



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 24, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Ah, it is all in the rainfall isn't it! Or, if it is not rainfall, it is the reaction to US trade restrictions.

The US had some quite good rainfall this week which was good for thirsty wheat and in advance for corn and soybeans – nothing like building the ground moisture level to help the next crop.

Corn prices were almost unchanged this week as any bad news – like possible trade restrictions – were offset by the rainfall and possible corn crop improvement in Brazil and South Africa. In the US, it is said that continued farmer selling of corn is helping to push prices a little lower or at least not rallying. The US Grains Council weekly report calls the market for corn bearish due in part to corn export sales running 28% behind last year.

We have the USDA "Prospective Plantings" report coming out next week and this could set the trend for corn prices for a while. The estimates for planting by private services are all over the map so we will need to wait and see what the USDA has to say.

Soybean prices were down by about USD 8 m/t, pushed lower mainly by concerns that China could put trade tariffs on US soybeans in retaliation to the restrictions put in place by the Trump government in the US. China is the main destination for US soybeans and a drop in their imports from the US would be painful for US farmers. So far, soybeans and soymeal are not on the China list of goods with counter tariffs – but it still could happen.

The continued weakness in wheat prices seems to be related mainly to the improved rainfall but as some experts have pointed out: rainfall on frozen ground just runs off. Experts are still looking at winter wheat yields being quite a bit below normal --- perhaps there is still some room for another wheat rally.

Sorry if the report is a little shorter this week but we are moving to a new home on Monday – not too far away – and have spent all week packing boxes and moving bits and bobs to the new house. My wife and I are trauchled (that is exhausted in Scots).

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17/17.50	Steady	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$22/23.00	Steady	x
US Gulf Israel: 50,000 m/t	\$29/30.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$31/32.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Steady	
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	X
US Gulf Japan: Panamax	\$45/46.00	Steady	X



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US Gulf China: Panamax	\$44/45.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$24/25.00	Steady	x
US PNW China: Panamax	\$23/24.00	Steady	x
US East Coast Egypt: Panamax	\$45/46.00	Steady	x
US East Coast Nigeria: Handisize	\$42/43.00	Up \$1.00	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$13/14.00	Steady	x
France/Germany to Bangladesh: 35/45,000 m/t	\$32/33.00	Steady	X
France/Germany to China: 50,000 m/t	\$33/34.00	Steady	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Steady	x
France/Germany to India: 50,000 m/t	\$26/27.00	Steady	x
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$11/12.00	Up \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$23/24.00	Steady	x
France/Germany to South Africa: 30,000 m/t	\$28/29.00	Steady	x
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$41/42.00	Steady	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$41/42.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Up \$1.00	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	Steady	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$30/31.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	Steady	x
Argentina to South Africa 50,000 m/t	\$27/28.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$26/27.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$24/25.00	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	\$26/27.00	Steady	x
Brazil to China: 55,000 m/t	\$35/36.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$36/37.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$25/26q.00	Up \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$34/35.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$20.00/20.50	Up \$0.50	x
Australia to Japan: 40-55,000 m/t – round trip	\$21.50/22.00	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	\$35/36.00	Up \$1.00	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)	\$11/12.00	Steady	x
Ukraine to East Med: coaster (1,000 disch)	\$29/30.00	Steady	X
Russia to Turkey: coaster (1,000 disch)	\$38/39.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$14/15.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$29/30.00	Steady	X



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Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$53/54.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	Steady	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$20/21.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	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 \$1.00	x
Black Sea to Yemen: 50,000 m/t	No info		
Baltic Dry Index	1122	Down 21	X
Baltic Capesize Index	1157	Down 46	X
Baltic Panamax Index	1587	Down 31	X
Baltic Supramax Index	1121	Up 30	X
Baltic Handysize Index	627	Up 14	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 April 2018/June 2018

Wheat, USA Soft Red Winter, NOLA	USD 210>>204	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 224/228	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 197/199	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 208/210	x
Wheat, Romania 12.5 pro	USD 204/206	X
Wheat, Superior, France, Rouen	USD 206/208	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 220/222	X
Wheat, feed, Black Sea	USD 196/199	X
Barley, France, Rouen port	USD 217/219	x
Barley, feed, Argentina	USD 212/215	x
Barley, feed, Black Sea, 30,000+	USD 200/205	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 180/183	x
Corn, 3YC FOB USA Pacific northwest	USD 195/198	x
Corn, FOB Argentina port, Upriver	USD 185/188	x
Corn, FOB Brazil port	USD 180/184 July/August	x
Corn, FOB France - Atlantic	USD 203/205	x
Corn, FOB Romania	USD 200/203	x
Corn, FOB Russia	USD 199/203	x
Corn, FOB Ukraine, 30,000+ m/t	USD 196/198	x
Sorghum, FOB Argentina port	USD 182/185	x
Sorghum, FOB Texas	USD 189/192 April/May	x



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Soymeal, 48% protein, FOB NOLA	USD 438 >> 431	X
Soymeal, 48% protein, USA, Rotterdam	USD 463 >> 456	x
Soymeal, Argentina, Rotterdam	USD 435/438	X
Soymeal, 47% pro, FOB Argentina	USD 407/410	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 432/436	X
Soymeal, 48% protein, FOB Brazil	USD 394/499	x
Soybeans, FOB NOLA	USD 401/403	x
Soybeans, Argentina, FOB	USD 407/410	X
Soybeans, Brazil, FOB	USD 413/415	X
Soybeans, Black Sea	USD 415/420	x
Corn Gluten Meal, USA FOB NOLA	USD 620 >> 600 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 190 >> 170 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 230 >> 220 July m/t	x

Starting this week with the USDA domestic average prices, we see corn gluten feed up by no more than USD 1.5 m/t while corn gluten meal is said to be down by about USD 7 m/t in domestic US markets – DDGS prices look to be about steady.

On the export side of things, nearby shipments are still at a considerable premium to prices a couple of months out.

Export buying of corn by-products was limited this week – especially for DDGS where new buying interest was very light.

Not really too much new to report as the market just keep following protein prices and corn prices.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 395/405 m/t CNF Asia
Australian MBM 50% protein	USD 440/450 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 510/520 m/t CNF Asia
Australian Poultry Meal, pet food	USD 900/910 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 530/540 m/t CNF Asia
	USD 530/540 to Indonesia
USA Feathermeal, 80% protein	USD 535/545 m/t CNF Asia
USA Poultry Meal, feed grade	USD 600/620 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 930/950 m/t CNF Asia

The price for MBM shipments to Indonesia continue to move higher this week as the weakness in soymeal is yet to have hit the market --- perhaps we will see a price dip next week but with soymeal still moving higher that is not too likely yet.

Prices for animal proteins from Australia and New Zealand are said o be steady but a drop in production could push prices higher.

US domestic markets are quite strong as animal proteins have been priced very well against soymeal. US protein buyers are quick to switch to the most cost-effective feed proteins and right now meat and bone meal seems to have a very good price level for the feed guys.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN



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There was a little fishing done in the southern area of Peru this week – but not much, only about 2000 m/t of catch – just too many mini-bans on fishing.

The IMARPE cruise continues and everyone seems to be quite enthusiastic – but this is all just guessing at the results. You can guess as much as you like but the end of the cruise will provide the actual details and that still has some time to go.

Business has been quiet this week, as most of the major players are off in China for the JCI Conference --- perhaps there will be a stack of new business from China announced after the conference. The word has been that buyers are looking for lower fishmeal prices before committing much more to Peru. Of course, producers are also not active sellers and would prefer to wait for the quota rather than getting oversold.

The Peru export details are out for fishmeal and China is still on top with 78% of the Peru exports for the first two months of 2018 – followed by Japan, Taiwan and Vietnam. The top four importers account for about 93% of all Peru's fishmeal exports. So far in 2018.

European fishmeal prices – FOB North German port.

Sorry, no update on European prices as my source is out of touch this weekend.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,860
Danish fishmeal	64% protein	1,600
Peru fishmeal	64% protein	1,600
Chile fishmeal	67% protein	1,660
Iceland fishmeal	70% protein	1,870

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% protein	1400/1420 m/t	
65/66 protein	1450/1470 m/t	
67% protein standard steam	1500/1520 m/t	
67% protein 150 TVN	1580/1600 m/t	No prices
67% protein 120 TVN	1630/1650 m/t	No prices
67% protein 1000 hist, 120 TVN	1680/1700 m/t	1700/1720
68% protein 500 hist, 120 TVN	1730/1750 m/t	1750/1770
Fish oil, crude bulk	2500/2550	No info
Fish oil, crude drums	2600/2650	
Fish oil, flexi tank	2700/2750	
Fish oil, Omega 3: 28%EPA/DHA	3000/3100	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine



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