



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT June 15, 2019

Hey, hey – another up week in the grain and oilseed markets: corn prices up by USD 10 to 13 m/t, soybeans up by almost USD 15 m/t, soymeal up by USD 10 to 11 m/t and winter wheat up by USD 10 to 13 m/t ---- only spring wheat moved a little lower, dropping by a couple of dollars m/t.

US corn prices are being pushed higher by forecasts for smaller crop yields and lower planting levels even with expected very good crops in Argentina and Brazil. We will still have lots of corn for the year but may just have to pay a little more for it. Corn futures prices are at their highest level in about 5 years and the export basis is strong as farmers are holding on to what stocks they have. Makes sense not to sell into a rising market.

Also with corn, there were reports that France's corn crop is doing very well, and everyone is looking to more corn from the Ukraine ---- so, there seems to be the odd bearish factor out there but not enough to offset the bullish effects of more rain in the US.

Like corn, soybeans are moving higher on the wet US weather and the delays in planting. So far, the delays for soybeans have not been serious, with soybeans planting later than corn so probably less rain effect, but if the rain continues there will be concern over delayed planting and reduced yields.

It seems that winter wheat has more of a dryness effect than rainfall – while some areas do have too much rain as the crop finishes, other areas are too dry which could also affect yields. But the main factor with wheat is what the rain will do to the finishing and the harvesting. Experts are saying that winter wheat prices should continue higher.

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	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$31/32.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$37/38.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$35/36.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$46/47.00	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
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	\$25/26.00	Up \$1.00	X
US PNW China: Panamax	\$24/25.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$46/47.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$52/53.00	Up \$1.00	X



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France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$16/17.00	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)	\$15/16.00	Up \$1.00	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	\$17/18.00	Up \$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	\$35/36.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$27/28.00	Down \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$27/28.00	Down \$2.00	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	\$34/35.00	Steady	X
Argentina to Spain: 50,000 m/t	\$27/28.00	Down \$2.00	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	\$20/21.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Steady	X
Brazil to China: 55,000 m/t	\$32/33.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$31/32.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$26/27.00	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	\$26/27.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$28/29.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Up \$1.00	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	\$31/32.00	Down \$2.00	X
Ukraine to Bangladesh: 45,000 m/t	\$42/43.00	Up \$2.00	X
Ukraine to India: 45/50,000 m/t	\$38/39.00	Up \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$21/22.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$21/22.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$17/18.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Up \$2.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$21/22.00	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)	\$32/33.00	Steady	X
Black Sea to Europe: 50,000 m/t	\$17/18.00	Down \$1.00	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)	\$17/18.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$22/23.00	Steady	X



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Black Sea to Libya: 25/35,000 m/t	\$22/23.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m//t	\$38/39.00	Steady	X
Black Sea to Turkey – 30,000 m/t	\$15/16.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1138	Down 53	X
Baltic Capesize Index (100,000 plus DWT)	1862	Down 62	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1131	Down 82	X
Baltic Supramax Index (50,000 to 60,000 DWT)	716	Down 3	X
Baltic Handisize Index (25,000 plus DWT)	420	Up 8	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 236/238	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 228//231	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 184/186 July/Sep New	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 196/198 July/Sep New	X
Wheat, Romania 12.5 pro	USD 194/196 July/Sep New	X
Wheat, Superior, France, Rouen	USD 213/215	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 193/198 Dec/Jan	X
Wheat, feed, Black Sea	USD 180/182 July/Sep New	X
Barley, France, Rouen port	USD 184/187	X
Barley, feed, Argentina, up river	USD 180/183	X
Barley, feed, Black Sea, 30,000+	USD 168/171 July/Sep New	X
Corn, 2YC FOB NOLA USA	USD 205/208	X
Corn, 3YC FOB USA Pacific northwest	USD 214/217	X
Corn, FOB Argentina port, upriver	USD 180/182 July/Sep	X
Corn, FOB Brazil port	USD 187/190 Aug/Oct	X
Corn, FOB France – Atlantic	USD 205/207	X
Corn, FOB Romania	USD 184/187 July/Sep	X
Corn, FOB Russia	USD 178/181 July/Sep	X
Corn, FOB Ukraine, 30,000+ m/t	USD 183/186 July/Sep	X
Sorghum, FOB Argentina port	USD 164/167	X
Sorghum, FOB Texas	USD 211/214	X
Soymeal, 48% protein, FOB NOLA	USD 363/366 Jun/July	X
Soymeal, 48% protein, USA, Rotterdam	USD 388/391	X
Soymeal, Argentina, Rotterdam	USD 371/374	X
Soymeal, 47% pro, FOB Argentina	USD 339/342	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 365/368	X



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Soymeal, 48% protein, FOB Brazil	USD 348/351	X
Soybeans, FOB NOLA	USD 352/355	X
Soybeans, Argentina, FOB	USD 350/353	X
Soybeans, Brazil, FOB	USD 366/369	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 170/175 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 225/228	X

Corn byproduct prices were all higher this week as they followed corn prices. DDGS price seemed to be about the strongest this week as we see export prices up as high as USD 225 FOB export port. Corn gluten meal was also quite a bit stronger – especially looking into August and September where buyers are going to have to pay about USD 40 m/t more than they just paid for May/June shipments.

Even poor old corn gluten feed is finding a little strength in export prices and has moved about USD 5 m/t higher on the week.

I don't see any reason this week for lower prices – with corn not looking to move lower there would seem to be more of a chance of higher than lower prices in the near future.

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 390/400 m/t CNF Asia USD 320/330 to Indonesia
USA Feathermeal, 80% protein	USD 480/520 m/t CNF Asia
USA Poultry Meal, feed grade	USD 480/500 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 725/745 m/t CNF Asia

Even with soymeal prices moving higher it looks like most animal protein export prices remained steady --- perhaps they will follow soymeal next week. Trade reports are saying that strong exports from the EU at very low prices tends to keep a lid on prices – at least for meat and bone meal.

Export prices from the US, Australia and New Zealand all seem quite steady this week – sellers are trying for higher prices but doesn't seem to be working.

US domestic prices for animal proteins also have not done anything this week -- even with soymeal continuing to rally. Seems that for animal proteins the current supply is too much for the demand, so prices don't want to move any higher.

Looking at this week's trade reports, no one seems to be expecting anything in the way of a price rally --- but that can change if soymeal price keep moving higher and feed producers switch to more MBM.



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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Depending on which trade report you read there seems to be a great deal of variation in where people think that the fishmeal price levels are. The price levels that I am showing below for Peru are probably a little too high as some trade reports show the 68% Super Prime down as low as USD 1525 m/t --- of course this may just be the bid price from China rather than where business can be done. However, it does look like prices will be slipping a little lower as there is now some stock of fishmeal on hand in Peru that isn't sold yet.

The catch so far is now up to about 1.55 million m/t leaving about 550,000 m/t of catch to go. If the catch can continue at 100,000 m/t per week then we will be completed in early July. However, fishing bans and bad weather will play a part in the catch.

Chinese stocks of fishmeal are still reported to be quite high, but the offtake of fishmeal should pick up shortly and stocks should drop before the large arrivals from Peru.

Peru's fishmeal exports in 2019, to the end of May, are estimated at 490,000 m/t with 80% going to China and another 12.7% to other Asian destinations. Outside of Asia, Chile and Ecuador are the biggest buyers of Peru fishmeal taking 15,000 m/t or about 3.1% of total exports.

Thinking about prices, if the buying from China stays as quiet as it is then we may see some exporters interested in the low bids being shopped around but there doesn't seem to be any good reason to expect a collapse in fishmeal prices.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Got the source for the prices once again - yippee

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,880
Danish fishmeal	64% protein	1,515
Peru fishmeal	64% protein	1,520
Chile fishmeal	67% protein	1,575
Iceland fishmeal	70% protein	1,875

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
65/66 protein	1280/1300 m/t	
67% protein standard steam	1350/1370 m/t	
67% protein 150 TVN	1450/1470 m/t	No prices
67% protein 120 TVN	1500/1520 m/t	1500/1520
67% protein 1000 hist, 120 TVN	1550/1570 m/t	1570/1590
68% protein 500 hist, 120 TVN	1600/1620 m/t	1600/1620
Fish oil, crude bulk	1900/1950	
Fish oil, crude drums	1950/2000	



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Fish oil, flexi tank	2050/2100	
Fish oil, Omega 3: 28%EPA/DHA	2100/2400	

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

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