

HAMMERSMITH Marketing Ltd  
-----

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,  
PO Box N-3944, Nassau, Bahamas. Email: [tradegroup@hammersmith.biz](mailto:tradegroup@hammersmith.biz)  
WWW: [hammersmithltd.blogspot.com](http://hammersmithltd.blogspot.com) SKYPE: bacon39a

Representative Office : +33.9.7044.4881 Mobile : +33.6.8068.4564  
3 Avenue Marie Gasquet, St Remy de Provence, 13210 France

I sent out last week's report without a PDF copy of the report attached – not a single person complained or asked for a PDF copy. So here we are again this week with no PDF attached.

#### WEEKLY FEED GRAIN AND PROTEIN REPORT August 24, 2019

This week looked like another week being pressured by the "WASDE Effect" – US corn prices were lower by USD 8 m/t with soybeans down by USD 12+ and soymeal down by USD 10 to 12 m/t. Even winter wheat prices in the US were down by USD 6 to 8 m/t.

Other than the carry over WASDE situation the US/China trade situation has not helped support prices all that much – the more everyone fights the lower prices drop. Of course, if your main buyer is no longer buying that would tend to add to the bearishness in the market. China has announced some new import tariffs on US grains and oilseeds this in response to US actions. With tariff and restrictions increasing it doesn't look all that likely that an agreement will be reached quickly – unless all these new bits are just added trade negotiation points. So, who is going to blink first?

Corn was lower on the week due in part to China/US trade but also due in a drop in corn use for ethanol. There is some feeling in the corn market that prices are too low, especially as the crop yields that have been seen so far are well below the USDA estimated yields. Of course, these are very early yield numbers and may not at all represent the overall crop average.

Soybeans too were lower on the China/US situation but there are quite a few traders who say that the drop in soybean/soymeal prices has gone too far and that we should see prices trend a little higher. The market just doesn't seem to agree that the trend should be higher since it just keeps going lower. This week there was no reason at all to expect higher prices --- guess we need some very bad weather to change that. Of course, it is also getting a little late for much of a weather effect.

While wheat prices were lower on the week, the word in the trade is that rains next week could delay the winter wheat harvest and may push prices higher (or may not). With wheat prices in Europe and the Black Sea moving lower it is tough to see any strength in US export wheat prices.

## **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	Up \$1.00	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$33/34.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$34/35.00	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	\$51/52.00	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	\$38/39.00	Up \$1.00	X
US Gulf Japan: Panamax	\$51/52.00	Up \$1.00	X
US Gulf China: Panamax	\$50/51.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$28/29.00		X
US PNW China: Panamax	\$27/28.00		X
US East Coast Egypt: Panamax	\$50/51.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$55/56.00		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	\$39/40.00		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	\$33/34.00	Up \$1.00	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	\$28/29.00		X
France/Germany to South Africa: 30,000 m/t	No prices		X
France/Germany to Turkey: 35,000 m/t	\$18/19.00	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)	\$27/28.00		X
Argentina to China: 50,000 m/t, with top-off	\$42/43.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00		x
Argentina to Egypt: 50,000 m/t	\$26/27.00		X
Argentina to Europe: 50/60,000 m/t	\$25/26.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$25/26.00		X
Argentina to Jordan: 50,000 m/t	\$37/38.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$38/39.00	Up \$2.00	X
Argentina to South Africa 50,000 m/t	\$39/40.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$25/26.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00		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	\$31/32.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$40/41.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$39/30.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$28/29.00		x
Brazil to Morocco: 25/30,000 m/t	\$30/31.00	Up \$1.00	X

Brazil to Saudi Arabia 30/40,000 m/t	\$41/42.00		X
Brazil to Spain: 50,000 m/t	\$28/29.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00		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	\$28/29.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$32/33.00		X
Ukraine to Bangladesh: 45,000 m/t	\$63/64.00	Up \$3.00	X
Ukraine to India: 45/50,000 m/t	\$60/61.00	Up \$3.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00		X
Ukraine to East Med: coaster (1,000 disch)	\$22/23.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$22/23.00		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 disch)	\$18/19.00	Up \$2.00	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)	\$36/38.00		X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$41/42.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$28/29.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$30/31.00		X
Black Sea to South Africa – 30,000 m/t	\$40/41.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$18/19.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00		X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	2168	Up 80	X
Baltic Capesize Index (100,000 plus DWT)	3991	Up 165	X
Baltic Panamax Index (60,000 to 80,000 DWT)	2196	Up 27	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1249	Up 131	X
Baltic Handisize Index (25,000 plus DWT)	619	Up 59	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/November 2019

Wheat, USA Soft Red Winter, US Gulf	USD 210/213	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 202/206	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 183/186	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 190/193	X
Wheat, Romania 12.5 pro	USD 190/193	X
Wheat, Superior, France, Rouen	USD 185/187	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 189/192 Dec/Jan	X
Wheat, feed, Black Sea	USD 180/183	X
Barley, France, Rouen port	USD 174/176	X
Barley, feed, Argentina, up river	USD 174/177 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 178/181 Oct/Nov	X
Corn, 2YC FOB NOLA USA	USD 162/165	X
Corn, 3YC FOB USA Pacific northwest	USD 181/184	X
Corn, FOB Argentina port, upriver	USD 146/149	X
Corn, FOB Brazil port	USD 156/159	X
Corn, FOB France – Atlantic	USD 185/188 new crop	X
Corn, FOB Romania	USD 161/164 Oct/Nov	X
Corn, FOB Russia	USD 173/176 Oct/Nov	X
Corn, FOB Ukraine, 30,000+ m/t	USD 159/162 Oct/Nov	X
Sorghum, FOB Argentina port	USD 145/148	X
Sorghum, FOB Texas	USD 174/177	X
Soymeal, 48% protein, FOB NOLA	USD 329/332	X
Soymeal, 48% protein, USA, Rotterdam	USD 354/357	X
Soymeal, Argentina, Rotterdam	USD 346/349	X
Soymeal, 47% pro, FOB Argentina	USD 301/304	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 344/347	X
Soymeal, 48% protein, FOB Brazil	USD 303/306	X
Soybeans, FOB NOLA	USD 327/330	X
Soybeans, Argentina, FOB	USD 345/348	X
Soybeans, Brazil, FOB	USD 370/373	X
Soybeans, Black Sea	USD 352/355	X
Corn Gluten Meal, USA FOB NOLA	USD 485/495 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 173/176 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 191/196	X

Corn gluten meal prices slipped a little lower this week with buyers said to be looking to buy another USD 20 or so m/t lower. No one wants to pay a little too much in what they see to be a falling market. Actually, both corn gluten meal and corn gluten feed have not reacted much to the weakness in corn and soymeal prices. International buyers are said to be looking for further price weakness, especially in corn gluten meal.

DDGS prices from the US were steady to lower this week. The drop in prices over the past couple of weeks has stirred up quite a bit of international buyer interest --- looking at corn and soymeal prices, DDGS does look like quite a decent bargain for importers.

### 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 570/580 m/t CNF Asia
Australian Poultry Meal, pet food	USD 750/760 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 430/450 m/t CNF Asia
	USD 415/425 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry Meal, feed grade	USD 490/510 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 650/700 m/t CNF Asia

According to this week's Jacobsen Report, the price of meat and bone meal into Asia has slipped a little lower – this said to be due to large stocks in exporting countries, like New Zealand. New business is reported to be very limited as buyers all are carrying good stocks and with the weakness in vegetable protein prices don't seem all that ready to buy animal proteins.

USA domestic prices for meat and bone meal are said to be a little higher – much of the increase is felt to be due to a major rendering operation being off-line due to a fire. Pork meal prices are also higher with this due to very good export demand.

Poultry meal and feathermeal prices are steady this week.

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

The export market in Peru is a little quieter this week after last week's rush of buying/selling. Some trade reports feel that the market prices may be about USD 50 to 70 below the levels that I show below – this seems to be based on the lower CNF China prices that are in the market.

Unsold stocks in Peru are now said to be below 40,000 m/t. The MSI Ceres report this week was saying that China will need to cover about 250,000 m/t in 2019 fishmeal needs from origins other than Peru, since Peru is all but sold out – they wonder where this amount can be sourced.

The latest Peru fishmeal export figures show a total of just under 740,000 for 2019 up to the end of July, with close to 80% going to China with another 12% going to other Asian destinations.

It is still a few months off until the next season and with little left to sell there will probably be very little to report from Peru.

Reports say that all the Indian fishmeal producers have closed down for now in protest against a government 5% sales tax on fishmeal, it came into effect on August 1. Aquaculture operations are very concerned about the lack of fishmeal for their feed rations and add that the cost of importation of fishmeal is too high and will take much too long for the current aqua season.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,860
Danish fishmeal	64% protein	1,410
Peru fishmeal	64% protein	1,460
Chile fishmeal	67% protein	1,540
Iceland fishmeal	70% protein	1,840

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

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	1100/1120 m/t	
67% protein standard steam	1150/1170 m/t	
67% protein 150 TVN	1250/1270 m/t	No prices
67% protein 120 TVN	1300/1320 m/t	1310/1330
67% protein 1000 hist, 120 TVN	1350/1370 m/t	1350/1370
68% protein 500 hist, 120 TVN	1400/1420 m/t	1400/1420
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	2000/2200	

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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2019 Wayne S. Bacon

#