



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT June 23, 2018

I was in London this week for the International Grains Council Conference and the gala GAFTA dinner – a very busy three days but great to see many folks that I only see very rarely. The GAFTA dinner is also about the only time in the year when I get to get all duded up in my tuxedo.

So, wheat do we see with US grain and oilseed prices this week --- not much change for corn prices, only down by a dollar or two m/t of the week. The farmers don't seem to be selling much corn which is keeping the basis up while the futures slip a little – resulting in almost no change in cash prices.

The long-term weather forecast for US corn areas is not all that great with above average temperatures and below average rainfall in some areas so there is the chance that corn prices could make a little move higher.

Soybean prices continued to be weak and were down by another USD 5 to 7 m/t --- still due mainly to the US/China trade situation. On the futures side of things, the speculators were increasing their short positions in soybeans, so they are looking for lower prices. However, soybeans and soymeal futures did rally higher on Friday but were still lower on the week.

US soybeans are at as much as a USD 15 m/t discount to South American soybeans, so any buying interest out there is mainly for US export soybeans (except China).

As has been the usual pattern, US wheat prices were lower on the week. Some trade reports say that most of the selling in the futures market was computer selling as the market dipped a little and set off all kinds of sell stops. There didn't seem to be any fundamental reason for wheat prices to be weak. Hard red wine wheat ended up down by about USD 10 m/t with spring wheat down by about USD 7 m/t.

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	7	17	67	8
Wheat - hard	1	9	23	66	2
Barley, winter	1	8	17	67	6
Barley, spring	1	5	17	74	3
Corn	1	7	20	66	6
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					



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Wheat, winter	15	18	28	30	9
Wheat, spring	1	2	19	64	14
Corn	1	3	18	59	19
Sorghum	3	10	33	51	3
Soybeans	1	4	22	58	15
Barley	1	2	13	72	12
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	27	14	26	19	
Planted	This week %	Last week %	This week 2017 %	Average 2013/17 %	
Sorghum	89	80	84	82	
Soybeans	97	93	95	91	

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	\$28/29.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Down \$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	Steady	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	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	Steady	X
US PNW China: Panamax	\$23/24.00	Steady	X
US East Coast Egypt: Panamax	\$43/44.00	down \$1.00	X
US East Coast Nigeria: Handisize	\$44/45.00	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	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	Down \$1.00	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	\$24/25.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$26/27.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$19/20.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$40/41.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$27/28.00	Up \$1.00	X



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Argentina to China: 50,000 m/t, with top-off	\$39/40.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$38/39.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$33/34.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$32/33.00	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	\$33/34.00	Steady	X
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	Steady	X
Argentina to South Africa 50,000 m/t	\$28/29.00	Steady	X
Argentina to Spain: 50,000 m/t	\$32/33.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	Up \$1.00	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	Steady	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Steady	X
Brazil to Europe: 50,000 m/t	\$26/27.00	Down \$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	\$34/35.00	Steady	X
Brazil to Spain: 50,000 m/t	\$26/27.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$28/29.00	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	Steady	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	Down \$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)	\$22/23.00	Down \$1.00	X
Russia to Turkey: coaster (1,000 disch)	\$29/30.00	Up \$3.00	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)	\$22/23.00	Down \$1.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$33/34.00	Up \$4.00	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	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	Down \$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	\$19/20.00	Down \$1.00	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	1341	Down 104	X
Baltic Capesize Index	2011	Down 212	X
Baltic Panamax Index	1355	Down 140	X
Baltic Supramax Index	1092	Up 1	X
Baltic Handisize Index	593	No change	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 July 2018/September 2018

Wheat, USA Soft Red Winter, NOLA	USD 212/215	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 227/232	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 189/192	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 199/203	X
Wheat, Romania 12.5 pro	USD 199/202	X
Wheat, Superior, France, Rouen	USD 208/211	X
Wheat, milling, 12.0%, Argentina, Upriver	USD no prices	X
Wheat, feed, Black Sea	USD 184/188	X
Barley, France, Rouen port	USD 192/195	X
Barley, feed, Argentina	USD 177/180 Aug/Sep	X
Barley, feed, Black Sea, 30,000+	USD 187/190	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 168/171	x
Corn, 3YC FOB USA Pacific northwest	USD 186/189	x
Corn, FOB Argentina port, Upriver	USD 171/174	X
Corn, FOB Brazil port	USD 174/177	X
Corn, FOB France - Atlantic	USD 192/196	x
Corn, FOB Romania	USD 200/203	X
Corn, FOB Russia	USD 198/202	X
Corn, FOB Ukraine, 30,000+ m/t	USD 183/186	X
Sorghum, FOB Argentina port	USD 170/174	X
Sorghum, FOB Texas	USD 190/194	X
Soymeal, 48% protein, FOB NOLA	USD 397/401 July/Sept	X
Soymeal, 48% protein, USA, Rotterdam	USD 422/426 July/Sept	X
Soymeal, Argentina, Rotterdam	USD 402/406	X
Soymeal, 47% pro, FOB Argentina	USD 372/376	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 403/407	X
Soymeal, 48% protein, FOB Brazil	USD 374/380	X
Soybeans, FOB NOLA	USD 355/359	X
Soybeans, Argentina, FOB	USD 373/376	X
Soybeans, Brazil, FOB	USD 369/373	X
Soybeans, Black Sea	USD no prices	X
Corn Gluten Meal, USA FOB NOLA	USD 585>>575 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 173>>163 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 228>>222 July/Sep	x

Everything was lower this week as DDGS prices finally caught up with the recent drop in corn and soymeal prices and we see DDGS down by about USD 10 m/t, perhaps even lower with some sellers.



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Both corn gluten meal and corn gluten feed were lower this week too – protein prices were lower all across the market.

However, even though we have seen steadily lower prices, the US Grains Council’s weekly report did say that we could be in for a rally -- at least in DDGS prices as DDGS demand has been very good. There is nothing like falling prices to bring on demand that stops falling prices.

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 450/460 m/t CNF Asia USD 440/450 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

As can be expected, with most grains and oilseeds slipping lower, the price for animal proteins into the major markets in Asia were a little lower this week – perhaps by USD 10 m/t. At least one trade report said that main buyers held quite heavy stock levels so new export business was hard to find. There were also still some holidays in parts of Asia for the Eid after Ramadan --- everyone was back to work by the end of the week, but things were still very quiet in Asia.

US domestic and export prices were steady in the week but the weakness in soymeal prices and the growing inventories of animal protein in the US could push prices lower or, if not lower, keeping them steady. While soymeal prices were steady to a little higher at the end of this week there didn’t seem to be any reason to expect higher prices for animal proteins in the near term.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Getting very close to the full quota now with the catch up to just over 3.21 million m/t – looks like only a couple or so more days to finish the quota off.

Some of the trade reports this week were saying that there is actually very little fishmeal unsold with somewhere between 50,000 and 100,000 m/t maximum to be available to cover all business to the next season in November. This estimated low stock level should mean that prices are going to move higher over the next few weeks as the last few buyers fight for whatever is left over.

MSI Ceres mentioned in their report this week that the shipping positions from Peru are all booked into August and that even August may be tight for containers.

Trade reports also show some business being done to Europe --- sales to Europe had been very quiet so far in 2018 so Europe is welcomed back.

Looking at the Peru fishmeal export numbers up to the end of May – China is about 84% of the business and if you add in Vietnam, Japan and Taiwan that gets you up to about 93% of all Peru fishmeal exports – certainly shows you that Peru’s market is in Asia.



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European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,645
Danish fishmeal	64% protein	1,480
Peru fishmeal	64% protein	1,470
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,615

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	1300/1320 m/t	
65/66 protein	1330/1350 m/t	
67% protein standard steam	1370/1390 m/t	
67% protein 150 TVN	1450/1470 m/t	No prices
67% protein 120 TVN	1500/1520 m/t	No prices
67% protein 1000 hist, 120 TVN	1550/1570 m/t	1600/1620
68% protein 500 hist, 120 TVN	1600/1620 m/t	1620/1640
Fish oil, crude bulk	1300/1350	1270/1300
Fish oil, crude drums	1400/1450	
Fish oil, flexi tank	1500/1550	
Fish oil, Omega 3: 28%EPA/DHA	1700/1800	

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

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