



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT August 18, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

The aftershocks from the USDA WASDE report carried over into the market this week as everyone settled into the new numbers. US corn prices were up just a little on the week perhaps USD 3 to 4 m/t with soybeans moving higher once again by USD 10 to 13 m/t and soymeal up by almost USD 10 m/t. US winter wheat prices were up by about USD 4 m/t while spring wheat was unchanged.

The rally in soybean prices seemed to be almost all China related as stories of a solution to US/China trade problems got the market excited. The Wall Street Journal had said that a trade solution would be found by November or at least that is what both sides were aiming for. On the weather side, there is some rain in the forecast for at least part of the hot and dry soybean area. Some experts are saying that US soymeal prices should be moving lower.

There was very little news for corn this week to move the market – no China affect as China is not a US corn buyer. And with weather, looks like there will be some decent rainfall in the US corn belt in areas that are said to be very dry and calling out for rain. If the rains are good, then we could see some weakness in corn prices.

US winter wheat prices were up a little on all the bullish wheat news seen in world markets. The latest story about possible Russia wheat export limits helped push things higher.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Barley, spring	1	5	21	70	3
Corn	4	12	23	56	5
Harvested	This week %	Last week %	This week 2017		
Wheat - soft	100	100	98		
Wheat - hard	100	100	100		
Barley, spring	100	100	100		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, spring	1	5	20	60	14
Corn	3	7	20	50	20
Sorghum	6	12	33	42	7
Soybeans	3	7	24	50	16
Barley	0	3	16	67	14



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Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	97	90	94	96	
Wheat, spring	38	13	35	27	
Barley	16	2	22	18	

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	\$29/30.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$28/29.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$30/31.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00	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	\$37/38.00	Up \$1.00	X
US Gulf Japan: Panamax	\$44/45.00	Up \$1.00	X
US Gulf China: Panamax	\$43/44.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	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	Up \$1.00	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	\$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	\$26/27.00	Up \$1.00	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 freight is all basis up-river. Freight from Bahia Blanca is about USD 2 m/t higher.			
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$27/28.00	Steady	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	\$37/38.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$36/37.00	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	Steady	
Argentina to Saudi Arabia: 50,000 m/t	\$31/32.00	Steady	
Argentina to South Africa 50,000 m/t	\$28/29.00	Steady	
Argentina to Spain: 50,000 m/t	\$36/37.00	Up \$1.00	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	Steady	x



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Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Up \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to China: 55,000 m/t	\$35/36.00	Steady	X
Brazil to Japan: 55,000 m/t	\$36/37.00	Steady	X
Brazil to Europe: 50,000 m/t	\$32/33.00	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	\$35/36.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$30/31.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$32/33.00	Down \$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	\$34/35.00	Up \$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	Down \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$24/25.00	Down \$1.00	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$28/29.00	Down \$2.00	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	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00	Down \$1.00	x
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$43/44.00	Down \$2.00	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	\$21/22.00	Up \$1.00	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)	\$23/24.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$27/28.00	Steady	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 \$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	Steady	X
Baltic Dry Index	1723	Up 32	x
Baltic Capesize Index	3454	Down 26	x
Baltic Panamax Index	1485	Up 146	X
Baltic Supramax Index	1056	Up 17	X
Baltic Handysize Index	545	Up 3	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 September 2018/November 2018

Wheat, USA Soft Red Winter, NOLA	USD 246/252 Oct/Dec	X
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Wheat, USA Hard Red Winter 11 protein -NOLA	USD 273/280 Oct/Dec	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 215/219	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 227/231	x
Wheat, Romania 12.5 pro	USD 224/228	X
Wheat, Superior, France, Rouen	USD 243/245 new crop	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 220/225 Dec/Jan 2019	x
Wheat, feed, Black Sea	USD 207/211	x
Barley, France, Rouen port	USD 243/245 new crop	x
Barley, feed, Argentina	USD 176/182	x
Barley, feed, Black Sea, 30,000+	USD 230/234 Oct/Nov	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, 2YC FOB NOLA USA	USD 170/174	x
Corn, 3YC FOB USA Pacific northwest	USD 183/187	x
Corn, FOB Argentina port, Upriver	USD 176/180	x
Corn, FOB Brazil port	USD 174/178	x
Corn, FOB France - Atlantic	USD 213/218	x
Corn, FOB Romania	USD 191/195 Oct/Nov	x
Corn, FOB Russia	USD 205/209	x
Corn, FOB Ukraine, 30,000+ m/t	USD 192/196 Oct/Nov	x
Sorghum, FOB Argentina port	USD 170/174	x
Sorghum, FOB Texas	USD 191/195	x
Soymeal, 48% protein, FOB NOLA	USD 395/400	X
Soymeal, 48% protein, USA, Rotterdam	USD 420/425	x
Soymeal, Argentina, Rotterdam	USD 402/406	x
Soymeal, 47% pro, FOB Argentina	USD 364/368	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 393/397	X
Soymeal, 48% protein, FOB Brazil	USD 359/363	x
Soybeans, FOB NOLA	USD 341/356	x
Soybeans, Argentina, FOB	USD 390/393	x
Soybeans, Brazil, FOB	USD 395/400	x
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 574>>568 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 174>>166 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 208/215	x

DDGS prices in the US have moderated a bit as the nearby premium in prices seems to have disappeared. DDGS prices for export look to be up by as much as USD 5 m/t on the week and the USDA shows the US domestic prices for DDGS are up as high as USD 10 m/t. The trade expects that DDGS prices will be steady to higher for a little.

There are reports from container lines that rates to Asia are dropping which will help lower the CNF prices for all corn by-products and should push up US export demand a little.

This week there was no change at all with corn gluten feed or meal and export prices were trading in about a plus or minus USD 5 m/t trading range.

Container shipments, minimum 200 m/t



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Australian MBM 45% protein	USD 350/360 m/t CNF Asia
Australian MBM 50% protein	USD 390/400 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 400/420 m/t CNF Asia
USA Feathermeal, 80% protein	USD 370/390 to Indonesia
USA Poultry Meal, feed grade	USD 630/640 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 600/620 m/t CNF Asia
	USD 830/850 m/t CNF Asia

There was little or no change on prices for animal proteins into the major markets in Asia, but some experts feel that the market may be looking to move a little higher. Buyers in Asia seem to be well stocked with animal proteins and are not too involved in buying at present.

There was some mention in the Jacobsen Report this week that pet food producers may also have stocks and, due to some high animal protein prices, have switched some buying to lower cost alternative protein sources.

Export demand is said to be good for US feather meal, mainly from Indonesia, and this is keeping feather meal prices steady to higher.

In the US domestic market most prices have been steady with feather meal looking weaker and this weakness could move into feather meal export prices.

US domestic animal protein prices are expected to be steady/lower for a while, as there are just too many lower cost vegetable protein alternatives available.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The final number for the catch in Northern Peru is set as 3.248 million m/t which should produce about 755,000 m/t of fishmeal. Peru has issued the catch details by port and by region if anyone needs this info. The average level of juvenile fish landed was at 8% which is well below the maximum allowed of 11%.

Business is very slow in Peru, at least for selling, as we are resting between the seasons. Trade reports say that there is little or nothing available for sale with even the little bit being produced in the South of Peru being sold out.

The top six fishmeal producers in Peru represent just over 88% of all Peru's fishmeal exports with the top three exporters being: Tasa, Copinca and Hayduk – followed by Exalmar, Austral and Diamante.

Most of the fishmeal industry trade reports this week mention something about the USA/China trade situation and how it might affect Peru's exports. Some of the reports are only commenting on how trade can change in a flash and, with Peru counting on China for 85% of fishmeal exports, the suggestion is made that Peruvian exporters need to also be developing alternative markets rather than having all their eggs in the China basket.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,815



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Danish fishmeal	64% protein	1,460
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,755

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
65/66 protein	1250/1270 m/t	
67% protein standard steam	1300/1320 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	1400/1420	1380/1400
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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