



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT June 16, 2018

There is nothing like some weakness in the market to get everyone excited and this week was certainly one for falling prices. Corn was down by about USD 6 m/t with soybeans down by USD 2- to 24 m/t, soymeal down by about USD 18 to 20 m/t, winter wheat and spring wheat both down by about USD 8 m/t --- everything was down.

Other than the effect of the trade situation with the US and almost everyone, grain/oilseed markets moved lower on good US weather with decent rainfall in the forecast – there is nothing like some good weather during the growing season to help move prices lower.

Experts were saying that US corn prices moved lower mainly due to the drop in soybean prices as futures traders just sold everything in sight. The trade restriction with China will have no effect on US corn exports as China doesn't import any US corn and with there being less and less corn available in the Black Sea it looks like US corn will be the corn/maize of choice for now for many destinations. Some experts are saying that US corn prices could be at or close to the bottom and they don't see much room for lower prices in coming days. If you factor in the problems with corn crops in the Ukraine and parts of Europe, then one can see why the experts feel that corn prices should soon be moving higher.

The US/China situation is having a major effect on US soybean prices and we now see soybeans at their lowest price level in close to a year. With the US putting tariffs on USD 50 billion in Chinese goods and China adding tariffs to 545 US items, including soybeans – then the trade situation is very murky for the moment.

These days, soybeans and soymeal are quite a bargain and international buyers are certainly taking advantage of the lower prices. No one is much even talking about the US weather just all talk of China and what will happen.

US wheat is another grain that is not affected by the China situation, but wheat prices were still lower on the week as futures traders were just getting rid of their long positions in almost everything. About the only factor that should affect wheat is the longer term US weather and for now it looks to be quite good, so probably no immediate reason for a price rally in US wheat.

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Crop Situation and Condition – USA and France

<u>France</u>	Very poor %	Poor %	Fair %	Good %	Very Good %
<u>Condition</u>					
Wheat - soft	1	7	17	68	8
Wheat - hard	0	7	20	70	2
Barley, winter	1	8	17	68	6
Barley, spring	1	5	17	74	3



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Corn	0	6	20	69	5
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, winter	15	20	27	30	8
Wheat, spring	1	3	26	61	9
Corn	1	3	19	59	18
Sorghum	4	10	36	46	4
Soybeans	1	3	22	60	14
Barley	0	1	16	74	9
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	14	5	16	10	
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Sorghum	80	61	69	68	
Soybeans	93	87	91	85	

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	\$29/30.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$42/43.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$32/33.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	Up \$1.00	X
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 \$1.0	X
US East Coast Egypt: Panamax	\$44/45.00	down \$1.00	X
US East Coast Nigeria: Handisize	\$43/44.00	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	\$35/36.00	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	\$27/28.00	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



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France/Germany to Saudi Arabia: 50/60,000	\$24/25.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$26/27.00	Down \$1.00	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	\$39/40.00	Up \$1.00	x
Argentina to Japan: 50,000 m/t, with top-off	\$38/39.00	Up \$1.00	x
Argentina to Egypt: 50,000 m/t	\$33/34.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$31/32.00	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	\$33/34.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$28/29.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$31/32.00	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	Steady	x
Brazil to China: 55,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$27/28.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$25/26.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$27/28.00	Steady	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	\$36/37.00	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)	\$15/16.00	Steady	X
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)	\$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	\$20/21.00	Up \$1.00	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)	\$21/22.00	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	1445	Up 54	X
Baltic Capesize Index	2223	Up 72	X
Baltic Panamax Index	1495	Up 77	X
Baltic Supramax Index	1091	Up 16	X
Baltic Handisize Index	593	Up 9	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 July 2018/September 2018

Wheat, USA Soft Red Winter, NOLA	USD 215/218	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 241/245	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 187/191	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 201/204	x
Wheat, Romania 12.5 pro	USD 196/199	x
Wheat, Superior, France, Rouen	USD 209/213	x
Wheat, milling, 12.0%, Argentina, Upriver	USD no prices	x
Wheat, feed, Black Sea	USD 190/193	x
Barley, France, Rouen port	USD 193/196	x
Barley, feed, Argentina	USD 178/181 Aug/Sep	X
Barley, feed, Black Sea, 30,000+	USD 191/194	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 169/172	x
Corn, 3YC FOB USA Pacific northwest	USD 187/190	x
Corn, FOB Argentina port, Upriver	USD 175/178	x
Corn, FOB Brazil port	USD 176/181	x
Corn, FOB France - Atlantic	USD 198/202	x
Corn, FOB Romania	USD 201/204	x
Corn, FOB Russia	USD 199/203	x
Corn, FOB Ukraine, 30,000+ m/t	USD 184/187	x
Sorghum, FOB Argentina port	USD 170/174	x
Sorghum, FOB Texas	USD 185/190	x
Soymeal, 48% protein, FOB NOLA	USD 401/405 July/Sept	X
Soymeal, 48% protein, USA, Rotterdam	USD 426/430 July/Sept	x
Soymeal, Argentina, Rotterdam	USD 412/415	x
Soymeal, 47% pro, FOB Argentina	USD 376/380	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 415/418	x
Soymeal, 48% protein, FOB Brazil	USD 376/383	x
Soybeans, FOB NOLA	USD 359/364	x
Soybeans, Argentina, FOB	USD 372/375	x
Soybeans, Brazil, FOB	USD 372/376	x
Soybeans, Black Sea	USD no prices	x



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Corn Gluten Meal, USA FOB NOLA	USD 590>>580 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 175>>168 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 240>>234 July/Sep	x

All corn by-product prices were lower this week as the market followed corn prices down. Depending who you were talking to prices were USD 7 to 12 m/t lower. DDGS for export has slipped lower by perhaps as much as USD 10 m/t with corn gluten feed also down by about USD 10 m/t for export – corn gluten meal was even weaker with prices out a few weeks down by about USD 20 m/t.

Spot prices in the US were not down as much as August prices but there was still USD 7 to 10 m/t weakness in all spot prices.

The USDA average domestic price report had corn gluten feed down by about USD 5 m/t with corn gluten meal down by USD 7 m/t and DDGS down by USD 8 to 10 m/t.

This week has certainly looked like a buying opportunity for corn by-products.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 400/410 m/t CNF Asia
Australian MBM 50% protein	USD 450/460 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 490/500 m/t CNF Asia
Australian Poultry Meal, pet food	USD 850/870 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 600/620 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

Meat and bone meal prices into Asia were steady to a little lower this week as the drop in soymeal prices didn't seem to move into the market as yet. Also, this week marked the end of Ramadan and the beginning of the Eid Al-Fitr post Ramadan holidays, so many Asian buyers were probably out of the market and won't be back in until midweek or so.

In the US, lower vegetable protein prices in the country are making animal protein producers look more to the export market for some business and a little higher price. US feed producers are able to quickly switch between protein items – this week they were buying veg protein at much lower prices than last week – which does tend to make the export market a little more attractive for longer term business – price changes tend to come a little more slowly in the export business.

According to the Jacobsen report, more and more US animal protein is moving into the export market as domestic US prices are just not too interesting to producers.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The total fish catch in Peru is bumping against 3.15 million m/t with the full quota well within reach and everyone is now starting to talk about the next fishing season.

Fishmeal prices have moved higher this week as everyone can now see how much fishmeal there will be and how little is going to be left unsold. As mentioned last week, there is a good few weeks until the next fishing and not a large amount of fishmeal to cover the period – so naturally, prices move higher.



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Chinese buyers are reported to be back in the market in Peru, trying to make sure that they are fully covered up to the end of 2018 or into early 2019 – that means full coverage for at least six months.

There were comments in the trade this week that the higher grades of Peru fishmeal are in quite short supply so we could see a widening of the price spread for the higher grades.

The latest IFFO number show that total world fishmeal production (at least for the major producers) is up by about 27% with Peru production up by close to 52%. Total production reported by IFFO stands at 1.5 million m/t for 2018 to the end of May versus 1.18 mm/t last year.

Also with the IFFO, Petter Martin Johannessen, formerly of Cargill Aqua, will become the new director general on the retirement of Andrew Mallison in September 2018. Mr. Johannessen will also be acting as executive director of the Global Aquaculture Alliance.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,690
Danish fishmeal	64% protein	1,520
Peru fishmeal	64% protein	1,485
Chile fishmeal	67% protein	1,535
Iceland fishmeal	70% protein	1,670

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	1270/1290 m/t	
65/66 protein	1300/1320 m/t	
67% protein standard steam	1340/1360 m/t	
67% protein 150 TVN	1420/1440 m/t	No prices
67% protein 120 TVN	1470/1490 m/t	No prices
67% protein 1000 hist, 120 TVN	1520/1540 m/t	1550/1570
68% protein 500 hist, 120 TVN	1570/1590 m/t	1580/1600
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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