



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT July 14, 2018

### **SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN**

Today is France's most important day of the year – honoring the storming of the Bastille in Paris back in 1789. The storming of the Bastille is celebrated as the beginning of the French Revolution. The 14th is a national holiday and events are being held to commemorate the day in every city, town and village in France

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So, do we talk about the WASDE report or the US/China (and world) trade problems.

Certainly, the trade problems are going to keep US soybeans from moving higher but if the tariffs being added by other countries to US imports continue to grow then we could see a drop in US grain exports and lower prices for US grains.

While the 25% EU tariff on US corn won't have a major effect on US exports, since the EU is a small US corn buyer, but if the tariff reaction spreads to other countries – as Turkey is threatening – then the tariff backlash could have a much more serious effect.

Corn prices were down on the week by about USD 5 to 7 m/t on the week, even after a WASDE rally, but the bullish WASDE report may be able to stop corns slide in the longer term. Growing weather for corn in the US is not too bad – too hot in some areas and a little too dry in others but overall not enough bad in the weather to worry the markets.

Soybeans/soymeal were lower on the week – beans down by about USD 20 m/t and soymeal down by about USD 12 m/t --- almost all of this tied to concerns about the US export soybean business to China. On the bullish side, it is expected that the US had its largest ever June soybean crushing week this week. As with corn, the weather for soybeans looks quite good both the short term and longer term forecasts.

No one expects the soybean/soymeal price trend to change to higher prices but there will be weeks with price rallies, but these probably will only be short term as the price trend is steady to lower.

Wheat prices were up a little on Friday, after a bullish WASDE report and the expectations of poor wheat crops in other exporting nations, but wheat prices were still lower on the week. Most wheat was USD 6 to 8 m/t lower. Perhaps Friday's rally will continue into next week.

### **Crop Situation and Condition – USA and France**

<b>France</b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b>Condition</b>					
Wheat - soft	1	7	20	65	7
Wheat - hard	4	10	24	61	1



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Barley, winter	1	9	21	64	5
Barley, spring	1	5	18	72	3
Corn	1	6	20	67	6
<b>Harvested</b>	This week	Last week	This week		
	%	%	2017		
Wheat - soft	20	3	22		
Wheat - hard	33	7	59		
Barley, winter	92	76	84		
Barley, spring	7	4	8		
<b>USA</b>	Very poor	Poor	Fair	Good	Very Good
	%	%	%	%	%
<b>Condition</b>					
Wheat, spring	1	3	16	66	14
Corn	2	5	18	54	21
Sorghum	4	11	34	46	5
Soybeans	2	5	22	55	16
Barley	1	2	12	68	17
<b>Harvested</b>	This week	Last week	This week	Average	
	%	%	2017	2013/17	
Wheat, winter	63	51	65	61	

## Estimated Bulk Grain Freight in USD per m/t, basis heavy grains

US Gulf to Europe: 60/70,000 (10,000 disch)	\$22/23.00	Up \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$22/23.00	Up \$1.00	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	Steady	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	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	Steady	x
US East Coast Nigeria: Handisize	\$45/46.00	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	\$36/37.00	Up \$1.00	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	\$28/29.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00	Down \$1.00	X



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France/Germany to Morocco: 30,000 m/t (3k disch)	\$13/14.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$25/26.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$25/26.00	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	\$38/39.00	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	\$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	\$34/35.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$33/34.00	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	\$33/34.00	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	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	\$28/29.00	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	\$28/29.00	Up \$1.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$30/31.00	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	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	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)	\$36/37.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00	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)	\$21/22.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$26/27.00	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	\$30/31.00	Up \$2.00	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)	\$17/18.00	Down \$1.00	x



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Baltic Dry Index	1666	Up 44	x
Baltic Capesize Index	3156	Up 70	X
Baltic Panamax Index	1527	Up 180	X
Baltic Supramax Index	995	Down 4	X
Baltic Handysize Index	559	Down 4	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 210/218	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 227/235	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 187/190	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 197/200	x
Wheat, Romania 12.5 pro	USD 197/200	x
Wheat, Superior, France, Rouen	USD 218/220	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 237/240	x
Wheat, feed, Black Sea	USD 180/184	x
Barley, France, Rouen port	USD 211/213	x
Barley, feed, Argentina	USD 177/180 Aug/Sep	x
Barley, feed, Black Sea, 30,000+	USD 192/195	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 157/160	x
Corn, 3YC FOB USA Pacific northwest	USD 175/178	x
Corn, FOB Argentina port, Upriver	USD 160/164	x
Corn, FOB Brazil port	USD 167/170	x
Corn, FOB France - Atlantic	USD 196/200	x
Corn, FOB Romania	USD 175/179 Sep/Oct	X
Corn, FOB Russia	USD 191/194	X
Corn, FOB Ukraine, 30,000+ m/t	USD 173/177 Oct/Nov	X
Sorghum, FOB Argentina port	USD 156/160	x
Sorghum, FOB Texas	USD 183/188	x
Soymeal, 48% protein, FOB NOLA	USD 391/395	x
Soymeal, 48% protein, USA, Rotterdam	USD 416/420	x
Soymeal, Argentina, Rotterdam	USD 412/415	X
Soymeal, 47% pro, FOB Argentina	USD 379/383	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 408/411	x
Soymeal, 48% protein, FOB Brazil	USD 379/382	x
Soybeans, FOB NOLA	USD 336/339	x
Soybeans, Argentina, FOB	USD 367/370	x
Soybeans, Brazil, FOB	USD 375/378	x
Soybeans, Black Sea	USD no prices	x



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Corn Gluten Meal, USA FOB NOLA	USD 580>>570 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 170>>160 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 209/212	x

With soymeal prices lower this week it is difficult for other protein items to keep prices steady. Buyers expect lower prices for other vegetable proteins and that is what is happening. DDGS prices slipped lower by about USD 5 m/t on the week while both corn gluten feed and corn gluten meal saw prices trading in a narrow range – up one day then down the next.

With both corn and soybeans moving lower it is expected that there should be some room for corn byproducts to move lower in the next few days.

At least for now there is no one forecasting higher prices in the near term.

One of our Egypt contacts reports that there is 30,000 m/t of corn gluten meal (CGM) on the way to Egypt – this is about three times the 10,000 m/t per month that is normally imported --- smaller local importers are complaining that the large imports will badly affect local selling prices and turn CGM imports into money losers.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 370/380 m/t CNF Asia
Australian MBM 50% protein	USD 410/420 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 535/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 850/870 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 420/440 m/t CNF Asia
USA Feathermeal, 80% protein	USD 390/410 to Indonesia
USA Poultry Meal, feed grade	USD 640/650 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/620 m/t CNF Asia
	USD 870/900 m/t CNF Asia

Meat and bone meal (MBM) prices to major markets in Asia moved lower once again this week as the supply continued to build --- trade reports are blaming low cost EU meat and bone meal for the drop in prices and the lack of business for USA, OZ and NZ meat and bone meal.

Inter national prices for poultry meal were steady while feathermeal prices moved higher on very good Asian demand. US feathermeal exports have been very good so far this year – up by about 20%.

In the US domestic market MBM prices continue weak as supply is very good and lower vegetable protein meal prices have put a cap on any protein market rally. Only US feathermeal seems able to keep prices steady to higher, as both domestic and export demand is very good.

## SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

There is still about 190,000 m/t that could be landed on the current Peru North quota, but fishing has dropped off to almost nothing, only a couple of thousand tons per day --- so not too much more will be landed.

The trade in Peru reports that there is still good buying interest and available stocks are shrinking quickly. Most of the buying interest is from Asia with little or nothing new for Europe. It has also been reported that sales are starting to be booked for the November/December fishing season.



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Peru's 2018 fishmeal exports up to the end of June look to be about 530,000 m/t with just over 85% going to China and almost another 10% to other Asia destinations.

Fishmeal prices seem to be steady at present – for fishmeal from most origins. Peru's fishmeal prices are expected to creep higher over the next few weeks as supplies get even smaller and buyers have to pay top dollar to get any supply. There doesn't seem to be much reason to expect lower prices before the next season.

Just for information – the IFFO Annual Conference is being held in Rome this year on October 15 to 17. Who know, I may even be there as Rome is not difficult to get to from Marseille, only a quick flight.

## European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,730
Danish fishmeal	64% protein	1,490
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,720

## 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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