



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT June 02, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This was a short week in the US with Monday being a holiday. The shorter week didn't stop prices from falling lower. The USDA crop progress report this week showed that corn planting is all up to average (just as we had expected) and that even winter wheat condition had improved a little.

On the week corn was down by about USD 4 to 6 m/t with soybeans down USD 6 to 8 m/t, soymeal down by USD 5 m/t or so and winter wheat down the most with a drop of USD 7 to 9 m/t --- spring wheat was down the most dropping USD 12 to 15 m/t.

Wheat was lower due to rainfall in much of the thirsty US wheat areas – the added moisture could still help the finishing of the winter wheat crop but will certainly be of benefit to spring wheat. The longer term weather forecast also shows improving weather with temperatures dropping a little and getting closer to more normal seasonal levels. Too hot and too dry is never all that good for grain crops.

Seems that much of the activity in grain and oilseed prices was tied to improving crop weather – better temperatures and increased rainfall.

Sorghum prices mover higher this week as the end of the China situation has the market expecting a rush in new business --- the rush wasn't seen this week only the increase in export and domestic prices.

We will have to see what effect the US trade tariffs on steel and aluminum may have on grains as there may just be a backlash that increases import tariffs in some US grain importing countries – nothing yet but the trade is still concerned.

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	69	6
Barley, spring	1	5	17	73	4
Corn	0	1	15	79	5
Planted	This week %	Last week %	This week 2017 %		
Corn	98	94	100		
USA	Very poor	Poor	Fair	Good	Very Good



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	%	%	%	%	%
Condition					
Wheat, winter	14	20	28	30	8
Corn	1	2	18	63	16
Barley	0	4	27	53	16
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Corn	92	81	90	90	
Sorghum	49	39	43	44	
Soybeans	77	56	65	62	
Wheat, spring	91	79	95	89	
Barley	93	81	93	91	

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$20/21.00	Down \$1.00	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	\$35/36.00	Steady	x
US Gulf Japan: Panamax	\$42/43.00	Down \$1.00	X
US Gulf China: Panamax	\$41/42.00	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	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



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Argentina to Egypt: 50,000 m/t	\$31/32.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$30/31.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	x
Argentina to Jordan: 50,000 m/t	\$30/31.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$30/31.00	Steady	x
Argentina to South Africa 50,000 m/t	\$27/28.00	Steady	X
Argentina to Spain: 50,000 m/t	\$30/31.00	Up \$1.00	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	Steady	x
Brazil to China: 55,000 m/t	\$31/32.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Steady	X
Brazil to Europe: 50,000 m/t	\$26/27.00	Up \$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	\$33/34.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$24/25.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	Up \$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	\$21.00/21.50	Down \$0.50	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	\$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	Steady	x
Russia to Turkey: coaster (1,000 disch)	\$26/27.00	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)	\$23/24.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$29/30.00	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)	\$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	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		x
Baltic Dry Index	1156	Up 79	X
Baltic Capesize Index	1602	Up 206	X
Baltic Panamax Index	1192	Up 5	X
Baltic Supramax Index	1061	Down 10	x
Baltic Handysize Index	583	Down 4	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 223/228	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 244/249	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 195/199	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 202/206	x
Wheat, Romania 12.5 pro	USD 204/208	x
Wheat, Superior, France, Rouen	USD 211/214	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 207/212	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 181/184	x
Corn, 3YC FOB USA Pacific northwest	USD 200/203	x
Corn, FOB Argentina port, Upriver	USD 185/189	x
Corn, FOB Brazil port	USD 186/190 July/August	x
Corn, FOB France - Atlantic	USD 204/208	x
Corn, FOB Romania	USD 199/203	x
Corn, FOB Russia	USD 197/201	x
Corn, FOB Ukraine, 30,000+ m/t	USD 189/192	x
Sorghum, FOB Argentina port	USD 181/184	x
Sorghum, FOB Texas	USD 196/199	x
Soymeal, 48% protein, FOB NOLA	USD 436/440 July/Sept	x
Soymeal, 48% protein, USA, Rotterdam	USD 461/465 July/Sept	X
Soymeal, Argentina, Rotterdam	USD 445/449	x
Soymeal, 47% pro, FOB Argentina	USD 409/412	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 445/449	x
Soymeal, 48% protein, FOB Brazil	USD 410/414	X
Soybeans, FOB NOLA	USD 399/403	x
Soybeans, Argentina, FOB	USD 412/416	x
Soybeans, Brazil, FOB	USD 399/403	x
Soybeans, Black Sea	USD 425/428	x
Corn Gluten Meal, USA FOB NOLA	USD 600>>590 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 186>>175 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 261>>249 July/Sep	x

The USDA issued their April 2018 corn crushing report this week and production of all corn by-products: DDGS, corn gluten feed and corn gluten meal, were down in April from March levels but all items were higher than the production in April last year. DDGS production was at 1.8 million m/t with corn gluten feed at 305,000 m/t and corn gluten meal at 91,000 m/t.



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The USDA weekly average price report had corn gluten feed down by only USD 1 m/t with corn gluten meal down by about USD 4m/t – DDGS was down by about USD 3 m/t.

US spot export prices are starting to slip as logistics situation is improving and the high premium for prompt export shipment is dropping. Hopefully we will soon get to the point where there is little or no premium for nearby shipment.

The US Grains Council mentioned in their report this week that DDGS stocks have built quite a bit and that producers are being aggressive in their pricing in hopes of moving some product and freeing up storage facilities.

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 460/480 m/t CNF Asia USD 460/480 to Indonesia
USA Feathermeal, 80% protein	USD 580/600 m/t CNF Asia
USA Poultry Meal, feed grade	USD 600/610 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 850/870 m/t CNF Asia

Meat and bone meal export prices from most origins were steady on the week but feathermeal prices did drift a little lower from the US as did poultry meal. Supply of animal protein for exports is good from all origins which will certainly keep prices from rallying in the short term also lower prices for fishmeal, soy meal and corn gluten meal will tend to put a lid on any possible price increase.

US domestic prices were also steady on the week but there seemed to be some buying opportunities. The Jacobsen Report this week seemed to be saying that buyer should be quite aggressive with their pricing as producers may be a little cooperative on pricing due to very heavy supplies.

Weakness in the US domestic market should move into the export market.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Total catch in Peru is now up to about 2.7 million m/t leaving only about 650,000 m/t of catch to go. Fishmeal production to date is estimated at about 610,000 m/t with fishoil production at 117,000 m/t. Overall fishing in Peru is still good – certainly better than many experts had predicted. Most experts are now saying that the full quota should be landed, and that the quota could all be caught well before the end of June. Certainly seems to be about the best fishing season in quite a while.

Trade estimates say that about 600,000 m/t of fishmeal have been sold and this covers all the unshipped carry over from last season and the early bookings on this season. Looks like the producers will be back to offering fishmeal for sale – ah but what will the pricing be.

Rough trade price indications do show that prices have dipped lower again this week – now that there is something to sell. However, producers are not yet being too aggressive in their selling, seems that they are still too busy trying to get all the existing business shipped --- as usual the sudden rush to export has jammed up the logistics situation in the ports and shippers must fight for containers. However, with so much fishmeal in hand and to be produced, the producers all have big smiles on their faces --- looks like a year of good profits.



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European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,630
Danish fishmeal	64% protein	1,490
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,600

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	1200/1220 m/t	
65/66 protein	1230/1250 m/t	
67% protein standard steam	1270/1290 m/t	
67% protein 150 TVN	1350/1370 m/t	No prices
67% protein 120 TVN	1400/1420 m/t	No prices
67% protein 1000 hist, 120 TVN	1450/1470 m/t	1400/1420
68% protein 500 hist, 120 TVN	1500/1520 m/t	1500/1520
Fish oil, crude bulk	1300/1350	1250/1300
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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