



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT July 28, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It was another strong week for soybeans/soymeal and wheat but just kind of a steady week for corn prices. US soybean prices moved higher by USD 7 or 8 m/t with soymeal up by USD 6 to 7 m/t and what price up strongly – winter wheat by close to USD 10 m/t with spring wheat up by USD 13 m/t.

Prices this week were driven mainly by the strength in world wheat prices. Bad news about wheat crops in Europe and the Black Sea pushed all wheat prices higher and, as usual, the futures market just followed higher. As was pointed out by World Perspectives, every day seems to bring another forecast of lower wheat production somewhere in the world.

Corn prices didn't do much exciting this week and several experts say that we are now in a trading range for a while until something happens – probably something with US crop weather. The US weather doesn't look too bad for corn for now – perhaps a little cooler than normal – with decent rainfall in most areas of the US.

Much of the rally in US soybean prices is said to have been caused by people covering their shorts in the futures market which always tends to push prices up a little then set off a rush to cover more shorts. Reading the trade reports there doesn't seem to be any very good reason for a soybean price rally – at least not a long term rally. The international soybean market is still unsure of the US/China situation while Brazil looks to having an even larger soybean crop.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	7	20	65	6
Wheat - hard	4	10	24	61	1
Barley, spring	1	5	21	70	3
Corn	1	7	20	66	5
Harvested	This week %	Last week %	This week 2017		
Wheat - soft	88	64	78		
Wheat - hard	93	85	97		
Barley, winter	100	99	100		
Barley, spring	70	31	71		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					



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Wheat, spring	1	3	17	65	14
Corn	3	6	19	50	22
Sorghum	5	11	35	44	5
Soybeans	2	6	22	52	18
Barley	0	2	17	67	14
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	80	74	83	79	

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	Steady	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$22/23.00	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	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	\$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	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$24/25.00	Down \$1.00	X
US PNW China: Panamax	\$23/24.00	down \$1.00	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	\$31/32.00	Steady	X
France/Germany to China: 50,000 m/t	\$36/37.00	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	\$28/29.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00	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	\$25/26.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$25/26.00	Steady	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	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$27/28.00	Up \$1.00	x
Argentina to China: 50,000 m/t, with top-off	\$41/42.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$36/37.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$35/36.00	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	\$34/35.00	Up \$1.00	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



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Argentina to Spain: 50,000 m/t	\$35/36.00	Up \$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	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Steady	x
Brazil to China: 55,000 m/t	\$35/36.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$36/37.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$30/31.00	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	\$30/31.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$32/33.00	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	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	down \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$22/23.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$30/31.00	Steady	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)	\$15/16.00	down \$1.00	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)	\$45/46.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00	Steady	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)	\$16/17.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$22/23.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$27/28.00	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)	\$17/18.00	down \$1.00	X
Baltic Dry Index	1676	Down 13	X
Baltic Capesize Index	3197	Down 8	x
Baltic Panamax Index	1588	Up 31	X
Baltic Supramax Index	1035	Up 12	X
Baltic Handysize Index	553	Down 7	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



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Wheat, USA Soft Red Winter, NOLA	USD 222/230	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 243/250	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 196/200	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 207/211	x
Wheat, Romania 12.5 pro	USD 204/208	x
Wheat, Superior, France, Rouen	USD 237/240	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 233/239	x
Wheat, feed, Black Sea	USD 188/192	x
Barley, France, Rouen port	USD 232/235	X
Barley, feed, Argentina	USD 177/180 Aug/Sep	X
Barley, feed, Black Sea, 30,000+	USD 197/200	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 171/176	X
Corn, 3YC FOB USA Pacific northwest	USD 181/186	x
Corn, FOB Argentina port, Upriver	USD 170/174	X
Corn, FOB Brazil port	USD 173/177	X
Corn, FOB France - Atlantic	USD 209/211	x
Corn, FOB Romania	USD 176/180 Sep/Oct	X
Corn, FOB Russia	USD 193/197	X
Corn, FOB Ukraine, 30,000+ m/t	USD 177/180 Oct/Nov	X
Sorghum, FOB Argentina port	USD 167/170	X
Sorghum, FOB Texas	USD 187/190 Aug/Sep	X
Soymeal, 48% protein, FOB NOLA	USD 398/402	X
Soymeal, 48% protein, USA, Rotterdam	USD 423/427	X
Soymeal, Argentina, Rotterdam	USD 411/415	X
Soymeal, 47% pro, FOB Argentina	USD 376/380	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 408/412	X
Soymeal, 48% protein, FOB Brazil	USD 378/382	X
Soybeans, FOB NOLA	USD 349/353	X
Soybeans, Argentina, FOB	USD 384/389	X
Soybeans, Brazil, FOB	USD 396/400	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 572>>562 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 172>>162 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 214/222	X

Nearby prices for DDGS have been pushed higher due to some logistics problems in getting product to the export ports. Producers are saying that the problems should be solved shortly with the chance that prices could drift a little lower for DDGS. However, the market reports seem to feel that the recent strength in soymeal and corn will keep DDGS prices firm for a while. As was stated in the Jacobsen report this week: "modest price increases in coming weeks".

The USDA weekly domestic price report had DDGS up in all markets by USD 5 to 10 m/t with corn gluten meal said to be down by about USD 5 m/t with no price change reported for corn gluten feed.

Buyers will just have to follow soymeal/corn closely to see which way the price trend is going.



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Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 360/370 m/t CNF Asia
Australian MBM 50% protein	USD 400/410 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 525/535 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
	USD 370/390 to Indonesia
USA Feathermeal, 80% protein	USD 630/640 m/t CNF Asia
USA Poultry Meal, feed grade	USD 600/620 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 840/860 m/t CNF Asia

Animal protein prices into major markets in Asia were steady to a little lower this week – meat and bone meal prices tended to be about USD 10 m/t lower from most origins. Business was quite slow so exporters were looking to be a little bit more aggressive on their pricing.

Asia markets are still talking about the heavy influx of low cost meat and bone meal from the EU – non-EU sellers are having to drop their prices to get any business.

Domestic prices in the US have moved lower – especially poultry meal – as supplies are running ahead of demand for now. Feathermeal prices had been steady to higher in recent weeks but traders are saying that a drop in feathermeal prices could be on the way.

As usual, everyone is watching soymeal prices to know which way all protein prices will be going.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The fishmeal business in Peru is reported to be very quiet this past week as most major buyers are out of the market for now for next season – they are all anticipating a good fishing quota and lower prices --- or so the trade reports say. At least one trade report has said that the only buying interest for next season seems to be about USD 100 m/t below current new-season price levels.

The catch in the southern region of Peru is now at about 43,500 m/t against the quota of 535,000 m/t but this does mean that just over 10,000 m/t of fishmeal has been added to stocks. Interestingly there seems to be some disagreement as to exactly how much has been landed in the south with estimates ranging from the mid-40,000 up as high as 100,000 m/t.

Not much more to say about the Peru fishmeal business this week – just a quiet week.

The Hammersmith Report got a mention this week in the MSI Ceres Report – nice to know that someone actually reads the weekly report in detail. I send out this report every week (and have for at least 25 years) but one never knows if it is really being read. However, in addition to the weekly report list that I send out to a bunch of people, our blog does get about 2500 hits per week.

I had some questions this week from readers about the price collapse in the fishoil market in Peru – unfortunately I am not much of a fishoil guy so didn't have any detailed information to pass on.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,720
Danish fishmeal	64% protein	1,495



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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
65% protein	1300/1320 m/t	
65/66 protein	1350/1370 m/t	
67% protein standard steam	1390/1410 m/t	
67% protein 150 TVN	1470/1490 m/t	No prices
67% protein 120 TVN	1520/1540 m/t	No prices
67% protein 1000 hist, 120 TVN	1570/1590 m/t	1600/1620
68% protein 500 hist, 120 TVN	1620/1640 m/t	1620/1640
Fish oil, crude bulk	1400/1420	1400/1420
Fish oil, crude drums	1470/1480	
Fish oil, flexi tank	1570/1580	
Fish oil, Omega 3: 28%EPA/DHA	1700/1800	

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

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