



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT May 12, 2019

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

So, this week was the week of the USDA WASDE report – looks like bearish, bearish and bearish as almost everything moved lower on the week: corn prices dropped by almost USD 8 m/t, Soybeans were lower by USD 12 m/t, soymeal was also down by USD 12 m/t, winter wheat was about USD 5 m.t lower while the only exception to lower prices was US spring wheat which managed to move about USD 1 m/t higher.

The report had corn ending stocks higher on greater yields and lower exports, soybean ending stocks were also higher based mainly on lower exports as the US soybean crop is forecasted to be a little lower. Wheat also showed higher ending stocks again mainly due to lower wheat exports. The USDA also increased corn production for both Brazil and Argentina. Brazil looks like a record corn crop year.

The USDA also confirmed that, in their opinion, most every grain/oilseed producing country is going to have a good year --- looks like we will be swimming in grains/oilseeds for the next year or so.

USA corn planting is still delayed in some areas due to rain but as we have seen before the US farmer can catch up on planting in the blink of an eye, so being a little late matters very little.

The US/China trade talks have not solved anything so far which is certainly negative for soybeans – so, along with a very big crop we have not so exciting exports --- China is a big miss for exports of soybeans, sorghum and DDGS.

Looks like there is not too much chance for prices to rally although we could have a bounce next week in futures prices after the large drop this week but don't expect any rally to hold as there seems to be no good reason for higher prices.

### **Top 15 US Export Destinations for Grains and Oilseeds – 3 months to March 2019 – in m/t**

Country	Wheat	Corn	Sorghum	Soybeans
Algeria	95,400			
Argentina				203,000
Bangladesh	13,800			
Cameroon			19,300	
Canada		523,000	1,200	192,000
China	42,000			4,833,300
Colombia	74,200	1,255,600		148,400
Costa Rica		256,600		
Djibouti			10,000	
Dominican Rep		156,600		
El Salvador		158,600		
Egypt				975,900
Eritrea			31,500	



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Ethiopia	101,200			
Guatemala	139,100	247,300		
Germany				287,700
Honduras	49,900	138,600		
Indonesia	273,800			755,100
Iraq	105,000			
Israel		19,600		
Italy	27,500		36,600	134,300
Japan	682,300	3,535,700	82,500	667,400
Malaysia				135,600
Mexico	735,800	3,629,400	73,400	1,296,500
Morocco		61,800		
Netherlands				454,800
Nigeria	553,200			
Pakistan				201,500
Panama		91,700		
Peru		946,100		
Philippines	623,700			
Saudi Arabia		230,400		
South Africa			5,000	
South Korea	277,900	868,0300		327,700
Spain			316,700	506,100
Sudan				
Taiwan	216,700	411,300		475,900
Thailand	59,300			293,500
Venezuela	30,000			
Vietnam		65,000		105,800
Yemen	250,000			

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16/17.00	Steady	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$16/17.00	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)	\$34/35.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$44/45.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$35/36.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$35/36.00	Steady	X
US Gulf Japan: Panamax	\$42/43.00	Steady	X
US Gulf China: Panamax	\$41/42.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Up \$1.00	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	Up \$1.00	X
US East Coast Nigeria: Handisize	\$49/50.00	Up \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$15/16.00	Steady	X



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France/Germany to Bangladesh: 35/45,000 m/t	\$29/30.00	Steady	X
France/Germany to China: 50,000 m/t	\$37/38.00	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	No info	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$20/21.00	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	\$25/26.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$18/19.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$14/15.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$30/31.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$27/28.00	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$35/36.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$31/32.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$35/36.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$33/34.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$35/36.00	Adjusted	X
Argentina to South Africa 50,000 m/t	\$32/33.00	Steady	X
Argentina to Spain: 50,000 m/t	\$35/36.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	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	\$27/28.00	Steady	X
Brazil to China: 55,000 m/t	\$32/33.00	Steady	X
Brazil to Japan: 55,000 m/t	\$31/32.00	Steady	X
Brazil to Europe: 50,000 m/t	\$30/31.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$37/38.00	Steady	X
Brazil to Spain: 50,000 m/t	\$30/31.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$29/30.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	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	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$36/37.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$32/33.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$22/23.00	Down \$3.00	x
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$20/21.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Steady	x
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$22/23.00	Down \$3.00	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)	\$34/35.00	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)	\$17/18.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00	Steady	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$23/24.00	Down \$2.00	X
Black Sea to Libya: 25/35,000 m/t	\$21/22.00	Steady	X



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Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Down \$3.00	X
Black Sea to South Africa – 30,000 m/t	\$38/39.00	Steady	X
Black Sea to Turkey – 30,000 m/t	\$14/15.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$16/17.00	Steady	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handysize included)	1013	Up 28	x
Baltic Capesize Index (100,000 plus DWT)	1371	Up 81	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1198	Up 8	X
Baltic Supramax Index (50,000 to 60,000 DWT)	779	Up 27	X
Baltic Handysize Index (25,000 plus DWT)	382	No change	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/July 2019

Wheat, USA Soft Red Winter, US Gulf	USD 187/190	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 190/193	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 175/178 July/Sep New	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 180/183 July/Sep New	X
Wheat, Romania 12.5 pro	USD 195/198 July/Sep New	X
Wheat, Superior, France, Rouen	USD 212/214	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 177/180	X
Wheat, feed, Black Sea	USD 167/170 July/Sep New	X
Barley, France, Rouen port	USD 185/187	X
Barley, feed, Argentina, up river	USD 172/175	X
Barley, feed, Black Sea, 30,000+	USD 174/177 July/Sep New	X
Corn, 2YC FOB NOLA USA	USD 160/163	X
Corn, 3YC FOB USA Pacific northwest	USD 177/180	X
Corn, FOB Argentina port, upriver	USD 149/152 July/Sep	X
Corn, FOB Brazil port	USD 150/153 Aug/Oct	X
Corn, FOB France - Atlantic	USD 191/194	X
Corn, FOB Romania	USD 171/174 July/Sep	X
Corn, FOB Russia	USD 175/178 July/Sep	X
Corn, FOB Ukraine, 30,000+ m/t	USD 167/170 July/Sep	X
Sorghum, FOB Argentina port	USD 128/131 Jun/Aug	X
Sorghum, FOB Texas	USD 172/175	X
Soymeal, 48% protein, FOB NOLA	USD 320/323 Jun/July	X
Soymeal, 48% protein, USA, Rotterdam	USD 345/348	X
Soymeal, Argentina, Rotterdam	USD 330/333	X
Soymeal, 47% pro, FOB Argentina	USD 293/296	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 328/331	X
Soymeal, 48% protein, FOB Brazil	USD 297/300	X
Soybeans, FOB NOLA	USD 315/318	X



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Soybeans, Argentina, FOB	USD 301/304	X
Soybeans, Brazil, FOB	USD 315/318	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 490>>480 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 160>>155 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 190/193	X

There was certainly no strength in the corn by-product market this week as the weakness in corn and soybean prices made it easy for by-product prices to slip lower. While DDGS prices seem to be steady for the moment, corn gluten meal prices have been very weak – certainly has been a buying opportunity for high protein buyers.

At the moment there doesn't seem to be any reason to expect higher prices but we may get a little jog higher next week if corn and soybean rally after this week's large price drop.

DDGS exports are down by about 7% so far this year with large drop in exports to Thailand, Ireland and Egypt but there were strong DDGS export gains to Indonesia and the UK. Corn gluten meal exports are steady on the year versus last year while corn gluten feed exports are down by about 11%.

## **USA exports of corn by-products – 3 months to March 2019 – major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS 2019	Corn Gluten Meal 2019	Corn Gluten Feed 2019
Australia		700	
Bangladesh	25,100	5,600	
Burma	19,600		
Cambodia	13,000		
Canada	142,300	14,800	
Chile		35,100	
China	18,300	35,100	
Colombia	48,200	17,800	5,000
Costa Rica	27,500		
Ecuador		1,000	
Egypt	15,700	24,400	
El Salvador	14,600		
Guatemala	10,200	2,100	
Honduras	15,400	1,300	
Indonesia	254,800	33,100	1,400
Ireland	75,200		78,600
Israel	50,000		35,700
Japan	122,100	1,300	
Malaysia	14,100	6,600	
Mexico	490,100	5,400	5,500
Morocco	23,400		



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New Zealand	22,000		3,000
Peru		2,000	
Philippines	48,600	1,000	700
South Korea	304,800	800	
Spain	25,700		
Taiwan	51,800	8,600	
Thailand	53,900	8.100	
Turkey	194,700		2,800
UK	89,100		30,300
Vietnam	257,400	2,400	
Total exports	2,449,400	173,000	163,000

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## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 310/320 m/t CNF Asia
Australian MBM 50% protein	USD 340/350 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 690/710 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 395/405 m/t CNF Asia
	USD 360/370 to Indonesia
USA Feathermeal, 80% protein	USD 480/520 m/t CNF Asia
USA Poultry Meal, feed grade	USD 480/500 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 720/740 m/t CNF Asia

No change in animal protein prices this week – main export markets in Asia are quiet. Nothing is happening in Indonesia due to the Ramadan period and China too is quiet, probably due to African Swine Fever.

Export prices out of Australia and New Zealand are steady but do look to be trending lower – USA export prices too are steady for the week.

In the domestic US market prices are weak as lower prices for soymeal make it tough for MBM to compete. It does not look like US animal protein prices will be heading higher. According to the Jacobsen Report this week US mixed animal meat and bone meal was selling, in domestic market, for as little as USD 220 M/T perhaps less.

US meat and bone meal exports are up by 21% so far in 2019 but feathermeal exports are down by 20%.

## **USA exports of animal protein – 3 months to March 2019 – major destinations – in m/t**

<b>Destination</b>	<b>Meat and bone meal – includes poultry and pork</b>	<b>Feather meal</b>
	<b>To March 2019</b>	<b>To March 2019</b>
Burma	1,400	
Cambodia	1,300	



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Canada	13,000	900
Chile	700	9,800
China	32,700	2,200
Colombia	300	
Ecuador	4,500	500
Germany		
Guatemala	300	
Honduras	1,900	400
Indonesia	51,900	5,300
Jamaica		
Malaysia	3,100	
Mexico	44,500	
Peru	200	400
Philippines	3,800	100
Sri Lanka	600	
Thailand	6,600	
Vietnam	22,700	1,000
Total exports	189,700	20,600

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

Fishing in Peru is averaging about 50,000 m/t per day of catch with the total landed up mid-week at about 512,000 m/t – about 450 vessel per day fishing. Estimated fishmeal production is at about 116,000 m/t with fishoil at 17,800 m/t.

Fishing seems to be going quite well and most trade reports feel that the full quota will be landed with little or no problem.

Contrary to my comments of last week, it doesn't look like fishmeal prices are dropping, not so far – according to the trade a good chunk of business has been done recently and prices seem to be holding steady. However, with the good fishing that has been seen, some major buyers are out of the market in the expectation that prices will move lower.

China has been a slow buyer of fishmeal due to very large stocks on hand in China and the continued problems with African Swine Fever. Both buyers and sellers will be watching the China aquaculture season to see how it is progressing and what the demand for fishmeal will be.

For the moment, prices seem steady and fishing is chugging along nicely.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,805
Danish fishmeal	64% protein	1,525
Peru fishmeal	64% protein	1,525
Chile fishmeal	67% protein	1,580
Iceland fishmeal	70% protein	1,785



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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

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65/66 protein	1300/1320 m/t	
67% protein standard steam	1360/1380 m/t	
67% protein 150 TVN	1460/1480 m/t	No prices
67% protein 120 TVN	1520/1540 m/t	1550/1560
67% protein 1000 hist, 120 TVN	1590/1610 m/t	1630/1640
68% protein 500 hist, 120 TVN	1640/1660 m/t	1650/1640
Fish oil, crude bulk	1900/1950	
Fish oil, crude drums	1950/2000	
Fish oil, flexi tank	2050/2100	
Fish oil, Omega 3: 28%EPA/DHA	2200/2400	

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

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