



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT August 31, 2019

Monday is a holiday in the US so the grain markets and most business will be closed for the day. As has been said before – a three day weekend normally starts with price changes that mean nothing as buyers and sellers in the US are just evening their order books before the long weekend.

Looking at how the futures markets finished the week, things seemed quite calm for corn with prices almost unchanged on the week. Soybeans did finish the week about USD 5 m/t higher with soymeal unchanged on the week. Spring wheat was down by USD 7 to 9 m/t while winter wheat was down by about USD 6 to 8 m/t.

There was a report out in the US this week that farm incomes are now at their highest level in five years, but a chunk of this farm income is related to government aid for export trade losses. So, while it may be farm income it is not exactly farming income.

Not much to report on corn this week – the weather in the US is cooling and there may be some effect on southern corn crops from hurricane Dorian but overall the crops are fine and the growing weather is OK. If the weather stays cool in the US, then corn prices should move higher as yields will be expected to move lower.

Soybeans were a little higher on the never ending hope that an agreement can be reached with China and soybean exports can get back to normal. It isn't expected to happen over the holiday weekend so Tuesday could see lower soybean prices.

Wheat prices were pushed lower by large wheat stocks and very strong projected US and world wheat production. There is nothing like too much wheat in the world to help push prices lower.

There were also quite strong deliveries against futures this week – certainly stronger than the market had expected. When there is too much wheat, deliveries against futures are always an option.

Overall futures market activity on Friday was quite large, probably due to the three day holiday weekend in the US.

### **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		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00		X
US Gulf Israel: 50,000 m/t	\$33/34.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$32/33.00		X
US Gulf Turkey: 50,000 m/t	\$34/35.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$38/39.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$37/38.00		X
US Gulf Nigeria: 30,000 m/t	\$51/52.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$38/39.00		X
US Gulf South Africa: 45,000 m/t	\$39/40.00	Up \$1.00	X
US Gulf Japan: Panamax	\$52/53.00	Up \$1.00	X



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US Gulf China: Panamax	\$51/52.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$30/31.00	Up \$2.00	X
US PNW China: Panamax	\$29/30.00	Up \$2.00	X
US East Coast Egypt: Panamax	\$52/53.00	Up \$2.00	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	\$40/41.00	Up \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$34/35.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$21/22.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$17/18.00		X
France/Germany to Saudi Arabia: 50/60,000	\$29/30.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	No prices		X
France/Germany to Turkey: 35,000 m/t	\$18/19.00		X
France/Germany to Yemen: 30,000 m/t	\$30/31.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$28/29.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$43/44.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$28/29.00	Up \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$27/28.00	Up \$2.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$25/26.00		X
Argentina to Jordan: 50,000 m/t	\$38/39.00	Up \$1.00	X
Argentina to Saudi Arabia: 50,000 m/t	\$39/40.00	Up \$1.00	X
Argentina to South Africa 50,000 m/t	\$40/41.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$27/28.00	Up \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$22/23.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$31/32.00		x
Brazil to China: 55,000 m/t	\$41/42.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$40/41.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$30/31.00		X
Brazil to Saudi Arabia 30/40,000 m/t	\$42/43.00	Up \$1.00	X
Brazil to Spain: 50,000 m/t	\$29/30.00	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	\$21/21.50	Up \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50	Up \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$29/30.00	Up \$1.00	X
Ukraine to China: 50,000 m/t	\$32/33.00		X
Ukraine to Bangladesh: 45,000 m/t	\$66/67.00	Up \$3.00	X
Ukraine to India: 45/50,000 m/t	\$63/64.00	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)	\$24/25.00	Up \$2.00	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 dich)	\$17/18.00	Down \$1.00	X



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Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00	Up \$2.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$38/39.00	Up \$2.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$41/42.00		X
Black Sea to Europe: 50,000 m/t	\$19/20.00		X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$22/23.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$19/20.00		X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$28/29.00		X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$31/32.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$40/41.00		X
Black Sea to Turkey – 30,000 m/t	\$18/19.00		X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	2378	Up 210	X
Baltic Capesize Index (100,000 plus DWT)	4467	Up 473	X
Baltic Panamax Index (60,000 to 80,000 DWT)	2260	Up 64	X
Baltic Supramax Index (50,000 to 60,000 DWT)	1336	Up 87	X
Baltic Handisize Index (25,000 plus DWT)	665	Up 46	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 203/207	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 194/197	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 183/186	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 192/195	X
Wheat, Romania 12.5 pro	USD 191/194	X
Wheat, Superior, France, Rouen	USD 183/185	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 183/186 Dec/Jan	X
Wheat, feed, Black Sea	USD 180/183	X
Barley, France, Rouen port	USD 171/173	X
Barley, feed, Argentina, up river	USD 173/176 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 175/178 Oct/Nov	X
Corn, 2YC FOB NOLA USA	USD 161/164	X
Corn, 3YC FOB USA Pacific northwest	USD 182/185	X
Corn, FOB Argentina port, upriver	USD 147/150	X
Corn, FOB Brazil port	USD 155/158	X
Corn, FOB France – Atlantic	USD 183/185 new crop	X
Corn, FOB Romania	USD 158/161 Oct/Nov	X
Corn, FOB Russia	USD 173/176 Oct/Nov	X
Corn, FOB Ukraine, 30,000+ m/t	USD 158/161 Oct/Nov	X
Sorghum, FOB Argentina port	USD 146/149	X



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Sorghum, FOB Texas	USD 174/177	X
Soymeal, 48% protein, FOB NOLA	USD 335/338	X
Soymeal, 48% protein, USA, Rotterdam	USD 360/363	X
Soymeal, Argentina, Rotterdam	USD 344/347	X
Soymeal, 47% pro, FOB Argentina	USD 300/303	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 335/338	X
Soymeal, 48% protein, FOB Brazil	USD 298/301	X
Soybeans, FOB NOLA	USD 338/341	X
Soybeans, Argentina, FOB	USD 350/353	X
Soybeans, Brazil, FOB	USD 366/369	X
Soybeans, Black Sea	USD 348/351	X
Corn Gluten Meal, USA FOB NOLA	USD 490/500 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 173/176 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 198/204	x

Corn by product prices were mainly steady this week but there was a little move higher for DDGS as ethanol production along with DDGS production is expected to drop just a bit. The flurry of buying of DDGS seems to have ended and buyers now are all booked up for a few weeks.

Both corn gluten feed and corn gluten meal don't seem to want to do anything exciting so only DDGS price fluctuations are keeping the market interesting.

With world fishmeal prices dropping quite a bit it had been felt that corn gluten meal would drop lower too but this just doesn't seem to be happening. CGM seems to be stuck at the USD 490/500 m/t level.

## Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 355/375 m/t CNF Asia
Australian MBM 50% protein	USD 395/415 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 420/440 m/t CNF Asia
	USD 405/415 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry Meal, feed grade	no prices
USA Poultry Meal, pet food grade	USD 600/650 m/t CNF Asia

There has been a little weakness in meat and bone meal prices in Asia – down by USD 10 to 20 m/t. Prices are moving lower mainly due to very good supply in exporting countries like New Zealand and Australia.

USA meat and bone meal export prices were steady on the week but both feathermeal and pet food grade poultry meal moved lower. Sellers had not been expecting the drop in pet food grade poultry meal – what are the dogs and cats eating these days.

According to the Jacobsen Report this week, South American meat and bone meal prices into Asia have been seen as low as USD 350/300 m/t which is well below prices from other exporters. Jacobsen doesn't say but feel that these lower prices must be for 45% protein meat and bone meal,

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not 50% protein.

Prices look to be in a bit of a trading range for now – up a little and down a little but no major price changes.

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

The fishing in the south of Peru is reported to be almost zero this past week due to the very high level of juvenile fish. Most fishermen are not even going out until the situation improves.

Fishmeal prices in China are said to be lower again this week as fishmeal stocks are high and off-take is low --- nothing like this situation to push prices lower. However, China buyers are reported to be looking at Peru for the next fishing season, but their price ideas are at USD 50 to 100 m/t below current price quotations. There don't seem to be any trades done at these lower levels.

There has been some talk in Peru that the next fishing quota should be a small quota in order to keep the fishmeal supply from getting too high and pushing prices even further down. The fishmeal consumption in China is the key to the market and if China consumption falls lower than expected then Peru (and others) could end up with excess fishmeal stocks on hand in early 2020.

Just a note that the fishmeal production strike in India continues with the local fishing industry badly affected – about 40% of fish landed normally go into fishmeal production. Fisherman are said to be dumping fishmeal grade catch back into the sea.

## 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	1,390
Peru fishmeal	64% protein	1,425
Chile fishmeal	67% protein	1,515
Iceland fishmeal	70% protein	1,835

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	



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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

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