



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT May 05, 2018

Thanks very much to everyone who dropped me a note to say that they wanted to continue receiving our weekly report. I wasn't intending to stop sending the report just wanted to be sure that those receiving the report still wanted it --- seems that they did judging by the responses.

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Corn prices moved higher this week with very good export sales and shipments and limited farmer selling. Everyone is expected to be watching the corn planting numbers on Monday – the numbers will be higher but don't look to be able to catch up to the average yet. The situation is still very dry in Brazil which is certainly bullish for corn prices. Also, the stronger US dollar will make US corn exports a little less competitive in some markets. The current trend for corn prices would seem to be to higher levels.

Both soybeans and soymeal were lower on the week due to the concern over the USA/China trade talks. It still looks like the smaller soybean crop in Argentina could push soybeans higher but for the US it may just be the China situation that determines where soybean prices will be going.

US wheat prices moved higher again this week as a lack of rain made the winter crop look bad and added concern about the spring wheat crop. However, wheat prices did drop a little on Friday as there seemed to be a little rain in the forecast Overall, US wheat was up by USd 6 to 9 m/t.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	5	16	72	6
Wheat - hard	0	4	17	78	1
Barley, winter	1	7	18	70	4
Barley, spring	1	4	15	79	1
Planted	This week %	Last week %	This week 2017 %		
Corn	57	33	84		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, winter	16	21	30	26	7
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	



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Corn	17	5	32	27	
Sorghum	26	24	27	26	
Soybeans	5	2	9	5	
Wheat, spring	10	3	30	36	
Barley	26	11	31	44	

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	Up \$1.00	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	x
US Gulf Nigeria: 30,000 m/t	\$41/42.00	Up \$1.00	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	Steady	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	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	Steady	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	\$27/28.00	Down \$1.00	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)	\$25/26.00	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$39/40.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$38/39.00	Down \$1.00	x
Argentina to Egypt: 50,000 m/t	\$30/31.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$29/30.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$31/32.00	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	Steady	X
Argentina to Spain: 50,000 m/t	\$29/30.00	Up \$1.00	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$25/26.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$19/20.00	Steady	X



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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	\$26/27.00	Down \$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	Steady	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	\$21.00/21.50	Down \$0.50	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	x
Ukraine to China: 50,000 m/t	\$33/34.00	Steady	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)	\$13/14.00	Steady	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	Steady	x
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$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)	\$35/36.00	Adjusted	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	\$19/20.00	Down \$1.00	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)	\$19/20.00	Steady	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	1384	Up 23	x
Baltic Capesize Index	2337	Up 86	x
Baltic Panamax Index	1265	Down 10	x
Baltic Supramax Index	1050	Up 8	X
Baltic Handysize Index	589	Down 16	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 May 2018/July 2018

Wheat, USA Soft Red Winter, NOLA	USD 240>>230 May>>July	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 248/253	x



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Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 203/206	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 208/213	x
Wheat, Romania 12.5 pro	USD 209/213	x
Wheat, Superior, France, Rouen	USD 208/211	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 225/229	x
Wheat, feed, Black Sea	USD 200/203	x
Barley, France, Rouen port	USD 213/216	x
Barley, feed, Argentina	USD 217/219	x
Barley, feed, Black Sea, 30,000+	USD 213/217	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 193/196	x
Corn, 3YC FOB USA Pacific northwest	USD 204/206	x
Corn, FOB Argentina port, Upriver	USD 192/194	x
Corn, FOB Brazil port	USD 180/183 July/August	x
Corn, FOB France - Atlantic	USD 205/208	x
Corn, FOB Romania	USD 204/207	x
Corn, FOB Russia	USD 204/207	X
Corn, FOB Ukraine, 30,000+ m/t	USD 200/203	x
Sorghum, FOB Argentina port	USD 183/187	x
Sorghum, FOB Texas	USD 186/188	x
Soymeal, 48% protein, FOB NOLA	USD 467>>463 June/August	x
Soymeal, 48% protein, USA, Rotterdam	USD 492>>488 June/August	x
Soymeal, Argentina, Rotterdam	USD 488/493	X
Soymeal, 47% pro, FOB Argentina	USD 454/457	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 476/480	X
Soymeal, 48% protein, FOB Brazil	USD 437/442	x
Soybeans, FOB NOLA	USD 413/416	X
Soybeans, Argentina, FOB	USD 425/429	X
Soybeans, Brazil, FOB	USD 421/425	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 615>>600 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 193>>175 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 260>>255 Jun/Aug	x

It was interesting to read the USDA average price report this week as it didn't seem to be exactly in tune with the export market. Their report showed corn gluten feed prices up by about USD 13 m/t with both corn gluten meal and DDGS prices steady in the US. While corn gluten feed prices do seem to be up a little, a USD 13 m/t increase seems a little too high – perhaps USD 10 m/t too high. Of course the USDA numbers are spot prices so there could be a squeeze that is pushing CGF higher.

DDGS prices are higher in the nearby positions due to lower ethanol output and some tightness in DDGS supply. Buyers are waiting for lower DDGS prices in coming weeks but some exporters are saying that lower prices may not be in the cards depending on what happens to corn prices and ethanol production.

The USDA grain crushing report came out this week and showed DDGS production for March was up by about 6% with corn gluten feed production up by 12% to 319,000 m/t and corn gluten meal



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production up by about 6% to 97,000 m/t. Corn used in ethanol production was up by about 9% from February but was about steady with usage in March last year.

USA exports of corn by-products – 3 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/March 2018	Corn Gluten Meal Jan/March 2018	Corn Gluten Feed Jan/March 2018
Bangladesh	30,100		
Burma	11,900		
Cambodia	11,900		
Canada	169,400	16,900	
Chile		21,200	
China	44,300		
Colombia	44,400	20,000	9,300
Costa Rica	12,400		
Denmark		6,600	
Egypt	44,600	38,200	
El Salvador	17,800	1,200	
Honduras	12,100	1,400	
Indonesia	178,200	24,700	
Ireland	103,900		76,500
Israel	64,700		42,600
Japan	116,400		
Malaysia	15,600	3,500	
Mexico	515,500	4,300	6,000
Morocco	21,100		7,200
New Zealand	68,000		10,400
Philippines	31,900		
Portugal	10,300		22,200
Saudi Arabia	2,200		
South Korea	256,200		
Spain	38,000		
Sri Lanka	5,400		
Taiwan	49,300	10,200	
Thailand	256,100	8,000	
Turkey	169,900		
UK	40,000		8,600
Vietnam	266,100	2,000	

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 350/360 m/t CNF Asia
Australian MBM 50% protein	USD 385/395 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 500/510 m/t CNF Asia



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USA Feathermeal, 80% protein	USD 470/480 to Indonesia
USA Poultry Meal, feed grade	USD 550/560 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/610 m/t CNF Asia
	USD 900/920 m/t CNF Asia

Animal protein business into Asia has been a little slow due to the rush that we had recently in booking pre-Ramadan shipments. China looks to be about the only buyer in the market as the major buyers in Indonesia are now well covered.

Supplies of meat and bone meal from the US, Oz and NZ are growing and weighing on the export market. However, poultry meal prices are not dropping, and neither are feathermeal prices. Poultry meal is a good option to fishmeal for many buyers so that steady demand has kept prices firm, but lower fishmeal prices could put pressure on poultry meal. Export demand for feathermeal has been good with the US having its biggest export month for feathermeal in 4 years.

It looks like the good supplies of MBM will keep prices from moving higher in the near term --- the trend for now seems to be for steady to a little lower.

USA exports of animal protein – 3 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feathermeal
	Jan/March 2018	Jan/March 2018
Burma	1,800	
Canada	13,300	2,700
Chile		7,300
China	9,800	8,500
Colombia	700	
Ecuador	3,800	
Germany		
Honduras		
Indonesia	42,700	6,900
Malaysia	1,100	
Mexico	54,800	
Philippines	3,900	
Sri Lanka	1,100	
Thailand	4,200	
Vietnam	16,800	
Total exports	156,600	25,700

@USDA GATS

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

A good week for fishing in Peru with the daily catch up around 60,000 m/t – not too shabby – and there were even mini-bans in place. Total up to the 3 of may looks to be about 1.275 million m/t against the 3.3 mm/t quota.



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Reports in the trade have total sales now up to about 500,000 m/t which could represent close to 70% of the expected total catch – depending on how much of the quota is landed. Some of the major producers are reported to be holding off on accepting any more business for now until they see how the fishing progresses.

As reported last week, container space from Peru is very, very limited with May/June said to be totally booked with the possibility that some shipments will have to spill over into July.

MSI Ceres was commenting this week on the poor analysis of the fishing/fishmeal industry by a member of the Peru parliament. Seems that he stated that 93% of the industry was controlled by only six large companies and he called for an end of “oligopolies” in the business. However, it was then proven that the six largest companies do control about 60% of the business not 93% -- still, 60% is a good-sized chunk. You know how the saying goes: there are lies, damn lies and statistics.

MSI Ceres also pointed out that in addition to the six major companies there are another 411 companies in the business but that 301 of those companies have only one vessel. Of all the companies in the business, only 12 have more than 6 vessels. They did not mention in their weekly report how many vessels that the six majors operate.

And then a word on prices – looks like the prices for July and beyond are about as shown below with some talk in the market that prices are probably close to the bottom. With so much said to have been sold there will come a point where producers will start looking for more money to add on more sales.

Just to remind you how far prices have dropped – we are down by about USD 300 m/t in just over four weeks.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,810
Danish fishmeal	64% protein	1,530
Peru fishmeal	64% protein	1,580
Chile fishmeal	67% protein	1,630
Iceland fishmeal	70% protein	1,800

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	1220/1240 m/t	
65/66 protein	1250/1270 m/t	
67% protein standard steam	1300/1320 m/t	
67% protein 150 TVN	1400/1420 m/t	No prices
67% protein 120 TVN	1450/1470 m/t	No prices
67% protein 1000 hist, 120 TVN	1500/1520 m/t	1520/1540
68% protein 500 hist, 120 TVN	1550/1570 m/t	1550/1570



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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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