



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT July 07, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

The number one topic in most trade reports continues to be the US/China trade problems and the expansion of tariffs by other countries in response to the US's steel and aluminum tariffs. Even Turkey slapped a bunch of tariffs on US imports but luckily did not add anything to grain and corn by-products.

It was also a funny week in the US due to the July 4th holiday coming on Wednesday which seemed to upset the futures market a bit. Nothing like a mid-week holiday to get the futures market all excited.

Corn prices were almost unchanged on the week while soybeans rallied by about USD 5 m/t but would have neem down on the week except for the USD 15 m/t rally on Friday – a rally that seemed to just come from nowhere. Soymeal was also up on the week by about USD 7 m/t, but this too was due to a Friday rally of USD 12 m/t.

This week's US Export Sales Report shows that the new EU 25% tariff on corn is having an effect --- 111,000 m/t of US corn sold to Spain has been redirected to Egypt and a 20,500 m/t corn sale to France has also been redirected, probably also to Egypt.

Trade reports say that the soybean/soymeal rally was due to stronger than expected exports in the weekly export sales report. Soybean prices had dropped quite a bit in the past four or five weeks, so a little rally easily turned into a big rally, as the market tried to recapture some of the drop in prices.

We will have to see next week if the soybean/soymeal rally will hold or if the slide lower will reappear.

US wheat prices were also higher on the week with much of the wheat price rally said to be due to reports of poor wheat crops from the EU. US wheat exports are nowhere near the level needed to reach the USDA forecasts, which should be bearish, but the market seems to be able to shrug off weak exports.

Next week we will have the July USDA WASDE report which should set the market price direction for a bit.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	7	19	66	7
Wheat - hard	3	10	23	63	1
Barley, winter	1	9	21	64	5
Barley, spring	1	5	17	73	3
Corn	1	6	20	68	6



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Harvested	This week %	Last week %	This week 2017		
Wheat - soft	3	0	5		
Wheat - hard	7	0	30		
Barley, winter	76	23	56		
Barley, spring	4	0	0		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, winter	15	19	29	28	9
Wheat, spring	1	4	18	64	13
Corn	2	4	18	55	21
Sorghum	3	12	32	49	4
Soybeans	1	5	23	55	16
Barley	1	2	13	66	18
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	51	41	51	49	

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	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)	\$32/33.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$32/33.00	Steady	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	Down \$1.00	X
US Gulf South Africa: 45,000 m/t	\$36/37.00	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	\$36/37.00	Down \$1.00	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	Steady	X
US East Coast Nigeria: Handisize	\$44/45.00	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
France/Germany to Saudi Arabia: 50/60,000	\$24/25.00	Steady	X



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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	\$39/40.00	Down \$1.00	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	\$33/34.00	Up \$1.00	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	\$32/33.00	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)	\$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	\$25/26.00	Down \$1.00	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	\$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	\$34/35.00	Steady	x
Brazil to Spain: 50,000 m/t	\$27/28.00	Up \$1.00	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	\$20.50/21.00	Down \$0.50	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	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)	\$22/23.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00	New	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$14/15.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$22/23.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$40/41.00	Up \$7.00	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	\$19/20.00	Down \$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)	\$20/21.00	down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$20/21.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$28/29.00	Up \$1.00	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)	\$18/19.00	Up \$1.00	X
Black Sea to Yemen: 50,000 m/t	No info		



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Baltic Dry Index	1622	Up 281	X
Baltic Capesize Index	3086	Up 1075	X
Baltic Panamax Index	1347	Up 11	X
Baltic Supramax Index	999	Down 93	X
Baltic Handysize Index	563	Down 30	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 August 2018/October 2018

Wheat, USA Soft Red Winter, NOLA	USD 219/224	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 230/235	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 187/190	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 196/199	X
Wheat, Romania 12.5 pro	USD 201/203	X
Wheat, Superior, France, Rouen	USD 221/223	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 241/244	X
Wheat, feed, Black Sea	USD 182/185	X
Barley, France, Rouen port	USD 210/212	x
Barley, feed, Argentina	USD 177/180 Aug/Sep	x
Barley, feed, Black Sea, 30,000+	USD 190/193	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 165/167	X
Corn, 3YC FOB USA Pacific northwest	USD 180/186	x
Corn, FOB Argentina port, Upriver	USD 164/168	X
Corn, FOB Brazil port	USD 172/176	X
Corn, FOB France - Atlantic	USD 205/207	X
Corn, FOB Romania	USD 177/181 Sep/Oct	X
Corn, FOB Russia	USD 195/199	x
Corn, FOB Ukraine, 30,000+ m/t	USD 179/182	x
Sorghum, FOB Argentina port	USD 165/169	x
Sorghum, FOB Texas	USD 185/188	x
Soymeal, 48% protein, FOB NOLA	USD 402/407	x
Soymeal, 48% protein, USA, Rotterdam	USD 427/432	X
Soymeal, Argentina, Rotterdam	USD 403/406	X
Soymeal, 47% pro, FOB Argentina	USD 376/379	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 403/406	X
Soymeal, 48% protein, FOB Brazil	USD 375/380	x
Soybeans, FOB NOLA	USD 340/344	x
Soybeans, Argentina, FOB	USD 360/363	X
Soybeans, Brazil, FOB	USD 369/373	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 580>>570 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 170>>160 m/t	x



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DDGS corn, 35 profat, USA FOB NOLA	USD 205/209	x

The USDA Grain Crushing report was out this week and shows that corn consumption for crushing is up by about 3 percent over last year (about 91% of the corn used was for fuel production) – DDGS production is at just under 2.0 million m/t for the month of May which is also up by about 3% over 2017. Corn gluten meal production is about steady with last year at 92,500 m/t for May 2018, but corn gluten feed was down by almost 15% to 291,500 m/t of May production.

Most corn by product prices moved lower this week as lower soybean price for most of the week weighed heavily on the market.

Export markets were reported to be quiet this week as buyers are looking forward to lower prices in coming days. However, the very strong rally on Friday in soybean/soymeal futures prices could stall any lower prices if the rally continues into next week.

USA exports of corn by-products – 5 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/May 2018	Corn Gluten Meal Jan/May 2018	Corn Gluten Feed Jan/May 2018
Bangladesh	57,200	2,300	
Burma	26,900	1,300	
Cambodia	21,500		
Canada	275,700	30,800	
Chile		31,700	
China	73,800		
Colombia	88,800	41,600	9,300
Costa Rica	35,500		
Denmark		6,600	
Ecuador	14,800	1,900	
Egypt	69,600	57,300	
El Salvador	37,100	1,200	
Guatemala	20,100	4,300	
Honduras	21,500	3,100	
Indonesia	260,000	41,500	500
Ireland	158,000		176,8400
Israel	148,700		117,200
Jamaica	10,800		
Japan	180,100	1,900	
Malaysia	28,300	8,100	
Mexico	844,500	6,300	11,200
Morocco	62,300		21,700
New Zealand	78,700		10,400
Panama	9,300		
Peru	8,500	5,600	
Philippines	59,000		
Portugal	10,300		22,200
Saudi Arabia	2,200		



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South Korea	477,600		900
Spain	76,800		
Sri Lanka	7,900		
Taiwan	82,300	16,100	
Thailand	420,400	12,200	
Tunisia	22,000		
Turkey	401,300		39,800
UK	62,400	1,400	21,100
Vietnam	472,300	3,200	

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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 390/400 m/t CNF Asia
Australian MBM 50% protein	USD 430/440 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 440/450 m/t CNF Asia
	USD 400/420 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 major destinations in Asia are trending lower again this week as available supply is very good and lower soymeal prices have been attracting buyers. According to the Jacobsen Report this week, mixed animal, low protein meat and bone meal can be bought for less than USD 300 m/t CNF Asia – this is certainly an attractive price for many buyers.

Most experts seem to feel that the price for MBM will continue to be pushed lower – especially with the uncertainty in the soybean/soymeal export trade due to the US/China trade problems.

While MBM prices are quite weak, poultry meal and feathermeal prices are steady as buying interest from Asia remains quite strong.

USA domestic price for MBM is under pressure and should move lower and perhaps poultry meal too but feathermeal is expected to remain steady.

USA exports of animal protein – 5 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feathermeal
	Jan/May 2018	Jan/May 2018
Burma	2,900	
Canada	23,400	5,500
Chile		10,700
China	18,400	18,900
Colombia	700	



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Ecuador	6,700	
Germany		
Honduras	2,800	
Indonesia	66,600	11,100
Malaysia	2,300	
Mexico	79,200	
Peru	1,100	
Philippines	8,800	
Sri Lanka	1,500	
Thailand	6,600	
Vietnam	24,900	
Total exports	249,200	47,200

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Not much to report in the way of fishing results from Peru --- total fishmeal production should now be at just over 740,000 m/t. Trade reports are saying that booked sales are now up to 700,000 m/t, which only leaves 40,000 m/t or so for the next 5 months – not much stock.

Shipping of fishmeal from Peru continues in full swing with about 150,000 m/t expected to be shipped in July. Experts say that August export shipments could be just about as high.

Trade reports on fishmeal are full of comments on the USA/China trade situation and the possible effect on Peru's fishmeal exports. Not much that can be affected this season as most everything is sold and about to be shipped. For next season, perhaps problems with the US could switch more China protein business to fishmeal but since China buys almost all the Peru fishmeal now it is difficult to see much change unless China's overall fishmeal consumption increases, and major China buyers try to cover a couple of 100,000 more in Peru for the next fishing season.

If China does look to buy more fishmeal, the additional demand should move prices higher in Oct/Nov/Dec 2018.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,720
Danish fishmeal	64% protein	1,485
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,690

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



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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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