



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT July 27, 2019

This week was another week of slipping prices for almost everything --- US corn was down by between USD 4 and 5 m/t with soybeans down by about USD 7 m/t and soymeal down by USD 8 to 9 m/t. Wheat prices too were a little weaker with prices moving between USD 2 and 5 m/t lower.

Some experts in the US are saying that grain prices will have to eventually move higher due to expected lower yields. The USDA crop condition report for corn is showing the lowest crop condition ratings in several years. However, other experts are saying that improved weather forecasts should allow the corn crop to catch up with normal averages. Still, it is a little too early to know exactly where things are going with the crop. Corn buyers need to expect the normal, wide, summer market price ranges.

For soybeans, the market is still being driven by the China situation and changes in the weather – positive trade news from China moves things higher while good weather pushes lower. There really hasn't been much in the way of supportive news from China but there are high level meetings set for this week in China, perhaps the soybean situation will become clearer.

Wheat prices slipped a little lower this week on improved weather almost everywhere in the US. And, Argentina is seen with an expected record wheat crop while French wheat crops may be wilting in the current heat wave – luckily it ended today. Perhaps no more record breaking heat this summer in Europe.

August is the holiday month in Europe – a time when cities seem to close down --- too bad that the really hot and sunny weather was not delayed until August. Here in St Remy we change from being a quiet, small, Provence town (12,000 people) into what feels like a busy Belgian city due to the tourist influx – but come mid-September we will be back to being just a quiet wee town.



A street in central St Remy de Provence.



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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$20/21.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$20/21.00		X
US Gulf Israel: 50,000 m/t	\$32/33.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$31/32.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$33/34.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$38/39.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$49/50.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$38/39.00		X
US Gulf South Africa: 45,000 m/t	\$37/38.00		X
US Gulf Japan: Panamax	\$50/51.00	Up \$1.00	X
US Gulf China: Panamax	\$49/50.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$28/29.00	Up \$1.00	X
US PNW China: Panamax	\$27/28.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$48/49.00		X
US East Coast Nigeria: Handisize	\$54/55.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$18/19.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$40/41.00		X
France/Germany to China: 50,000 m/t	\$39/40.00		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$36/37.00	Up \$2.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$20/21.00		x
France/Germany to Morocco: 30,000 m/t (3k disch)	\$17/18.00	Up \$2.00	X
France/Germany to Saudi Arabia: 50/60,000	\$28/29.00		X
France/Germany to South Africa: 30,000 m/t	\$19/20.00		X
France/Germany to Turkey: 35,000 m/t	\$19/20.00	Up \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$30/31.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$29/30.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$42/43.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$27/28.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$27/28.00		X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$26/27.00		X
Argentina to Jordan: 50,000 m/t	\$36/37.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$36/37.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$38/39.00		X
Argentina to Spain: 50,000 m/t	\$27/28.00		X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$29/30.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$22/23.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00		X
Brazil to China: 55,000 m/t	\$39/40.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$38/39.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$30/31.00		X
Brazil to Morocco: 25/30,000 m/t	\$28/29.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$40/41.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$30/31.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$33/34.00	Down \$2.00	x



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Australia to China: 40-55,000 m/t – round trip	\$20/20.50		X
Australia to Japan: 40-55,000 m/t – round trip	\$20/20.50	Down \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$27/28.00		X
Ukraine to China: 50,000 m/t	\$33/34.00		X
Ukraine to Bangladesh: 45,000 m/t	\$54/55.00	Up \$1.00	X
Ukraine to India: 45/50,000 m/t	\$51/52.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$20/21.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$32/33.00		X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$18/19.00		X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00		X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$22/23.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$45/46.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00		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)	\$22/23.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$20/21.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$27/28.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$32/33.00		X
Black Sea to South Africa – 30,000 m/t	\$39/40.00		
Black Sea to Turkey – 30,000 m/t	\$17/18.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00		X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1937	Down 233	X
Baltic Capesize Index (100,000 plus DWT)	3647	Down 892	X
Baltic Panamax Index (60,000 to 80,000 DWT)	2109	Down 61	X
Baltic Supramax Index (50,000 to 60,000 DWT)	982	Up 23	X
Baltic Handisize Index (25,000 plus DWT)	515	Up 23	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/October 2019

Wheat, USA Soft Red Winter, US Gulf	USD 215/218	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 217/220	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 187/190	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 194/197	X
Wheat, Romania 12.5 pro	USD 192/195	X
Wheat, Superior, France, Rouen	USD 192/195	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 198/201 Dec/Jan	X
Wheat, feed, Black Sea	USD 185/188	X



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Barley, France, Rouen port	USD 180/182	X
Barley, feed, Argentina, up river	USD 180/183 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 172/175 Sep/Nov	X
Corn, 2YC FOB NOLA USA	USD 189/192	X
Corn, 3YC FOB USA Pacific northwest	USD 206/209	X
Corn, FOB Argentina port, upriver	USD 165/168	X
Corn, FOB Brazil port	USD 174/177	X
Corn, FOB France – Atlantic	USD 208/210	X
Corn, FOB Romania	USD 178/181 Sep/Oct	X
Corn, FOB Russia	USD 178/181 Sep/Oct	x
Corn, FOB Ukraine, 30,000+ m/t	USD 178/181 Sep/Oct	X
Sorghum, FOB Argentina port	No prices	X
Sorghum, FOB Texas	USD 177/180	X
Soymeal, 48% protein, FOB NOLA	USD 351/354	X
Soymeal, 48% protein, USA, Rotterdam	USD 376/379	X
Soymeal, Argentina, Rotterdam	USD 349/352	X
Soymeal, 47% pro, FOB Argentina	USD 310/314	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 342/345	X
Soymeal, 48% protein, FOB Brazil	USD 318/321	X
Soybeans, FOB NOLA	USD 349/352	X
Soybeans, Argentina, FOB	USD 341/344	X
Soybeans, Brazil, FOB	USD 355/358	X
Soybeans, Black Sea	USD 355.358	X
Corn Gluten Meal, USA FOB NOLA	USD 500/510 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 187/190 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 208/212	x

All corn byproducts slipped a little lower this week as the byproduct market caught up with the continuing drop in corn prices. If there is further weakness in corn and soymeal prices, then we will see this trend following in the byproduct market.

Freight prices seem to have calmed down a little this week so CNF prices to most export markets are steady with last week.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 355/375 m/t CNF Asia
Australian MBM 50% protein	USD 395/315 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 710/730 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 420/440 m/t CNF Asia
	USD 390/410 to Indonesia
USA Feathermeal, 80% protein	USD 460/480 m/t CNF Asia
USA Poultry Meal, feed grade	USD 490/510 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 700/720 m/t CNF Asia

Meat and bone meal (MBM) prices into Indonesia moved higher this week but most experts don't



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seem to see room for prices to move higher --- soymeal prices are leading the market and with soymeal lower this week MBM will probably not move higher for long.

There has been some speculation that the lower protein levels in Brazil soybeans this year could lead to more usage of MBM in order to keep protein levels up in feed formulations.

The Jacobsen Report this week was saying that demand for pet food grade poultry meal has dropped and that prices are sliding. Export volume is also said to have dropped.

The US market continues to see quite good supply levels, but demand is just not keeping up – so, we may see lower animal protein prices in weeks to come.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The new fishing quota for the south of Peru has been announced – it is 540,000 m/t of catch starting on August 5th until the end of December. This represents about 125,000 m/t of fishmeal and around 23,000 m/t of fishoil. Not a huge amount of new supply but enough to cover some demand in the months of scarce stocks.

There was about 40,000 m/t of catch in the north which will mean only 70,000 m/t or so to reach full quota. We probably won't get to 2.1 million m/t, but the total will certainly be very close and closer than most had expected.

As we have seen for a while now, the market is very quiet. Buyers all seem happy with what they have covered while producers are holding small stocks and not pushing for new business. Trade estimates in Peru have about 85,000 m/t unsold, which is really not much for the next 5 months.

Reports on the fishmeal situation for China are not all that positive – too much fishmeal and too little demand --- the aqua season is slow to start due to storms while the African Swine Fever continues to rage on – both of which are slowing demand while the stocks on hand continue to grow. However, some trade experts seem to feel that Chinese buyers may be back in the market in August, if so, that will use up most of the limited stocks in Peru.

On the price side of things, there was a little slip lower seen in published prices this week – down by about USD 20 or so m/t.

PERU "INDICATION" FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,870
Danish fishmeal	64% protein	1,505
Peru fishmeal	64% protein	1,500
Chile fishmeal	67% protein	1,575
Iceland fishmeal	70% protein	1,900

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

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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	1260/1280 m/t	
67% protein standard steam	1330/1350 m/t	
67% protein 150 TVN	1430/1450 m/t	No prices
67% protein 120 TVN	1480/1500 m/t	1470/1490
67% protein 1000 hist, 120 TVN	1530/1550 m/t	1540/1560
68% protein 500 hist, 120 TVN	1580/1600 m/t	1570/1590
Fish oil, crude bulk	1800/1850	
Fish oil, crude drums	1850/1900	
Fish oil, flexi tank	1950/2000	
Fish oil, Omega 3: 28%EPA/DHA	2100/2400	

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

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