



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT June 09, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This week was another of those down weeks for corn and soybean, not so much for wheat. Corn prices dropped by about USD 5 m/t while soybeans were down by close to USD 20 m/t and soymeal dropped USD 15 to 17 m/t. Wheat was only down a tad on the week with winter wheat almost steady and but spring wheat dropping by around USD 4 m/t.

Much of the fall in US prices this week was due to weather --- good weather. While it may be hotter than usual in some parts of the US there looks to be some decent rains in the forecast, so no one sees any serious crop problems in the US.

The drop in prices that could not be tied to weather was said to be due to trade concerns, especially with soybeans, as no one really knows what is happening ---- will China continue to be in the US soybean market, will the China sorghum business explode again. Will Donald Trump put export agriculture out of business.? One thing that you can certainly say about Mr. Trump is that he is not running the US like a politician – much more like the patriarch of a large family company. While he does seem to go off into the deep end most days, he does seem to be able to come up smelling like roses and not other things. Interestingly, the majority of Americans don't consider him to be a "Dummkopf" (although most European seem to).

We are all waiting to see the USDA WASDE report next week and the trade seems to feel that both corn and soybean stocks will be down a little – but no one is expecting this to have any major bullish reaction on prices. But, of course, we could still be surprised by the USDA numbers.

I was in Malta this week and it was nice to be back in a country where I had done a great deal of business in the past – back when the government was the major grain buyer. The only problems with Malta are that everything seems to be uphill and the humidity is like Singapore. We were in Malta, opportunely, at the time of the remembrance of the "bread riots" from back in 1919. It is kind of like the Boston Tea Party in the US but in 1919 four Maltese were killed by the British when they fired on the crowd of "bread" protestors. The remembrance today is quite peaceful.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	5	16	70	8
Wheat - hard	0	5	17	75	3
Barley, winter	1	7	17	69	6
Barley, spring	1	5	17	74	4
Corn	0	4	18	72	5
Planted	This week %	Last week %	This week 2017 %		



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Corn	98	98	100		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, winter	14	21	28	29	8
Wheat, spring	1	3	26	61	9
Corn	1	2	19	61	11
Soybeans	1	3	21	61	14
Barley	1	2	18	66	13
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	5	0	9	4	
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Corn	97	92	95	95	
Sorghum	61	49	53	54	
Soybeans	87	77	81	75	
Wheat, spring	97	91	99	94	
Barley	97	93	98	95	

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	Up \$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)	\$31/32.00	Up \$1.00	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Up \$1.00	x
US Gulf Nigeria: 30,000 m/t	\$42/43.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Steady	x
US Gulf South Africa: 45,000 m/t	\$36/37.00	Up \$1.00	x
US Gulf Japan: Panamax	\$43/44.00	Up \$1.00	x
US Gulf China: Panamax	\$42/43.00	Up \$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	\$45/46.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$43/44.00	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	\$32/33.00	Steady	x
France/Germany to China: 50,000 m/t	\$35/36.00	Up \$1.00	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	\$27/28.00	Up \$1.00	x
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00	Steady	x



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France/Germany to Morocco: 30,000 m/t (3k disch)	\$13/14.00	Steady	x
France/Germany to Saudi Arabia: 50/60,000	\$24/25.00	Up \$1.00	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	Steady	x
Argentina to Japan: 50,000 m/t, with top-off	\$37/38.00	Steady	x
Argentina to Egypt: 50,000 m/t	\$32/33.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$31/32.00	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	\$31/32.00	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	\$31/32.00	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	\$33/34.00	Up \$2.00	X
Brazil to Japan: 55,000 m/t	\$34/35.00	Up \$1.00	x
Brazil to Europe: 50,000 m/t	\$27/28.00	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	Steady	x
Brazil to Spain: 50,000 m/t	\$25/26.00	Up \$1.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	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	\$21.50/22.00	Up \$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	Steady	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)	\$15/16.00	Up \$1.00	x
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Up \$1.00	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)	\$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		x



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Baltic Dry Index	1391	Up 235	x
Baltic Capesize Index	2151	Up 549	X
Baltic Panamax Index	1418	Up 226	x
Baltic Supramax Index	1075	Up 14	x
Baltic Handysize Index	584	Up 1	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 June 2018/August 2018

Wheat, USA Soft Red Winter, NOLA	USD 222/225	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 246/250	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 192/196	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 201/205	x
Wheat, Romania 12.5 pro	USD 206/211	x
Wheat, Superior, France, Rouen	USD 216/218	x
Wheat, milling, 12.0%, Argentina, Upriver	USD no prices	x
Wheat, feed, Black Sea	USD 188/193	x
Barley, France, Rouen port	USD not available	x
Barley, feed, Argentina	USD 178/181 Aug/Sep	x
Barley, feed, Black Sea, 30,000+	USD 192/197	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 176/179	x
Corn, 3YC FOB USA Pacific northwest	USD 193/196	x
Corn, FOB Argentina port, Upriver	USD 175/179	x
Corn, FOB Brazil port	USD 182/186 July/August	x
Corn, FOB France - Atlantic	USD 201/204	x
Corn, FOB Romania	USD 199/203	x
Corn, FOB Russia	USD 195/199	x
Corn, FOB Ukraine, 30,000+ m/t	USD 184/188	x
Sorghum, FOB Argentina port	USD 173/177	x
Sorghum, FOB Texas	USD 190/194	x
Soymeal, 48% protein, FOB NOLA	USD 418/422 July/Sept	x
Soymeal, 48% protein, USA, Rotterdam	USD 443/447 July/Sept	x
Soymeal, Argentina, Rotterdam	USD 422/426	x
Soymeal, 47% pro, FOB Argentina	USD 397/401	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 427/431	x
Soymeal, 48% protein, FOB Brazil	USD 391/395	X
Soybeans, FOB NOLA	USD 380/384	x
Soybeans, Argentina, FOB	USD 391/395	x
Soybeans, Brazil, FOB	USD 383/388	x
Soybeans, Black Sea	USD 425/428	x



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Corn Gluten Meal, USA FOB NOLA	USD 598>>588 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 184>>173 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 246>>239 July/Sep	x

All across the corn by-product range prices trended lower this week. According to the USDA corn gluten feed prices in the US domestic market were down by as much as USd 9 m/t with corn gluten meal showing an even larger drop at about USd 20 lower in parts of the US. DDGS price have also fallen off in the US by USd 6 or 7 m/t.

Unfortunately, all these domestic price drops have not moved right across to the export prices due to continuing Mississippi river problems keeping export prices a little higher. But the USD 15 m/t drop in soymeal prices is weighing heavily on the market and will keep prices a little weak.

There was a comment in the trade this week that even though US prices have slipped there has been and increase in export container rates which has offset some of the price weakness – at least on a CNF basis for buyers who take containers.

USA exports of corn by-products – 4 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/April 2018	Corn Gluten Meal Jan/April 2018	Corn Gluten Feed Jan/April 2018
Bangladesh	41,800	1,200	
Burma	22,100	1,300	
Cambodia	17,400		
Canada	226,900	23,500	
Chile		31,700	
China	62,400		
Colombia	64,900	27,800	9,300
Costa Rica	22,100		
Denmark		6,600	
Egypt	53,400	47,400	
El Salvador	25,400		
Honduras	14,300		
Indonesia	221,700	32,500	500
Ireland	118,100		108,800
Israel	98,000		68,200
Japan	145,000	1,000	
Malaysia	22,900	6,600	
Mexico	698,100	5,300	9,100
Morocco	56,700		21,700
New Zealand	68,000		10,400
Philippines	45,800		
Portugal	10,300		22,200
Saudi Arabia	2,200		
South Korea	352,900		900
Spain	53,600		



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Sri Lanka	6,500		
Taiwan	63,900	13,300	
Thailand	344,900	9,800	
Tunisia	22,000		
Turkey	252,700		
UK	62,400	1,000	8,600
Vietnam	383,000	2,500	

@USDA GATS

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 440/460 to Indonesia
USA Feathermeal, 80% protein	USD 580/600 m/t CNF Asia
USA Poultry Meal, feed grade	USD 600/620 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 870/900 m/t CNF Asia

Prices to major buyers in Indonesia slipped a little this week with the trade reporting that it is low cost MBM from Europe that is pushing prices lower. According to the Jacobsen report this week there have been stories of mixed animal MBM trading in Asia in the USd 300 m/t CNF range –vey cheap but also lower protein and in some cases with interesting documents.

Australian prices were down a little on the week – perhaps USd 10 m/t. With prices from the US and New Zealand said to be steady into Asia.

Jacobsen was also saying this week that the animal protein prices, at least the US, could be moving higher in coming weeks – especially on pork meal where supply is tightening and if pork moves up the beef MBM will be right behind.

USA exports of animal protein – 4 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feathermeal
	Jan/April 2018	Jan/April 2018
Burma	2,700	
Canada	18,000	3,500
Chile		8,800
China	14,400	14,100
Colombia	700	
Ecuador	4,500	
Germany		
Honduras		
Indonesia	55,800	9,600



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Malaysia	1,600	
Mexico	68,800	
Philippines	6,600	
Sri Lanka	1,300	
Thailand	5,600	
Vietnam	21,900	
Total exports	206,900	36,900

@USDA GATS

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Well, we are certainly getting close to the end of this fishing season in Peru – the catch up to Friday was up to about 3.05 million m/t – so only just less than 300,000 m/t to go. 300,000 m/t looks to be about eight days of fishing, at the recent average catch levels. What do you know – a really good fishing season.

So far this season, Chimbote has been the best area for fishing landing close to fifty percent of the catch at about 1.4 million m/t. the Center Region is not too far behind with about 40% of the catch or 1.1 million m/t.

Trade reports from Peru say that there is not too much business being done – producers are still not too excited about selling and the big China buyers seem to be well covered.

Estimates by a couple of trade reports show that only 150,000 m/t maximum will be unsold at the end of fishing and that this must last the industry until November – November is a few months away, so available stocks are probably going to get quite tight once all the existing business is shipped and producers get in the mood to sell. Higher prices over the next few months will probably be the case as Peru's stocks all get sold.

The odd bit of comment that one hears directly from producers seems to be very upbeat on the fishmeal business, at least for this season. But, it is about time that we had a really good season with lots of fish, prices that allow a profit and factories and ships working at full tilt ---- may it continue into next season too.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,660
Danish fishmeal	64% protein	1,495
Peru fishmeal	64% protein	1,470
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,625

PERU "INDICATION" FISHMEAL PRICES:

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS
Minimum shipment of 200 m/t for fishmeal



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<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
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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