



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: tradegroUp@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office: +33.9.7044.4881 Mobile: +33.6.8068.4564
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

WEEKLY FEED GRAIN AND PROTEIN REPORT May 19, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Other than wheat prices there was not a great deal of change in US grain and oilseed prices this week.

Corn prices were up a little on the week, probably due to continued dryness in Brazil and the concern over the corn crop. Some experts are cutting the estimates of the Brazil crop by 10% but there is so much corn around that this may not cause a serious price rally.

As was expected, the US farmer has caught up with corn planting and we are now right on average so there shouldn't be much concern with lower crop yield due to late corn planting.

Some good news for corn is the China action in dropping their sorghum anti-dumping investigation. A big chunk of money was lost by sorghum shippers due to the short-term Chinese actions – amazing how much money can be lost in only a few days. I guess CNF prices to China will have to be jacked up a little to cover future risk as one never knows when they will do it again.

Not much to say about soybeans/soymeal as prices were down just a little on the week with no real excitement in the market. China did cancel some US soybean business which helped push things lower.

Wheat prices were pushed higher by the weather forecasts for dry and hot weather in parts of the US that are badly in need of some rain for the wheat crops. There is a little rain in the forecast for the broader wheat area but until we see exactly how much rain and where it falls then price should be steady to higher.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	5	15	71	7
Wheat - hard	0	4	16	77	3
Barley, winter	1	7	17	70	5
Barley, spring	1	6	17	75	2
Planted	This week %	Last week %	This week 2017 %		
Corn	86	74	97		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					



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Wheat, winter	14	22	28	29	7
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Corn	62	39	68	63	
Sorghum	32	29	32	33	
Soybeans	35	15	29	26	
Wheat, spring	58	30	75	67	
Barley	62	42	74	74	

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	Steady	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	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	\$41/42.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Up \$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	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	\$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	Steady	X
US East Coast Nigeria: Handisize	\$42/43.00	Steady	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	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$38/39.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$37/38.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$31/32.00	Up \$1.00	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)	\$23/24.00	Up \$1.00	X
Argentina to Jordan: 50,000 m/t	\$31/32.00	Steady	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	\$29/30.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$26/27.00	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	\$32/33.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Down \$2.00	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	\$33/34.00	Steady	X
Brazil to Spain: 50,000 m/t	\$24/25.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	Steady	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	\$35/36.00	Up \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$33/34.00	Up \$1.00	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	Steady	X
Russia to Turkey: coaster (1,000 disch)	\$28/29.00	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)	\$25/26.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$32/33.00	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	\$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)	\$20/21.00	Up \$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	\$20/21.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	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	1273	Down 199	X
Baltic Capesize Index	2053	Down 577	X
Baltic Panamax Index	1241	Down 4	X
Baltic Supramax Index	1069	Up 16	X
Baltic Handysize Index	590	Up 6	x

FOB port or location specified. Prices in US\$, in metric tons:
All shipments in bulk grain vessels unless stated otherwise



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(NOLA is New Orleans, Louisiana, USA.)

ALL PRICES ARE FOR May 2018/July 2018

Wheat, USA Soft Red Winter, NOLA	USD 223/226	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 242/247	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 200/203	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 207/210	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 no prices	x
Wheat, feed, Black Sea	USD 189/194	X
Barley, France, Rouen port	USD 198/200	x
Barley, feed, Argentina	USD 178/181 Aug/Sep	X
Barley, feed, Black Sea, 30,000+	USD 205/208	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 188/191	X
Corn, 3YC FOB USA Pacific northwest	USD 204/208	X
Corn, FOB Argentina port, Upriver	USD 192/194	X
Corn, FOB Brazil port	USD 182/185 July/August	x
Corn, FOB France - Atlantic	USD 203/206	x
Corn, FOB Romania	USD 196/199	X
Corn, FOB Russia	USD 199/202	X
Corn, FOB Ukraine, 30,000+ m/t	USD 196/199	X
Sorghum, FOB Argentina port	USD 183/187	X
Sorghum, FOB Texas	USD 182/185	X
Soymeal, 48% protein, FOB NOLA	USD 441/444 June/Sept	X
Soymeal, 48% protein, USA, Rotterdam	USD 466/469 June/Sept	X
Soymeal, Argentina, Rotterdam	USD 458/461	x
Soymeal, 47% pro, FOB Argentina	USD 423/426	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 449/452	X
Soymeal, 48% protein, FOB Brazil	USD 417/420	X
Soybeans, FOB NOLA	USD 391/394	x
Soybeans, Argentina, FOB	USD 407/410	X
Soybeans, Brazil, FOB	USD 395/399	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 612>>596 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 191>>173 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 260>>245 Jun/Sep	x

US DDGS prices just don't seem to want to move lower – the nearby premium is staying high and we never seem to quite get into the period where the premium will disappear. There are not many buyers who are willing to pay the USD 15 m/t premium for nearby with most of the new export business being out a couple of months where DDGS prices are much more reasonable. Of course, as we move into the next period and the backlog of shipments remains steady we could just see the price premium moving into the next month.



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Corn gluten meal and corn gluten feed prices did very little this week with export prices remaining about steady. The USDA said that domestic CGM prices were lower but that has not been seen in the export market. Domestic US prices for DDGS were mainly steady – up a little here and down a little there but overall not much change.

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 470/490 m/t CNF Asia
	USD 460/470 to Indonesia
USA Feathermeal, 80% protein	USD 600/620 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

Meat and bone meal prices into Asia moved a little lower on the week probably due to the very quiet market and producers wanting to scare up some business. Major markets like Indonesia are not buying anything new due to the Ramadan period. Most trade reports feel that prices could easily rise once Ramadan has ended and new buying interest is seen. Looking at the pricing charts, as published in the Jacobsen Report, prices do quite often tend to move higher in June and July.

US domestic prices were lower for meat and bone meal and pet food grade poultry meal saw prices in the US slip lower although export prices stayed steady.

Lower fishmeal prices continue to pressure export animal protein prices, especially poultry meal, but fishmeal prices are not expected to drop much lower – so things should steady up.

I see that Tyson Foods has bought the rendering operations of Ampro in the US – the price was USD 850 million. Tyson has said that Ampro's animal protein production will continue as is (at least for the moment).

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru has reached 2 million m/t so still about 1.3 million m/t to go to reach quota. The estimated fishmeal production is now at 465,000 m/t with fish oil production at 89,000 m/t. Daily catch in the last week has averaged over 50,000 m/t per day with an average of over 400 vessels fishing each day.

Reports out of Peru call for reasonably good fishing weather and steady ocean temperatures. There is now much more positive talk about completing the 3.3 million m/t quota.

Not much in new business being done as the catch to date is still not enough to cover all the business in hand. Trade estimates show that there could be about 200,000 m/t of fishmeal available for sale if the full quota is landed with sales to date (including rollovers from last season) sitting at just over 550,000 m/t.

The latest Peru export numbers show that China is still number one with just under 80% of exports – Japan has about 4.6% and Germany at 4.0% -- total fishmeal exports to the end of April look to be at about 185,000 m/t.



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Fishmeal prices are steady this week and could just have reached their low for the season. We will have to see what happens with prices on the next rush of China orders.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,720
Danish fishmeal	64% protein	1,515
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,685

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	1550/1570
68% protein 500 hist, 120 TVN	1550/1570 m/t	1580/1600
Fish oil, crude bulk	1300/1350	1250/1300o
Fish oil, crude drums	1400/1450	
Fish oil, flexi tank	1500/1550	
Fish oil, Omega 3: 28%EPA/DHA	1650/1700	

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

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