



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT April 07, 2018

### **SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN**

The trade situation with China was the main point of interest for grain and oilseed people this week and soybeans slipped lower on China concerns. Trade fights aside, soybeans had a very good export week and it will be interesting to see if the export volume continues.

Soybean prices in the US were down about USD 4 m/t on the week with soymeal prices down by about the same amount. Argentina's soybean production estimates were lowered again this week. The first estimates started out up at about 58 million m/t with the latest estimates down to only 38 million m/t – that is quite a drop, but then perhaps the starting 58 million was a tad too much of a guess.

It was wheat that had all the price strength this week with US spring wheat jumping by USD 7 to 8 m/t on worries over late planting while winter wheat was up by USD 15 m/t over weather concerns with the current winter crop and the concern over how the winter crop will look closer to harvest.

The USDA crop condition report has 30% of the winter wheat crop as poor to very poor with another 38% showing only fair condition .... No wonder winter wheat prices have moved higher.

So, now we worry about weather, China and the Trump trade restrictions – tough to know where prices in the US will be going.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16.50/17.00	Down \$0.50	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$22/23.00	Steady	x
US Gulf Israel: 50,000 m/t	\$28/29.00	Down \$1.00	x
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Down \$1.00	x
US Gulf Turkey: 50,000 m/t	\$29/30.00	Down \$1.00	x
US Gulf Morocco: 30,000(5,000 disch)	\$30/31.00	Down \$1.00	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$31/32.00	Down \$1.00	x
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Down \$1.00	x
US Gulf South Africa: 45,000 m/t	\$36/37.00	Down \$1.00	x
US Gulf Japan: Panamax	\$44/45.00	Down \$1.00	x
US Gulf China: Panamax	\$43/44.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$23/24.00	Down \$1.00	X
US PNW China: Panamax	\$22/23.00	Down \$1.00	x
US East Coast Egypt: Panamax	\$44/45.00	Down \$1.00	X
US East Coast Nigeria: Handisize	\$41/42.00	Down \$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



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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	Steady	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	\$19/20.00	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	\$38/39.00	Adjusted	X
Argentina to Japan: 50,000 m/t, with top-off	\$37/38.00	Adjusted	X
Argentina to Egypt: 50,000 m/t	\$27/28.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$25/26.00	Down \$2.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$29/30.00	Down \$1.00	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	Steady	X
Argentina to Spain: 50,000 m/t	\$26/27.00	Down \$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	\$33/34.00	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	\$26/27.00	Steady	x
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$32/33.00	Down \$1.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00	Down \$1.00	x
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	x
Australia to Japan: 40-55,000 m/t – round trip	\$21.50/22.00	Steady	x
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	x
Ukraine to China: 50,000 m/t	\$34/35.00	Up \$2.00	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)	\$12/13.00	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
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)	\$33/34.00	Down \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00	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)	\$18/19.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$24/25.00	Down \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Down \$1.00	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Adjusted	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	Steady	x



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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	Steady	x
Black Sea to Yemen: 50,000 m/t	No info		
Baltic Dry Index	948	Down 107	x
Baltic Capesize Index	824	Down 186	x
Baltic Panamax Index	1317	Down 178	x
Baltic Supramax Index	1032	Down 48	x
Baltic Handysize Index	643	Down 9	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 208/213	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 232/235	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 199/202	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 207/209	x
Wheat, Romania 12.5 pro	USD 208/210	x
Wheat, Superior, France, Rouen	USD 210/212	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 224/227	x
Wheat, feed, Black Sea	USD 198/201	x
Barley, France, Rouen port	USD 218/220	x
Barley, feed, Argentina	USD 213/216	x
Barley, feed, Black Sea, 30,000+	USD 198/203 June/July	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 196/198	x
Corn, 3YC FOB USA Pacific northwest	USD 202/205	x
Corn, FOB Argentina port, Upriver	USD 182/186 July/August	x
Corn, FOB Brazil port	USD 183/187 July/August	x
Corn, FOB France - Atlantic	USD 211/214	x
Corn, FOB Romania	USD 198/202	x
Corn, FOB Russia	USD 202/207	x
Corn, FOB Ukraine, 30,000+ m/t	USD 201/204	x
Sorghum, FOB Argentina port	USD 185/189	x
Sorghum, FOB Texas	USD 190/193 April/May	x
Soymeal, 48% protein, FOB NOLA	USD 461>>455	X
Soymeal, 48% protein, USA, Rotterdam	USD 486>>480	x
Soymeal, Argentina, Rotterdam	USD 459/463	x
Soymeal, 47% pro, FOB Argentina	USD 424/428	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 449/453	x
Soymeal, 48% protein, FOB Brazil	USD 411/415	x
Soybeans, FOB NOLA	USD 404/408	x
Soybeans, Argentina, FOB	USD 409/413	x



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Soybeans, Brazil, FOB	USD 413/417	x
Soybeans, Black Sea	USD 423/427	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 247 >>237 May/Aug	x

US DDGS prices were higher on the week due to a good export buying interest. Seems that buyers can't wait any longer for the prices to drop. The price of DDGS in NOLA made a good move higher on the week and prices to major destinations in Asia are said to be up by as much as USD 10 m/t.

According to the USDA, the domestic US prices for corn gluten feed were unchanged while corn gluten meal was up by about USD 5 m/t.

The USDA report on corn crushing shows that US DDGS production for February was down by close to 10 percent while corn gluten meal production was about steady with corn gluten feed production down by just over 5 percent. Overall corn use for crushing was down by about 8 percent in February versus January 2018.

## USA exports of corn by-products – 2 months 2018 – major destinations – in m/t

Country	Distillers Dried Grains DDGS Jan/Feb 2018	Corn Gluten Meal Jan/Feb 2018	Corn Gluten Feed Jan/Feb 2018
Bangladesh	20,400		
Burma	8,400		
Cambodia	8,800		
Canada	112,000	10,500	
Chile		10,900	
China	34,800		
Colombia	25,000	13,900	5,900
Costa Rica	7,900		
Egypt	28,200	18,100	
El Salvador	6,900	1,200	
Honduras	9,800		
Indonesia	106,700	16,300	
Ireland	62,400		47,300
Israel	48,200		36,100
Japan	71,800		
Malaysia	10,800	2,400	
Mexico	363,800	3,000	4,500
Morocco	21,100		7,200
New Zealand	48,000		5,500
Philippines	16,500		
Portugal	5,900		17,800
South Korea	153,300		
Spain	29,700		
Taiwan	32,100	7,200	
Thailand	156,700	4,100	



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Turkey	126,300		
UK	40,000		8,600
Vietnam	152,400	1,900	

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 380/400 m/t CNF Asia
Australian MBM 50% protein	USD 420/440 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 490/500 m/t CNF Asia
Australian Poultry Meal, pet food	USD 820/830 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 530/540 m/t CNF Asia
	USD 510/530 to Indonesia
USA Feathermeal, 80% protein	USD 535/545 m/t CNF Asia
USA Poultry Meal, feed grade	USD 600/610 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 900/920 m/t CNF Asia

Animal protein business felt quiet this week to major destinations in Asia. Prices to Asia were mainly unchanged but buyers are said to be bidding well below current producer prices with sellers not too interested this week.

We have Ramadan coming up in mid-May in Indonesia lasting to mid-June (and all other Muslim countries) so perhaps we will see a sudden rush of pre-Ramadan order from Indonesia – after all it is a major importer of animal proteins.

Prices into Indonesia were said to be off a little this week as supplies are growing in Australia.

USA domestic prices for animal proteins were steady but supply is increasing which could cause a little price weakness. Also, US interior prices for both feathermeal and poultry meal were stronger, so we may see a move higher in US export prices for these items next week.

## **USA exports of animal protein – 2 months 2018 – major destinations – in m/t**

Destination	Meat and bone meal – includes poultry and pork	Feathermeal
	Jan/Feb 2018	Jan/Feb 2018
Burma	1,700	
Canada	8,000	1,900
Chile		4,200
China	6,200	6,300
Colombia	700	
Ecuador	2,700	
Germany		
Honduras		
Indonesia	29,800	3,200
Malaysia	1,100	
Mexico	43,700	
Philippines	1,800	



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Sri Lanka	900	
Thailand	2,200	
Vietnam	11,700	
Total exports	111,600	15,600

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## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

And away we go – new quota for Peru at 3,316,700 m/t with fishing starting in the 12<sup>th</sup> or 13<sup>th</sup> of April. This quota should give us about 760,000 m/t of fishmeal – enough to keep everyone happy.

With the quota at this level there will probably be a lot of buyers bidding below the current market prices and it will probably be very difficult for producers/exporters to keep prices from falling.

Business had been very quiet for the past while but now things will be expected to pick up with producers now in much more of a selling mood and buyers all lines up to buy – but at lower prices.

However, the feeling in the trade seems to be that prices will not move all that much lower, especially for early shipping spots, but should slip a bit for July/August shipments.

Of course, pricing comments also depend on how the fishing is going but most in the industry in Peru are looking forward to a very good season with happy fisherman, busy factories and lots of co-operative anchovy.

There was mention in the fishmeal trade this week of the possible effect of the China/US trade situation and how a change in soybean shipments and higher soymeal prices in China could result in increased demand for fishmeal --- if this happens then fishmeal prices may not move lower at all.

One more small item, according to the latest analysis from the USDA-FAS office in the EU, EU fishmeal production will be steady at about 500,000 m/t with imports of about 170,000 m/t along with exports of 150,000 m/t – there are both imports and exports due to the grade quality differences – import the lower quality but export the expensive, higher quality.

## European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,845
Danish fishmeal	64% protein	1,585
Peru fishmeal	64% protein	1,565
Chile fishmeal	67% protein	1,615
Iceland fishmeal	70% protein	1,840

## PERU "INDICATION" FISHMEAL PRICES:

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS  
Minimum shipment of 200 m/t for fishmeal



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Specification	Price per m/t FOB vessel Peru port	Price per m/t Chile port
65% protein	1450/1470 m/t	
65/66 protein	1500/1520 m/t	
67% protein standard steam	1550/1570 m/t	
67% protein 150 TVN	1630/1650 m/t	No prices
67% protein 120 TVN	1680/1700 m/t	No prices
67% protein 1000 hist, 120 TVN	1730/1750 m/t	1700/1720
68% protein 500 hist, 120 TVN	1780/1800 m/t	1800/1850
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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