



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT August 25, 2018

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

Once again, we had a down week for US grain prices: corn was down by about USD 6 m/t, soybeans down by USD 10 m/t, soymeal down by about USD 15 m/t --- US winter wheat down by USD 12 and spring wheat down by close to USD 10 m/t.

Corn prices seemed quite happy to slip a little lower everyday this week as the weather was looking very good in much of the corn growing areas and the expected crop yields are looking to be very good. There will be some rain right where it is needed, and the daily temperatures are expected to quite corn friendly.

With the corn harvest starting in some southern areas in the US and yields looking good, there just doesn't seem to be any expectation of higher corn prices – except for the odd wee rally.

On the soybean side of things, everyone is worried about China and soybean exports and with the expectations of good crop yields couple with current very good weather – there is just not much too bullish in the soybean market – at least nothing that looks to be able to start prices trending higher.

Wheat prices were lower on the week on poor export sales and good crop yields that look to be better than had been expected. While wheat production is down in a number of countries in the world this did not seem to have much (if any) effect on US wheat prices. There were some comments that US wheat prices had dropped so far that export sales could now develop – especially with very high prices out of Europe and the Black Sea.

Perhaps wheat prices have a better chance of a long-term rally then corn or soybeans – at least at present.

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

<b>France</b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b>Condition</b>					
Barley, spring	1	5	21	70	3
Corn	4	12	23	56	5
<b>Harvested</b>	This week %	Last week %	This week 2017		
<b>USA</b>	Very poor %	Poor %	Fair %	Good %	Very Good %
<b>Condition</b>					
Wheat, spring	1	4	21	63	11
Corn	4	8	20	48	20
Sorghum	5	13	33	41	8



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Soybeans	3	8	24	49	16
Barley	1	3	18	65	13
<b>Harvested</b>	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	97	94	98	98	
Wheat, spring	60	39	55	44	
Barley	66	41	67	56	

## 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	\$30/31.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$31/32.00	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	\$43/44.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$33/34.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Up \$1.00	X
US Gulf Japan: Panamax	\$45/46.00	Up \$1.00	X
US Gulf China: Panamax	\$44/45.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$25/26.00	Up \$1.00	X
US PNW China: Panamax	\$24/25.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$43/44.00	Steady	X
US East Coast Nigeria: Handisize	\$45/46.00	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	\$37/38.00	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	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	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	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$42/43.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$38/39.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$37/38.00	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	\$35/36.00	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
Argentina to Spain: 50,000 m/t	\$37/38.00	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	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to China: 55,000 m/t	\$36/37.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$37/38.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$33/34.00	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	\$36/37.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$32/33.00	Up \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$34/35.00	Up \$2.00	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	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	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$24/25.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$28/29.00	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 disch)	\$15/16.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$43/44.00	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	\$21/22.00	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)	\$24/25.00	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	\$31/32.00	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	1697	Down 26	X
Baltic Capesize Index	3164	Down 290	X
Baltic Panamax Index	1630	Up 145	X
Baltic Supramax Index	1095	Up 39	X
Baltic Handysize Index	551	Up 6	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 224/230 Oct/Dec	X
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Wheat, USA Hard Red Winter 11 protein -NOLA	USD 250/256 Oct/Dec	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 211/215	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 223/228	X
Wheat, Romania 12.5 pro	USD 223/227	X
Wheat, Superior, France, Rouen	USD 239/241 new crop	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 225/231 Dec/Jan 2019	x
Wheat, feed, Black Sea	USD 204/208	x
Barley, France, Rouen port	USD 238/241 new crop	X
Barley, feed, Argentina	USD 176/182	X
Barley, feed, Black Sea, 30,000+	USD 227/231 Oct/Nov	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 163/166	X
Corn, 3YC FOB USA Pacific northwest	USD 177/180	X
Corn, FOB Argentina port, Upriver	USD 164/169	X
Corn, FOB Brazil port	USD 168/172	X
Corn, FOB France - Atlantic	USD 217/220	X
Corn, FOB Romania	USD 187/192 Oct/Nov	X
Corn, FOB Russia	USD 201/205	X
Corn, FOB Ukraine, 30,000+ m/t	USD 187/191 Oct/Nov	X
Sorghum, FOB Argentina port	USD 163/166	X
Sorghum, FOB Texas	USD 183/186	X
Soymeal, 48% protein, FOB NOLA	USD 367/371	X
Soymeal, 48% protein, USA, Rotterdam	USD 492/496	X
Soymeal, Argentina, Rotterdam	USD 376/380	X
Soymeal, 47% pro, FOB Argentina	USD 348/352	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 369/372	X
Soymeal, 48% protein, FOB Brazil	USD 344/348	X
Soybeans, FOB NOLA	USD 319/324	X
Soybeans, Argentina, FOB	USD 373/377	X
Soybeans, Brazil, FOB	USD 382/387	X
Soybeans, Black Sea	USD no prices	x
Corn Gluten Meal, USA FOB NOLA	USD 570>>560 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 180>>175 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 210/215	X

USA prices for DDGS are still at the low levels seen for the past couple of weeks – tied mainly to the export trade problems with a number of countries --- nothing like being hit by the steel and aluminum tariff backlash.

Most of the trade seems to be saying that there is no reason at all to expect a rally in vegetable proteins when soymeal is dropping lower and export sales are slipping.

The Jacobsen report did point out this week that DDGS continues to sell at a higher level versus corn/soymeal than would be expected and that the end-user flexibility in supply can quickly move out of DDGS to corn/soymeal if the dollars work out.

The USDA national price report has prices for corn gluten meal steady on the week and DDGS a little lower but also shows corn gluten feed to be up by USD 3 or so m/t.



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Prices should be steady to lower for a little, for all corn by-products – there is just nothing that would justify higher prices.

## Container shipments, minimum 200 m/t

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 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 820/840 m/t CNF Asia

There were some reports of higher prices for meat and bone meal in Asia this week but there is also word that production in Australia and New Zealand is up and could add more supply to the equation – which could result in lower prices. Only OZ and NZ feathermeal seemed to be able to buck the trend to lower prices in coming days. However, US feathermeal looked to be just a little lower into Asia but volume was limited and prices tough to tie down.

Indonesia was closed for much of the week due to religious holidays – Eid Al Adha – but will be back to work on Monday, so buying interest should pick up again.

In the US the prices are quite weak --- pushed lower by falling soymeal prices and an increase in animal protein supply. Even feathermeal, which has been the strongest animal protein looks to be sliding lower.

According to the Jacobsen Report, supply of animal proteins could keep prices from moving any higher, but they also don't seem to see any major price drop to lower levels.

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

It looks like the next Peru fishing season will kick off in November with the vice fisheries minister suggesting that I will perhaps be at the end of November – but no one knows for sure at present. The actual date will depend greatly on the Research Cruises and what their biomass survey says. Actually, some in the trade have been saying that October fishing could be a possibility --- but we will all just have to wait and see. With the IMARPE cruise heading out in September some feel that October fishing could be in the cards.

Trade reports from Peru say that the last shipments of fishmeal will probably be in September with little or nothing more to ship before the new season and that will probably mean late December shipment --- depends totally on when fishing starts.

As to fishing in the south of Peru – there is still a little, but the catch is very low.



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Prices in Peru for the very last lots available have been moving higher but are not representative of where prices will be next season.

And from outside of Peru: The USA/China trade dispute has hit US fishmeal as it has been added to the China list of imports from the US liable for a 25% supplemental import tariff.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,765
Danish fishmeal	64% protein	1,485
Peru fishmeal	64% protein	1,470
Chile fishmeal	67% protein	1,520
Iceland fishmeal	70% protein	1,725

## **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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