



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 26, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Monday is a holiday in the US so week ending prices do tend to do funny things in advance of a long weekend – no traders want to hold open positions for a three day weekend, just too much risk.

Soybeans, soymeal and wheat were all strong this week as corn prices just followed along, ending the week up just a shade. Soybeans were up by about USD 16 m/t on the week while soymeal was up by about USD 8 m/t for later delivery. Winter wheat prices were up by USD 9-10 m/t with spring wheat up by USD 5-6 m/t.

The small increase in corn prices was due to the continuing concern on the second corn crop in Brazil – just not enough rainfall. While some areas of the US are also quite dry, the main corn areas are ok for ground moisture and, as had been expected, the US corn plantings have caught up with where they should be. Some futures experts are saying that corn is in an uptrend and that futures price increases could continue in the near term.

Soybeans and soymeal were up strongly, driven higher by expected soybean business with China and further concerns over the truck strikes in Brazil which are limiting exports. The truck strikes are also said to be limiting soymeal production as beans are not being delivered to crushers. One small comment is that the rally in futures prices on Friday were made with very low volume – perhaps the rally will be reversed next week.

The situation with US wheat was due to weather, weather and weather --- too hot and too dry in the US. The wheat situation in other countries, like Russia and Australia were also supportive of US prices – lower wheat production in other countries got US futures players excited and prices moved higher quickly. However, as with soybeans the wheat price rally was on low volume so may also be reversed next week, once the holiday is over.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	5	15	71	8
Wheat - hard	0	4	17	76	3
Barley, winter	1	7	17	70	5
Barley, spring	1	4	18	75	2
Corn	0	1	12	82	4
Planted	This week %	Last week %	This week 2017 %		
Corn	94	86	99		



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USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, winter	15	20	29	29	7
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Corn	81	62	82	81	
Sorghum	39	32	36	38	
Soybeans	56	35	50	44	
Wheat, spring	79	58	88	80	
Barley	81	62	87	84	

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)	\$30/31.00	Down \$1.00	x
US Gulf South Africa: 45,000 m/t	\$35/36.00	Down \$1.00	X
US Gulf Japan: Panamax	\$43/44.00	Down \$1.00	X
US Gulf China: Panamax	\$42/43.00	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	\$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	\$19/20.00	Down \$1.00	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	\$37/38.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$30/31.00	Down \$1.00	X



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Argentina to Europe: 50/60,000 m/t	\$29/30.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	x
Argentina to Jordan: 50,000 m/t	\$29/30.00	Down \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$30/31.00	Down \$1.00	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	\$26/27.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$32/33.00	Steady	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Steady	X
Brazil to Europe: 50,000 m/t	\$25/26.00	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	\$32/33.00	Down \$1.00	X
Brazil to Spain: 50,000 m/t	\$23/24.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00	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	Steady	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	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	Down \$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)	\$26/27.00	Down \$2.00	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)	\$23/24.00	Down \$2.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$29/30.00	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	Down \$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	1077	Down 204	x
Baltic Capesize Index	1395	Down 658	x
Baltic Panamax Index	1187	Down 54	x
Baltic Supramax Index	1071	Up 2	x
Baltic Handysize Index	587	Down 3	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 June 2018/August 2018

Wheat, USA Soft Red Winter, NOLA	USD 231/235	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 253/258	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 201/205	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 210/213	x
Wheat, Romania 12.5 pro	USD 206/210	x
Wheat, Superior, France, Rouen	USD 209/211	x
Wheat, milling, 12.0%, Argentina, Upriver	USD no prices	x
Wheat, feed, Black Sea	USD 188/193	x
Barley, France, Rouen port	USD no prices	x
Barley, feed, Argentina	USD 178/181 Aug/Sep	x
Barley, feed, Black Sea, 30,000+	USD 210/213	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 187/190	X
Corn, 3YC FOB USA Pacific northwest	USD 204/206	x
Corn, FOB Argentina port, Upriver	USD 189/192	x
Corn, FOB Brazil port	USD 187/191 July/August	x
Corn, FOB France - Atlantic	USD 203/207	x
Corn, FOB Romania	USD 193/196	x
Corn, FOB Russia	USD 195/198	x
Corn, FOB Ukraine, 30,000+ m/t	USD 193/196	x
Sorghum, FOB Argentina port	USD 184/187	x
Sorghum, FOB Texas	USD 178/182	x
Soymeal, 48% protein, FOB NOLA	USD 440/444 July/Sept	X
Soymeal, 48% protein, USA, Rotterdam	USD 465/469 July/Sept	x
Soymeal, Argentina, Rotterdam	USD 447/450	x
Soymeal, 47% pro, FOB Argentina	USD 415/418	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 445/448	x
Soymeal, 48% protein, FOB Brazil	USD 416/419	x
Soybeans, FOB NOLA	USD 406/409	x
Soybeans, Argentina, FOB	USD 419/423	x
Soybeans, Brazil, FOB	USD 406/409	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 605>>595 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 186>>175 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 265>>252 July/Sep	x

The USDA average price this week show that corn gluten feed prices in the US were up by about USD 4 m/t on the week with corn gluten meal said to be up by about USD 5 m/t. While the USDA has DDGS price up by about USD 5 m/t some shippers are said to be offering at slightly lower prices.



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Prices into Asia are higher for DDGS by USD 5 to 70 m/t CNF with both CGF and CGM being steady on the week for export to Asia.

Higher prices for soymeal should keep prices from falling but it is still reported that buyers are bidding well below the current prices – especially for DDGS.

We still see the large premium for nearby shipments and this does not seem to be disappearing – but we keep hoping.

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

Not much new in the export animal protein business, prices into major markets were steady on the week. With many buyers out of the market due to Ramadan demand has been limited. It is expected that the stronger soymeal prices should push MBM prices higher and with fishmeal not falling any lower prices could remain steady to higher with not too many reasons to slip lower.

The US domestic market is also steady except for poultry meal which slipped a little lower on the week, but these lower prices have not yet been seen in the export market.

Most trade reports seem to feel that prices will be steady for the next while or higher if soymeal moves up.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru is still quite good with the catch last week averaging about 40,000 m/t per day, but the daily catch levels are slipping a bit. The total catch to date is now at close to 2.4 million m/t, leaving about 900,000 m/t of the quota. Looks like there is a very good chance to land the entire quota – fingers crossed.

Not much actual business being done in Peru these days. Buyers are not rushing to buy as fishing is still good and supply is building while producers are still trying to cover all their sales before they book much more. But the time will come when buyer will want to buy, and sellers will be willing to sell, and we will see what happens to prices – some “experts” say higher while others say lower.

There are some rumors in the market that lower grades of fishmeal are selling at a discount to prices shown below but that prime and super prime are not being discounted due to limited supply.

MSI-Ceres made the comment this week that “buyers come to Peru for the sweet smell of fishmeal” – for anyone who has not smelled fishmeal or fishmeal production, MSI-Ceres was joking. The odor from a warehouse full of fishmeal can knock you off your feet.

We had an inquiry this week from Turkey for fishmeal and found that the company had sent their inquiry to almost everyone in the fishmeal business in the world. Some traders never learn that



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contacting 50 people for the same business is of no value and normally would hurt the trader's reputation. It is a much better idea to develop a good relationship with a very limited number of good suppliers or brokers – blanketing the market is just not a good idea.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,720
Danish fishmeal	64% protein	1,495
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
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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