



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT May 12, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It was another down week for grains and oilseeds this week – everything was lower: corn down by about USD 3 m/t, soymeal down USD 14 to 15 m/t, soybeans down by about USD 12 m/t, hard red winter wheat down by USD 14 m/t and soft red winter wheat down by about USD 10 m/t – even spring wheat was down by USD 6 m/t.

The USDA WASDE report that was issued this week was supposed to be bullish – that is what all the experts were saying --- and it was bullish for about five minutes than the bears got into the market and prices fell rapidly.

Experts this week were saying that the China situation outweighed any WASDE bullishness. However, reports say that even though there was quite a bit of weakness in futures markets the actual volume of trades was quite low. So, the drop may have been more low volume related than anything fundamental in the market.

A number of experts on the futures market were saying that much of the drop in futures prices was just reaction to falling soybean prices and that, other than emotion, there was probably no reason for corn and wheat prices to move lower.

A quick word on sorghum, it looks like most of the afloat sorghum shipments that were originally for China have now found a home. As much as 500,000 m/t is said to have gone to Saudi Arabia while another 200,000 m/t or more have been rerouted to Spain. Neither country have been large buyers (or any buyers) of US sorghum but the prices were so good that sorghum was a deal that could not be ignored. Sorghum has always been a very good animal feed item but for the past few years sorghum prices have been running higher than corn so that several corn importing markets that could have used sorghum found it to be too expensive versus corn.

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	16	78	2
Barley, winter	1	7	18	70	4
Barley, spring	1	4	18	77	1
Planted	This week %	Last week %	This week 2017 %		
Corn	74	57	91		



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USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, winter	16	21	29	27	7
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Corn	39	17	45	44	
Sorghum	29	26	30	29	
Soybeans	15	5	13	13	
Wheat, spring	30	10	51	51	
Barley	42	26	50	59	

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$21/22.00	Up \$1.00	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Down \$1.00	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	\$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	Steady	X
US Gulf China: Panamax	\$43/44.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$24/25.00	Up \$1.00	X
US PNW China: Panamax	\$23/24.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$44/45.00	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)	\$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	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)	\$26/27.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$37/38.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$30/31.00	Steady	X



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Argentina to Europe: 50/60,000 m/t	\$28/29.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$23/24.00	Up \$1.00	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	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$26/27.00	Up \$1,00	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	\$33/34.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Steady	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	\$33/34.00	Steady	X
Brazil to Spain: 50,000 m/t	\$25/26.00	New	X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	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	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	\$34/35.00	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)	\$13/14.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00	Down \$3.00	x
Russia to Turkey: coaster (1,000 disch)	\$28/29.00	Down \$3.00	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)	\$25/26.00	Down \$2.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	Down \$3.00	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	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)	\$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	\$20/21.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Up \$1.00	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		X
Baltic Dry Index	1472	Up 88	X
Baltic Capesize Index	2630	Up 293	X
Baltic Panamax Index	1245	Down 20	X
Baltic Supramax Index	1053	Up 3	x
Baltic Handysize Index	584	Down 5	X



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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 220/224	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 236/241	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 201/204	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 208/213	x
Wheat, Romania 12.5 pro	USD 201/206	x
Wheat, Superior, France, Rouen	USD 204/207	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 225/229	x
Wheat, feed, Black Sea	USD 198/202	x
Barley, France, Rouen port	USD 206/209	x
Barley, feed, Argentina	USD 216/219	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 189/192	x
Corn, 3YC FOB USA Pacific northwest	USD 198/201	x
Corn, FOB Argentina port, Upriver	USD 191/193	x
Corn, FOB Brazil port	USD 183/186 July/August	x
Corn, FOB France - Atlantic	USD 203/206	x
Corn, FOB Romania	USD 200/203	x
Corn, FOB Russia	USD 198/201	x
Corn, FOB Ukraine, 30,000+ m/t	USD 198/201	x
Sorghum, FOB Argentina port	USD 183/187	x
Sorghum, FOB Texas	USD 185/188	x
Soymeal, 48% protein, FOB NOLA	USD 449/452 June/August	X
Soymeal, 48% protein, USA, Rotterdam	USD 474/477 June/August	X
Soymeal, Argentina, Rotterdam	USD 471/474	x
Soymeal, 47% pro, FOB Argentina	USD 434/437	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 462/466	x
Soymeal, 48% protein, FOB Brazil	USD 419/423	X
Soybeans, FOB NOLA	USD 394/398	x
Soybeans, Argentina, FOB	USD 410/413	x
Soybeans, Brazil, FOB	USD 401/406	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>>250 Jun/Sep	X

Looking at corn by-product prices from the US this week shows almost no change in corn gluten feed and corn gluten meal prices. Interesting that they were able to hold prices in the face of a major drop in soymeal prices --- perhaps we will see a drop in export CGM and CGF prices next week.



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Also contrary to soymeal were DDGS prices as they moved a little higher this week up by about USD 5 m/t. It seems that DDGS prices at producers' facilities in the US were up a few dollars – even with corn prices down a little.

There seems to be good export buying interest for all by-products, but buyers price bids are just a little too low to get any seller excited. So quoted price indications remain firm.

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 490/500 m/t CNF Asia
	USD 460/470 to Indonesia
USA Feathermeal, 80% protein	USD 600/610 m/t CNF Asia
USA Poultry Meal, feed grade	USD 605/615 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 900/920 m/t CNF Asia

According to the Jacobsen Report this week the prices for meat and bone meal into the major market in Indonesia were a little lower – most of the lower prices were from the US as Australia export prices seemed to be quite steady. Jacobsen also reported that Australian feathermeal prices into Asia were quite a bit lower than US prices. Good supplies are keeping Australian feathermeal prices low while tighter domestic supplies in the US are moving export and domestic prices higher.

In the US, domestic prices for poultry meal are moving lower due to the drop in fishmeal prices but so far, the export market hasn't seen much, if any drop, in US or Australian poultry meal prices – but prices should move lower (or so the experts are saying)

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The fishing in Peru is now up to about 1.7 million mt landed which should yield about 385,000 m/t of fishmeal and 73,000 m/t of fishoil. Statistics also show that there are about 500 vessels out fishing every day. Just to remind readers, the total quota is 3.3 million m/t, so we are about 50% done.

Trade reports this week have Peru fishmeal sales up to about 500,000 m/t which means that sales to date are greater than production to date which will push off some shipments until later in the quota period or beyond.

It is also reported that most producers will not book any additional business until they can be certain that the fishing will cover all sales and leave room to sell more. In some past years, producers had oversold production (sometimes their fault, sometimes the government's fault) and they would prefer not to be chancing overselling this year.

While fishing has been very good in most areas, there have also been some mini-bans due to high levels of juvenile fish with over 60% juveniles reported in one region of Peru. I got the comment last week from a trader in Peru that I quote information from the MSI Ceres report too often. I do quote them most often, mainly because they supply good information and lots of details – of course, all with a bit of MSI Ceres bias, but why not as good information is always good information even with a dab of bias.

Prices in Peru were steady this week but the prices in Europe took a big drop as the lower Peru/Chile prices finally worked their way into European prices. Europe was down by about USD 100 m/t.



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European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,720
Danish fishmeal	64% protein	1,535
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,680

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
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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