



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT April 21, 2018

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

Quite a down week this week for all US prices. Corn prices were not down too much compared to soybeans at only about USD 4 m/t lower while soybeans dropped by about USD 9 m/t and soymeal was down by USD 7 to 8 m/t. Wheat prices were also lower with winter wheat slipping by about USD 4 m/t and spring wheat by about USD 8 m/t.

All the weakness in grains and oilseeds can be blamed on the weather. Looks like the weather in much of the grain area of the US is improving with good rains for the very thirsty winter wheat areas and much better planning weather for corn and soybeans.

Of course, the China situation is still affecting soybean prices with serious concerns over soybean exports for the rest of the year. The soybean harvest in Brazil is going very well with about 91% of the beans harvested, which is ahead of the five-year average.

There wasn't too much exciting with corn, except good planting weather. There are reports that there is not much farmer selling of corn...they are too busy planting the new crop. The China tariff on sorghum is said to have caused some shipments to be hunting for a new home. There are no international markets as big as China has been for sorghum so where will these vessels go? There is always the chance that a corn importer could take some sorghum if the price is right.

China imported 4.6 million m/t of US sorghum in 2017 representing 81.6% of total sorghum exports. Depending on what happens with China there could be quite a bit of sorghum looking for buyers. Perhaps even enough to weaken corn prices a little.

### **Crop Situation and Condition – USA and France**

<b>France</b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b>Condition</b>					
Wheat - soft	1	5	16	73	5
Wheat - hard	0	4	17	76	3
Barley, winter	1	7	19	70	3
Barley, spring	1	3	15	80	1
<b>Planted</b>	This week %	Last week %	This week 2017 %		
Barley, spring	100	96	100		
Corn	6	1	49		
<b>USA</b>	Very poor %	Poor %	Fair %	Good %	Very Good %



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<b>Condition</b>					
Wheat, winter	15	22	32	26	5
<b>Planted</b>	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Corn	3	2	6	5	
Sorghum	20	17	21	20	
Wheat, spring	3	2	12	15	
Barley	7	4	12	23	

## 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	\$28/29.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$30/31.00	Steady	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$31/32.00	Steady	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	Steady	x
US Gulf South Africa: 45,000 m/t	\$37/38.00	Up \$1.00	X
US Gulf Japan: Panamax	\$45/46.00	Steady	X
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	\$23/24.00	Steady	x
US PNW China: Panamax	\$22/23.00	Steady	x
US East Coast Egypt: Panamax	\$44/45.00	Steady	x
US East Coast Nigeria: Handisize	\$41/42.00	Down \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$15/16.00	Up \$1.00	X
France/Germany to Bangladesh: 35/45,000 m/t	\$32/33.00	Steady	X
France/Germany to China: 50,000 m/t	\$34/35.00	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)	\$13/14.00	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	\$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)	\$24/25.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$39/40.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$38/39.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$29/30.00	Steady	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	Up \$1.00	X



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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	\$27/28.00	Steady	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	\$19/20.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Steady	x
Brazil to China: 55,000 m/t	\$34/35.00	Steady	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Steady	X
Brazil to Europe: 50,000 m/t	\$27/28.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	Up \$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	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$33/34.00	Up \$2.00	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00	Up \$1.00	x
Ukraine to East Med: coaster (1,000 disch)	\$26/28.00	Steady	X
Russia to Turkey: coaster (1,000 disch)	\$31/32.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$14/15.00	Down \$1.00	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)	\$27/28.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$44/45.00	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$35/36.00	Steady	X
Black Sea to Europe: 50,000 m/t	\$20/21.00	Steady	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$15/16.00	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	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	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	Steady	X
Black Sea to Yemen: 50,000 m/t	No info		
Baltic Dry Index	1281	Up 267	x
Baltic Capesize Index	1915	Up 877	x
Baltic Panamax Index	1289	Down 62	X
Baltic Supramax Index	1025	Up 12	X
Baltic Handysize Index	621	Down 7	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.)



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ALL PRICES ARE FOR April 2018/June 2018

Wheat, USA Soft Red Winter, NOLA	USD 218>>212	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 229/233	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 202/205	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 209/212	x
Wheat, Romania 12.5 pro	USD 207/210	x
Wheat, Superior, France, Rouen	USD 207/210	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 209/214	x
Wheat, feed, Black Sea	USD 198/201	x
Barley, France, Rouen port	USD 213/216	x
Barley, feed, Argentina	USD 217/219 May/June	x
Barley, feed, Black Sea, 30,000+	USD no prices	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 187/190	X
Corn, 3YC FOB USA Pacific northwest	USD 199/202	x
Corn, FOB Argentina port, Upriver	USD 187/190	x
Corn, FOB Brazil port	USD 178/181 July/August	x
Corn, FOB France - Atlantic	USD 206/209	x
Corn, FOB Romania	USD 207/210	x
Corn, FOB Russia	USD 202/205	x
Corn, FOB Ukraine, 30,000+ m/t	USD 203/206	x
Sorghum, FOB Argentina port	USD 180/184	x
Sorghum, FOB Texas	USD 186/191 May/June	x
Soymeal, 48% protein, FOB NOLA	USD 450/454	x
Soymeal, 48% protein, USA, Rotterdam	USD 475/479	x
Soymeal, Argentina, Rotterdam	USD 456/461	x
Soymeal, 47% pro, FOB Argentina	USD 433/436	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 452/456	x
Soymeal, 48% protein, FOB Brazil	USD 420/423 June/July	x
Soybeans, FOB NOLA	USD 411/414	X
Soybeans, Argentina, FOB	USD 420/424 May/June	x
Soybeans, Brazil, FOB	USD 428/432 June/July	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 615 >>595 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 190/193 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 247 >>235 Jun/Aug	x

The logistics problems in the east and south of the US are slowly being overcome so we will be getting past the very high spot/nearby prices that are shown above. There is also some pressure on prices from weaker soybean prices this week and perhaps even a little from lower fishmeal prices – especially for corn gluten meal.

According to the USDA average price report for the domestic market, the price for corn gluten feed is up by about USD 11 m/t on the week and corn gluten meal up by about USD 7 m/t. These numbers are issued early in the week so don't show the effect of the drop in soybean and corn prices – the USDA prices will probably be lower in next week's report.



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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 360/380 m/t CNF Asia
Australian MBM 50% protein	USD 400/420 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 520/530 m/t CNF Asia
	USD 490/500 to Indonesia
USA Feathermeal, 80% protein	USD 550/560 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

There wasn't much change in prices for animal proteins into Asia this week, but some trade reports are expecting weakness in prices to develop as supplies from OZ, NZ and the USA are quite good – especially for meat and bone meal. Buyers are said to be bidding below current quoted market price levels.

In the US, there seems to be a tight supply of feathermeal which has pushed both domestic and export prices higher. But US domestic meat and bone meal prices are a little weaker which will create some opportunity for lower export MBM prices.

The Jacobsen Report was mentioning that falling fishmeal prices could have an effect on animal protein prices but also that fishmeal will not be available for shipment from the new season in Peru for a few weeks yet.

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

Fishing in the northern region of Peru is chugging right along with daily catch levels averaging over 40,000 m/t. The total landed up to the 19<sup>th</sup> was about 600,000 m/t which should yield 136,000 m/t of fishmeal and 23,000 m/t of fishoil.

If the full Peru quota is landed, then the production in the north could yield 770,000 m/t of fishmeal and 127,0000 m/t of fishoil

Prices from Peru have weakened quite a bit – pushed somewhat by the Chinese who are trying to buy well below the market levels of a few days ago. There is nothing like a high quota to help move the market lower. According to some trade reports the bids are significantly below the indication prices shown below.

The Peru fishmeal export numbers for January to March have been released and China is still the top destination, accounting for 83.6% of fishmeal exports. Japan, Taiwan and Vietnam together account for another 9.7% --- total export shipments were 162,000 m/t.

### European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,860
Danish fishmeal	64% protein	1,570
Peru fishmeal	64% protein	1,570
Chile fishmeal	67% protein	1,620



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Iceland fishmeal	70% protein	1,865
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## 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	1300/1320 m/t	
65/66 protein	1350/1370 m/t	
67% protein standard steam	1420/1440 m/t	
67% protein 150 TVN	1490/1510 m/t	No prices
67% protein 120 TVN	1540/1560 m/t	No prices
67% protein 1000 hist, 120 TVN	1590/1610 m/t	1600/1620
68% protein 500 hist, 120 TVN	1640/1660 m/t	1650/1670
Fish oil, crude bulk	1700/1750	No info
Fish oil, crude drums	1800/1850	
Fish oil, flexi tank	1900/1950	
Fish oil, Omega 3: 28%EPA/DHA	2000/2100	

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

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