



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT May 25, 2019

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This is a holiday weekend in the US with Monday being Memorial Day – a day of remembrance for the US Armed Forces.

This week was another week of higher prices for both futures and cash markets --- corn was up by about USD 9 m/t with soybeans up by just over USD 3 m/t and soymeal up by about USD 6 m/t --- wheat was also up with winter wheat up by close to USD 9 m/t and spring wheat up by just under USD 7 m/t.

Much of the increase in both corn and wheat was related to US weather --- rain, rain, rain and more rain. Seems that the corn and to some degree soybeans just can get planted while the rain is not all that good for finishing off the winter wheat crop.

Looking at the US weather, the corn belt looks to be in line for more rain for at least another week and farmers who have corn to sell are certainly not selling as higher prices just look too good to them.

Certainly, the world is still going to have mounds of corn but if the rain continues in the US and the farmers switch to later planting soybeans then, at least for US corn, you can expect some higher corn prices.

There was some talk this week that corn farmers may not switch to soybeans due to never ending soybean trade problems --- corn, with its ethanol use, does look to some to be a better alternative to soybeans --- even with late planting.

On the wheat side of things, all the rain is expected to be reducing the winter wheat crop yield potential and could be lowering overall winter wheat quality.

So, the more it rains, the higher prices are going to go – at least in the short term until the planting can catch up and the wheat fields dry out.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17/18.00	Steady	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$17/18.00	Steady	X
US Gulf Israel: 50,000 m/t	\$30/31.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$31/32.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$36/37.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$45/46.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$36/37.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$35/36.00	Steady	X



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US Gulf Japan: Panamax	\$43/44.00	Steady	X
US Gulf China: Panamax	\$42/43.00	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	\$45/46.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$50/51.00	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	\$40/41.00	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)	\$14/15.00	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	\$15/16.00	Down \$1.00	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	\$37/38.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$31/32.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$30/32.00	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	Steady	X
Argentina to South Africa 50,000 m/t	\$33/34.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$30/31.00	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	\$21/22.00	Up \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Steady	X
Brazil to China: 55,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$29/30.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$37/38.00	Steady	X
Brazil to Spain: 50,000 m/t	\$29/30.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$29/30.00	Steady	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	\$38/39.00	Up \$2.00	X
Ukraine to India: 45/50,000 m/t	\$34/35.00	Up \$2.00	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)	\$21/22.00	Down \$1.00	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



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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)	\$21/22.00	Down \$1.00	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)	\$33/34.00	Down \$1.00	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)	\$24/25.00	Steady	x
Black Sea to Libya: 25/35,000 m/t	\$21/22.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Steady	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 Handisize included)	1066	Up 26	x
Baltic Capesize Index (100,000 plus DWT)	1545	Up 82	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1304	Up 49	X
Baltic Supramax Index (50,000 to 60,000 DWT)	779	Down 1	X
Baltic Handisize Index (25,000 plus DWT)	393	Up 11	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 220>>214	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 216>>212	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 176/179 July/Sep New	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 187/190 July/Sep New	X
Wheat, Romania 12.5 pro	USD 187/190 July/Sep New	X
Wheat, Superior, France, Rouen	USD 210/212	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 195/198	X
Wheat, feed, Black Sea	USD 170/173 July/Sep New	X
Barley, France, Rouen port	USD 182/184	X
Barley, feed, Argentina, up river	USD 178/181	X
Barley, feed, Black Sea, 30,000+	USD 167/170 July/Sep New	X
Corn, 2YC FOB NOLA USA	USD 178/182	X
Corn, 3YC FOB USA Pacific northwest	USD 199/202	x
Corn, FOB Argentina port, upriver	USD 163/166 July/Sep	X
Corn, FOB Brazil port	USD 165/168 Aug/Oct	X
Corn, FOB France – Atlantic	USD 190/192	X
Corn, FOB Romania	USD 172/175 July/Sep	X
Corn, FOB Russia	USD 175/178 July/Sep	X
Corn, FOB Ukraine, 30,000+ m/t	USD 169/172 July/Sep	X
Sorghum, FOB Argentina port	USD 149/152 Jun/Aug	X



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Sorghum, FOB Texas	USD 188/191	x
Soymeal, 48% protein, FOB NOLA	USD 330/333 Jun/July	X
Soymeal, 48% protein, USA, Rotterdam	USD 355/358	X
Soymeal, Argentina, Rotterdam	USD 341/344	X
Soymeal, 47% pro, FOB Argentina	USD 308/311	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 337/340	X
Soymeal, 48% protein, FOB Brazil	USD 311/314	X
Soybeans, FOB NOLA	USD 325/328	X
Soybeans, Argentina, FOB	USD 324/327	X
Soybeans, Brazil, FOB	USD 346/349	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 495/505 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 160/165 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 200/206	x

Corn prices were up again on the week and this has certainly helped to move both DDGS and corn gluten meal prices higher. If you look out a few weeks at corn prices it doesn't look like there will be much reason for prices to move lower.

CGM prices out in late August/September are at least USD 30 m/t higher than what has been seen for July export business --- just too much strength in corn prices these days.

There was also a blurb in the news this week about container prices moving higher – not so much to Asia (where freight is low) but certainly to Mid-East and Mediterranean destinations. The story did suggest USD 8 to 10 m/t, but this does seem like a bit too much of a price jump.

It is reported that the US Grains Council is having a workshop on DDGS, corn and sorghum for Europe and the Middle East/Africa region in Athens in mid-June. The workshop is expected to cover much about sourcing and animal nutrition. US shippers and nutrition experts are said to be on the workshop agenda. More information is available from the USGC regional office: tunis@usgrains.net

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 300/310 m/t CNF Asia
Australian MBM 50% protein	USD 330/340 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 390/415 m/t CNF Asia
USA Feathermeal, 80% protein	USD 325/335 to Indonesia
USA Poultry Meal, feed grade	USD 480/520 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 480/500 m/t CNF Asia
	USD 720/740 m/t CNF Asia

Prices for meat and bone meal to major importing markets in Asia were steady again this week but trade reports suggest that there is a lot of meat and bone meal looking for a home which will weigh heavily on market prices.

Both Australia and New Zealand seem to have good supplies of MBM in the export market and major buyers in Indonesia are still out of the market – but they will be back.



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In the US prices for both the domestic and export market were steady on the week with very good supplies of animal proteins keeping a lid on prices. Very tough to move prices higher when there is so much supply in the market – at least the buyers are happy.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Due to mini-fishing bans, the catch this week dropped off quite a bit. The total catch landed is now up to about 825,000 m/t against the quota of 2.1 million m/t.

Not much to report in new sales this week – China seems to be full up for now and according to MSI Ceres comment there has still been about 40,000 m/t of fishmeal in containers waiting to be destuffed which could push the China fishmeal stock up close to 270,000 m/t.

Sales in Peru for this fishing season are said to be about 240,000 m/t – about half of what the full quota can provide in fishmeal. Buyers are just sitting back and waiting and sellers are not interested in being aggressive with prices. But there are some stories that China has purchased some fishmeal at prices USD 40 to 50 m/t lower than prices shown below. It has also been pointed out in the trade that much of China's interest for now is in lower grades of fishmeal as they are up to their eyeballs in prime and super prime.

The trade in Peru is waiting for the aqua season to get going in China so that some of the large stocks of fishmeal can be consumed and we can get back to booking a little more new business.

As a matter of info – one trade report shows this weeks Peru fishmeal prices about USD 100 m/t lower than the prices that I show below – the report also shows Chile fishmeal prices about USD 20 m/t lower. Hopefully by next week I will be able to confirm exactly where the prices stand.

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	1310/1320 m/t	
67% protein standard steam	1370/1380 m/t	
67% protein 150 TVN	1470/1480 m/t	No prices
67% protein 120 TVN	1530/1540 m/t	1510/1520
67% protein 1000 hist, 120 TVN	1600/1610 m/t	1580/1590
68% protein 500 hist, 120 TVN	1650/1660 m/t	1630/1640
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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