah – 50k | \$28/29.00 | Down \$2.00 | X |
| Black Sea to South Africa – 30,000 m/t | \$43/44.00 | Up \$1.00 | X |
| Black Sea to Turkey – 30,000 m/t | \$16/17.00 | Up \$1.00 | 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) | 1123 | Down 232 | x |
| Baltic Capesize Index (100,000 plus DWT) | 1958 | Down 497 | x |
| Baltic Panamax Index (60,000 to 80,000 DWT) | 1201 | Up 266 | x |
| Baltic Supramax Index (50,000 to 60,000 DWT) | 743 | Down 80 | x |
| Baltic Handisize Index (25,000 plus DWT) | 504 | Down 5 | 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 2020/March 2020

| | | |
|--|-------------|---|
| Wheat, USA Soft Red Winter, US Gulf | USD 247/250 | X |
| Wheat, USA Hard Red Winter 11 protein, US Gulf | USD 223/226 | X |
| Wheat, Ukraine 11.5 pro, 30,000+ m/t | USD 212/214 | X |
| Wheat, Russia 12.5 pro, 30,000+ m/t | USD 219/221 | X |
| Wheat, Romania 12.5 pro | USD 213/215 | X |
| Wheat, Superior, France, Rouen | USD 210/212 | X |
| Wheat, milling, 12.0%, Argentina, Upriver | USD 206/208 | X |
| Wheat, feed, Black Sea | USD 206/208 | X |
| | | |
| Barley, France, Rouen port | USD 187/189 | X |
| Barley, feed, Argentina, up river | USD 179/182 | X |
| Barley, feed, Black Sea, 30,000+ | USD 189/191 | X |
| | | |
| Corn, 2YC FOB NOLA USA | USD 176/179 | X |
| Corn, 3YC FOB USA Pacific northwest | USD 193/196 | X |
| Corn, FOB Argentina port, upriver | USD 177/180 | X |
| Corn, FOB Brazil port | USD 186/189 | X |
| Corn, FOB France – Atlantic | USD 191/193 | X |
| Corn, FOB Romania | USD 172/175 | X |
| Corn, FOB Russia | USD 186/189 | X |
| Corn, FOB Ukraine, 30,000+ m/t | USD 175/178 | X |
| Sorghum, FOB Argentina port | USD 146/149 | X |
| Sorghum, FOB Texas | USD 180/183 | X |
| | | |
| Soymeal, 48% protein, FOB NOLA | USD 343/346 | X |
| Soymeal, 48% protein, USA, Rotterdam | USD 368/371 | X |
| Soymeal, Argentina, Rotterdam | USD 360/363 | X |
| Soymeal, 47% pro, FOB Argentina | USD 331/334 | X |
| Soymeal, 48% protein, Brazil, Rotterdam | USD 354/357 | X |



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|------------------------------------|-----------------|---|
| Soymeal, 48% protein, FOB Brazil | USD 331/334 | X |
| Soybeans, FOB NOLA | USD 367/370 | X |
| Soybeans, Argentina, FOB | USD 372/375 | X |
| Soybeans, Brazil, FOB | USD 368/371 | X |
| Soybeans, Black Sea | USD 366/369 | X |
| | | |
| Corn Gluten Meal, USA FOB NOLA | USD 530/540 m/t | X |
| Corn Gluten Feed, USA FOB NOLA | USD 210/215 m/t | X |
| DDGS corn, 35 profat, USA FOB NOLA | USD 215/220 m/t | x |
| | | |

Corn byproduct prices were steady to higher this week as corn moved up a little as did soybeans. Export prices for all corn byproducts are said to be a little higher while the CNF prices to Asia are up about USD 3 m/t for DDGS and close to USD 10 m/t for corn gluten meal.

Export demand is good even with the higher prices and the DDGS versus corn ratio is a little high on the DDGS side, but not high enough to bite into export sales.

If corn/soybeans move higher then the byproducts will follow – except perhaps for corn gluten meal which always seems to be going in its own direction.

Container shipments, minimum 200 m/t

| | |
|---|-------------------------------------|
| Australian MBM 45% protein | USD 340/350 m/t CNF Asia - adjusted |
| Australian MBM 50% protein | USD 370/380 m/t CNF Asia - adjusted |
| Australian Feathermeal, 80% protein | USD 410/420 m/t CNF Asia - adjusted |
| Australian Poultry Meal, pet food | USD 630/640 m/t CNF Asia – adjusted |
| USA Meat & Bone meal, 50% protein | USD 430/440 m/t CNF Asia |
| | USD 380/390 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 590/600 m/t CNF Asia |

Meat and bone meal prices into Asia are reported to be moving a little higher again this week, said to be strictly due to the strong demand levels. Production in OZ and New Zealand will drop off for the next two or three weeks due to all the holiday in December and January and then with the Chinese New Year in February this will probably mean firmer prices until we get into February.

USA domestic prices have been steady but there is concern that supply will overwhelm demand and push prices lower after Christmas/New Year – no one seems to be talking at all about higher prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Peruvian fishmeal exporters are concerned that the drop in fishing and the new fishing bans will make their life very difficult. Most exporters have sold a good chunk of fishmeal and need the fishing to improve so they can cover their orders. If fishing doesn't pick up, then one should expect that there will be a sudden run up in prices as everyone tries to buy whatever may be available.

However, it is interesting that even with the drop in fishing in Peru there has been a move lower in fishmeal prices in Europe --- probably due to the European prices bring too high for the current demand.

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This week's catch was only about 35,000 m/t with fewer than 200 vessels out fishing. Next week will not be any higher due to the fishing ban in some areas. Everyone is hoping that the fishing will improve in January or we fall very short of reaching the quota.

Forecasts for China's 2019 fishmeal imports are at about 1.4 million m/t which will be almost the same level as for 2018 and 2018. However, 2020 imports are expected to drop a little due to increased fishmeal production in China.

Looking at the latest Peru export statistics, China is still the main destination at 75% of fishmeal exports to end November – about 735,000 m/t to China. If you add in fishmeal exports to Japan, Vietnam and Taiwan then you have about 90% of the total Peru exports. So, China and Asia are the overwhelming bulk of Peru's fishmeal exports. Peru's total fishmeal exports to the end of November were at 980,000 m/t.

A news report this week said that a new facility in the US will be producing a high protein animal and aqua protein meal. This will be an improved byproduct of ethanol production. The project is being run by Green Plains of the US and Novozymes of Denmark. It is early days in the project, so no production numbers were mentioned.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

| Type | Protein % | Price per m/t USD |
|------------------|-------------|-------------------|
| Herring fishmeal | 72% protein | 1,570 |
| Danish fishmeal | 64% protein | 1,350 |
| Peru fishmeal | 64% protein | 1,380 |
| Chile fishmeal | 67% protein | 1,470 |
| Iceland fishmeal | 70% protein | 1,550 |

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 | 1110/1120 m/t | |
| 67% protein standard steam | 1150/1160 m/t | |
| 67% protein 150 TVN | 1200/1210 m/t | No prices |
| 67% protein 120 TVN | 1250/1260 m/t | 1240/1260 |
| 67% protein 1000 hist, 120 TVN | 1300/1310 m/t | 1290/1310 |
| 68% protein 500 hist, 120 TVN | 1350/1360 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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