



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT August 03, 2019

These days I seem to be talking about lower prices every week and this week is no different. Corn prices slipped by about USD 6 to 8 m/t while soybeans dropped by at least USD 12 m/t and soymeal was off by about USD 11 m/t. Even US winter wheat was down by about USD 5 m/t – but not much happened to spring wheat prices.

Even though the current corn crop condition is at its lowest level in 5 years, the market seems to feel that condition will improve greatly and that crop yields will be very good. One reason why the bears are active is that for corn the current weather seems to be just about perfect and there is nothing like perfect weather for corn silking and pollination.

There is also lots of competition in the export market for US corn which means fighting for every scrap of corn export business. However, with the hot weather in Europe this could reduce their crops and increase their import demand. Europe won't take US corn, but increased EU corn import demand might reduce the Black Sea corn availability for other markets.

Soybean prices did manage to move a little higher on Friday but still had a down week. Weather for the soybean crop is very good but trade weather is not so good. The US/China situation just doesn't seem to get any better – just worse – and soybeans are the item that gets hurt the most.

Soybean crop condition is, much like corn, at its lowest level in 5 years, but, also like corn, many experts feel that conditions will improve very quickly – especially with the good weather that seems to be going to be around for a while.

At present there seems to be very little reason to expect prices to move higher.

## **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	\$31/32.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$30/31.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$32/33.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$37/38.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$36/37.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$49/50.00		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	\$49/50.00	Down \$1.00	X
US Gulf China: Panamax	\$48/49.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$27/28.00	Down \$1.00	X
US PNW China: Panamax	\$26/27.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$49/50.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$55/56.00	Up \$1.00	X

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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	\$38/39.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$17/18.00	Down \$1.00	X
France/Germany to India: 50,000 m/t	\$34/35.00	Down \$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		x
France/Germany to Saudi Arabia: 50/60,000	\$27/28.00	Down \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$19/20.00		X
France/Germany to Turkey: 35,000 m/t	\$18/19.00	Down \$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		X
Argentina to China: 50,000 m/t, with top-off	\$41/42.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Down \$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		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		X
Argentina to US Gulf: 25/35,000 m/t	\$21/22.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00		X
Brazil to China: 55,000 m/t	\$38/39.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$37/38.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$30/31.00		X
Brazil to Morocco: 25/30,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$41/42.00	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		x
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		X
Australia to Saudi Arabia: 40-55,000 m/t	\$27/28.00		X
Ukraine to China: 50,000 m/t	\$34/35.00	Up \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$55/56.00	Up \$1.00	X
Ukraine to India: 45/50,000 m/t	\$52/53.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Down \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$22/23.00	Up \$2.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$25/26.00	Down \$7.00	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)	\$17/18.00	Down \$1.00	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)	\$38/39.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$18/19.00	Down \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$18/19.00	Down \$2.00	X



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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		X
Black Sea to Turkey – 30,000 m/t	\$17/18.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Down \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	1788	Down 149	X
Baltic Capesize Index (100,000 plus DWT)	3492	Down 155	X
Baltic Panamax Index (60,000 to 80,000 DWT)	1779	Down 330	X
Baltic Supramax Index (50,000 to 60,000 DWT)	968	Down 37	X
Baltic Handisize Index (25,000 plus DWT)	517	Up 2	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

Note: with the wheat price indications shown below --- US wheat prices are with wheat protein based on 12% moisture while other wheat is based on a "dry matter" basis. This would mean, that for comparison, the US HRW at 11% protein would actually be about 12.5% protein on a "dry matter" basis. (this clarification is courtesy of Peter Lloyd at US Wheat Associates)

Wheat, USA Soft Red Winter, US Gulf	USD 210/214	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 207/212	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 189/192	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 195/198	X
Wheat, Romania 12.5 pro	USD 193/196	X
Wheat, Superior, France, Rouen	USD 192/194	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 192/195 Dec/Jan	X
Wheat, feed, Black Sea	USD 186/189	x
Barley, France, Rouen port	USD 178/180	X
Barley, feed, Argentina, up river	USD 180/183 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 177/181 Sep/Nov	X
Corn, 2YC FOB NOLA USA	USD 184/187	X
Corn, 3YC FOB USA Pacific northwest	USD 196/199	X
Corn, FOB Argentina port, upriver	USD 159/162	X
Corn, FOB Brazil port	USD 167/170	X
Corn, FOB France – Atlantic	USD 194/196 new crop	X
Corn, FOB Romania	USD 176/179 Sep/Oct	X
Corn, FOB Russia	USD 180/183 Sep/Oct	X
Corn, FOB Ukraine, 30,000+ m/t	USD 171/174 Sep/Oct	X
Sorghum, FOB Argentina port	USD 150/153	X
Sorghum, FOB Texas	USD 179/182	X

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Soymeal, 48% protein, FOB NOLA	USD 341/344	X
Soymeal, 48% protein, USA, Rotterdam	USD 366/369	X
Soymeal, Argentina, Rotterdam	USD 344/347	X
Soymeal, 47% pro, FOB Argentina	USD 304/307	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 339/342	X
Soymeal, 48% protein, FOB Brazil	USD 308/311	X
Soybeans, FOB NOLA	USD 336/339	X
Soybeans, Argentina, FOB	USD 336/339	X
Soybeans, Brazil, FOB	USD 356/359	X
Soybeans, Black Sea	USD 355/358	X
Corn Gluten Meal, USA FOB NOLA	USD 495/505 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 178/183 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 205/212	X

All corn byproducts slipped a little lower this week as both corn and soymeal prices continued to drop. From a protein point of view, as long as corn and soymeal remain weak it is not expected that there will be any price rise in corn byproduct prices.

US FOB DDGS prices continue to move lower as all the logistics problems on the Mississippi River system are solved. Also, the trade feels that export buyers may just wait a little to see how much further down DDGS prices may drop. Compared to recent prices DDGS along with corn gluten feed and corn gluten meal are getting very attractive. So, we should see buying interest pick up one of these days.

## 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 430/450 m/t CNF Asia
	USD 390/410 to Indonesia
USA Feathermeal, 80% protein	USD 430/450 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

Prices in Asia seem to be creeping a little higher this week – at least for meat and bone meal. All beef MBM seems to be the strongest.

Australia had been hoping to be approved for Indonesian shipments once again, but the situation looks to be dragging on and on. Reports say that changes in staff in the Indonesian government are probably slowing things down.

Not much change in US domestic prices but feathermeal prices are slipping and there is a feeling that poultry meal could also move lower. On the other hand, pork meal in the US is in short supply and prices there are moving higher.

With vegetable protein prices continuing to slip lower it is difficult to expect any rally in animal protein products.

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

It looks like the final number for the northern Peru fishing is at 2,047,000 m/t, just 53,000 m/t short of the full quota – not bad at all.

According to a couple of trade reports, the unsold stock may be higher than had been expected and may be at 130,000 m/t. The trade is also indicating that Peru fishmeal prices have dropped by about USD 60 m/t due mainly to a lack of new buying from China.

China seems to have a very, very good stock of fishmeal – perhaps “good” is not the correct word – the stock is actually quite large. The effect of African Swine Fever and the delayed aqua season are all contributing to the slower withdrawal of stocks. Consumption of fishmeal in China is expected to drop by as much as 400,000 m/t this year – much of which will affect Peru.

Looking at the China imports for the first 6 months of 2019 – total imports are at about 780,000 m/t with about 430,000 m/t coming from Peru. Vietnam is the second largest shipper to China at about 55,000 m/t followed by Russia at almost 48,000 m/t the Mauritania at 38,000 m/t. If you want the full list of countries supplying fishmeal to China just drop me a note.

For those who follow the fishmeal/fishoil industry, Indian fishmeal/fishoil producers have decided to go on strike as the government has changed sales tax methods but have back dated the change to July 2017 which will cost producers a 5% tax for 2017/2018/2019. According to the trade association, fishmeal was supposed to remain tax free. There are 56 fishmeal/fishoil producers in India.

## PERU “INDICATION” FISHMEAL PRICES:

### European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,850
Danish fishmeal	64% protein	1,470
Peru fishmeal	64% protein	1,500
Chile fishmeal	67% protein	1,575
Iceland fishmeal	70% protein	1,880

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
65/66 protein	1200/1220 m/t	
67% protein standard steam	1270/1290 m/t	
67% protein 150 TVN	1370/1390 m/t	No prices
67% protein 120 TVN	1420/1440 m/t	1410/1430
67% protein 1000 hist, 120 TVN	1470/1490 m/t	1480/1500
68% protein 500 hist, 120 TVN	1520/1540 m/t	1500/1520
Fish oil, crude bulk	1800/1850	

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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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