



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

We have a hot week coming up in Provence --- looks to get up to the low 40's and it is only June.
Guess the weather is trying to make up for all the rain we had in the Spring.

WEEKLY FEED GRAIN AND PROTEIN REPORT June 22, 2019

It wasn't quite as exciting a week this week with markets a little calmer, but it looks like a change in the weather in the US has brought the recent price rally to an end – at least for now.

On the futures side of things, we had corn prices ending the week down by about USD 5 m/t with soft winter wheat also down by USD 5 m/t while hard winter wheat dropped by about USD 9 m/t. Soybean futures were up by a couple of dollars at week's end while soymeal dropped by about USD 9 m/t.

As everyone had expected, the US farmer has done a great job of getting most of the crops in the ground – rain and mud aside. For corn the overall crop rating is just a shade lower than the normal level so perhaps we won't see yields drop quite as much as some experts think. The percentage of corn crop emerged is quite a bit behind the yearly average, but this too should catch up quickly, one hopes.

It is interesting to note that some futures analysts think we are in for another corn price rally as, they say, bull markets follow a cycle of 5 waves and we are only just through the second wave. Not too sure that I would put any money on this theory. I am more of a fundamental type of guy.

Some reports say that US corn is priced out of the export market but with Black Sea corn getting much harder to find we may see increased US corn business to North Africa, Egypt in particular.

Most experts seem to feel that soybean prices don't look to have much chance of moving higher and may just move along at steady levels or slip lower as the crop planting continues and if the growing weather is good.

US wheat prices did slip as the harvest is moving along even though we still have rain. Wheat exports are not all that good –actually poor – since US wheat prices are the highest in the world. Perhaps some wheat will have to move into the animal feed market to keep the supply level reasonable. As a nutritionist mentioned to me in Athens, the US is not big on feed wheat but if the price is right they will use it an drop corn usage.

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)	\$35/36.00	Down \$2.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00	Down \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$46/47.00	Steady	X

-



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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	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	Down \$1.00	X
US PNW China: Panamax	\$23/24.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$46/47.00	Steady	X
US East Coast Nigeria: Handisize	\$52/53.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$17/18.00	Up \$1.00	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	Steady	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	\$16/17.00	Down \$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	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$26/27.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Steady	X
Argentina to Jordan: 50,000 m/t	\$34/35.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$33/34.00	Down \$2.00	X
Argentina to South Africa 50,000 m/t	\$34/35.00	Steady	X
Argentina to Spain: 50,000 m/t	\$26/27.00	Down \$1.00	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	\$19/20.00	Down \$1.00	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	Steady	X
Brazil to Japan: 55,000 m/t	\$31/32.00	Steady	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	\$29/30.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	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	\$30/31.00	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$44/45.00	Up \$2.00	X
Ukraine to India: 45/50,000 m/t	\$40/41.00	Up \$2.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00	Up \$2.00	X



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Russia to Turkey - Izmir: coaster (1,000 disch) -	\$28/29.00	Up \$7.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Down \$1.00	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	Up \$2.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$42/43.00	Up \$10.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	Up \$2.00	X
Black Sea to Europe: 50,000 m/t	\$18/19.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$18/19.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$18/19.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$24/25.00	Up \$2.00	X
Black Sea to Libya: 25/35,000 m/t	\$23/24.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	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)	\$18/19.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1239	Up 101	X
Baltic Capesize Index (100,000 plus DWT)	2278	Up 416	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1096	Down 35	X
Baltic Supramax Index (50,000 to 60,000 DWT)	751	Up 35	X
Baltic Handisize Index (25,000 plus DWT)	440	Up 20	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 232/236	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 218/2281	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 185/187 July/Sep New	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 195/197 July/Sep New	X
Wheat, Romania 12.5 pro	USD 194/196 July/Sep New	X
Wheat, Superior, France, Rouen	USD 219/221	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 190/194 Dec/Jan	X
Wheat, feed, Black Sea	USD 179/181 July/Sep New	X
Barley, France, Rouen port	USD 186/189	X
Barley, feed, Argentina, up river	USD 182/185	X
Barley, feed, Black Sea, 30,000+	USD 164/168 July/Sep New	X
Corn, 2YC FOB NOLA USA	USD 201/204	X
Corn, 3YC FOB USA Pacific northwest	USD 212/215	X
Corn, FOB Argentina port, upriver	USD 190>>175 July/Sep	X
Corn, FOB Brazil port	USD 185/188 Aug/Oct	X
Corn, FOB France – Atlantic	USD 199/201	X
Corn, FOB Romania	USD 184/187 July/Sep	X



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corn, FOB Russia	USD 178/181 July/Sep	X
Corn, FOB Ukraine, 30,000+ m/t	USD 187/190 July/Sep	X
Sorghum, FOB Argentina port	USD 161/164	X
Sorghum, FOB Texas	USD 208/211	X
Soymeal, 48% protein, FOB NOLA	USD 358/361 Jun/July	X
Soymeal, 48% protein, USA, Rotterdam	USD 383/386	X
Soymeal, Argentina, Rotterdam	USD 367/370	X
Soymeal, 47% pro, FOB Argentina	USD 332/335	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 364/367	X
Soymeal, 48% protein, FOB Brazil	USD 338/341	X
Soybeans, FOB NOLA	USD 358/361	X
Soybeans, Argentina, FOB	USD 349/352	X
Soybeans, Brazil, FOB	USD 365/368	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 steady this week – steadier than most expected. One export trader was saying that the slow down in the Mississippi River was helping to keep FOB US Gulf prices up as it is tough to get barges down the river.

Demand for container shipments of DDGS and corn gluten meal are up due to the river problems. It is also reported that markets like Egypt are buying more in containers as they have nothing to combine the cargo with – no chance for part cargoes at present with nothing much going from NOLA to Egypt.

I was at the US Grains Council Workshop in Athens this week. The workshop was mainly for DDGS and sorghum and was certainly of great value to those end users who are not too sure how to use these products. The workshop attendees were from Europe, the Mediterranean, Africa, the Middle East and as far as Pakistan – I met some very interesting people.

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 480/500 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

Both export and domestic prices for animal proteins were steady this week with little or no excitement in the market. Export supplies are quite good from most origins and orders are keeping up with supply, so we are in a bit of a balanced period.

The US based Jacobsen Report says that US domestic prices are “at or near record lows” so one would expect that may be more chance of higher than lower prices. They also say that producers are



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

pushing as much as they can for export business to lighten the domestic market --- this will probably keep the export prices from rallying in the near term.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The fishing in the north of Peru has dropped off a little due to some fishing bans and some bad weather. However, total for the week was still in excess of 80,000 m/t which pushes the total catch up to 1.7 million m/t – only 400,000 m/t left to go. It looks like the fishing will carry on until about the middle of July.

New business in Peru has been very quiet and there does seem to be a decent availability of fishmeal. Prices shown below and in trade papers have not changed but most people feels that buyers are looking to pay about USD 20 or 30 m/t lower. Some experts say that there could be as much as 150,000 m/t of fishmeal to sell from the current quota with the price deeding on what happens with China/

Also reported that little has changed in China with fishmeal consumption slipping lower as African Swine Fever (ASF) risks increase. It is said that the drug industry is working hard to come up with a vaccine, but no one expects it to be a quick solution to the problem. One expert that I talked to this week says that it will probably be 8 to 10 years away. At present the only cure is, like foot and mouth disease, kill the animals and burn the carcasses and disinfect to try to limit the spread of the disease.

If ASF continues in China this could effect the fishmeal exports from Peru and will certainly weaken prices --- after all China is the main consumer of fishmeal from all origins.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,910
Danish fishmeal	64% protein	1,525
Peru fishmeal	64% protein	1,530
Chile fishmeal	67% protein	1,580
Iceland fishmeal	70% protein	1,900

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS

Minimum shipment of 200 m/t for fishmeal

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



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Fish oil, crude drums	1950/2000	
Fish oil, flexi tank	2050/2100	
Fish oil, Omega 3: 28%EPA/DHA	2100/2400	

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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2019 Wayne S. Bacon

-