



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT September 07, 2019

It was a short work week in the US following the holiday last Monday but there was still time to push prices lower on the week. Looking at US futures, corn was down by about USD 5 to 6 m/t, soybeans down by USD 4 to 5 m/t, soymeal down by about USD 3 m/t. Wheat prices were steady on the week with a range of up or down a dollar a ton or so.

Corn prices slipped lower on low export sales and what looks to be a great corn crop in the US – reports at the end of the week suggest that the US crop progress report on Monday will show an increase in the corn rating. The US weather looks to be just great for the corn crop with nothing nasty seen in the forecast – only poor export sales are nasty. Some of the folks who questioned to USDA corn yield forecasts are now saying that with the very good weather the USDA numbers don't look impossible and at least one private forecaster has come out with expected higher yields than the USDA. So, lots of reasons for lower corn prices and almost no reasons for higher prices.

Soybeans are much like corn with great crop weather and low exports – just what you need for lower prices. The new export sales were not actually low this week as they were double the week before, but China is still the big problem for soybean exports --- but then, so far, China is still the main destination for US soybean exports.

There is some talk in the trade that the USDA will lower their forecast of soybean yields which could stop the current slide in soybean prices and may just set a new upward price trend for soybeans.

Not much happened with wheat this week with the trend still showing steady to lower prices for US wheat. On the export side of things, US wheat is just not price competitive in some export markets as Black Sea wheat (and even EU) wheat is extra competitive this year.

### **Top 20 US Export Destinations for Grains and Oilseeds – 7 months to July 2019 – in m/t**

Country	Wheat	Corn	Sorghum	Soybeans	Soymeal
Algeria	565,900				
Argentina				203,000	
Bangladesh	37,100			387,700	
Brazil	57,000				
Belgium				33,000	34,100
Burma					116,000
Cameroon			20,700		
Canada		1,438,800	31,600	381,900	511,100
Chile	249,000				
China	42,000	192,000	445,700	10,305,600	
Colombia	314,400	2,764,600		352,000	685,300
Costa Rica		465,800			
Djibouti			20,000		
Dominican Rep	186,600	330,600			295,100



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Ecuador	229,000				370,900
El Salvador	166,100	433,100			171,400
Egypt				1,374,100	
Eritrea			31,500		
Ethiopia	131,200				
France				95,200	
Germany				400,600	
Guatemala	312,100	628,600			224,200
Honduras	155,700	336,100			143,100
Indonesia	927,000			1,446,700	24,800
Iraq	420,000				
Israel		65,100			103,600
Italy	182,100		36,600	184,000	58,200
Jamaica		151,100			66,300
Japan	1,383,400	8,407,000	211,600	1,386,300	192,200
Malaysia				347,100	
Mexico	1,924,600	8,653,400	283,400	2,899,000	1,001,100
Morocco		61,800			207,100
Netherlands				1,021,600	
Nigeria	1,546,400				
Nicaragua		220,500			70,900
Pakistan				201,500	
Panama		238,500			107,600
Peru		1,029,400			123,900
Philippines	1,667,100		200		1,253,100
Portugal				160,000	
Saudi Arabia		418,200			
South Africa			54,500		
South Korea	710,000	1,860,900	4,200	640,300	
Spain		400	371,700	546,700	69,200
Sri Lanka					126,600
Sudan					
Taiwan	723,800	956,100	6,300	762,000	
Thailand	311,300			582,300	128,200
Tunisia				64,400	
Venezuela	51,500				68,100
Vietnam	103,400	65,000		234,800	357,000
Yemen	381,600				

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## 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	\$52/53.00	Up \$1.00	X



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US Gulf other Med: 30,000 MT(5,000 disch)	\$38/39.00		X
US Gulf South Africa: 45,000 m/t	\$40/41.00	Up \$1.00	X
US Gulf Japan: Panamax	\$52/53.00		X
US Gulf China: Panamax	\$51/52.00		X
US PNW South Africa – 40,000 m/t	\$37/38.00		X
US PNW Japan: Panamax	\$30/31.00		X
US PNW China: Panamax	\$29/30.00		X
US East Coast Egypt: Panamax	\$52/53.00		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		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		X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$21/22.00		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		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		X
Argentina to China: 50,000 m/t, with top-off	\$44/45.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$43/44.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$28/29.00		X
Argentina to Europe: 50/60,000 m/t	\$25/26.00	Down \$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		X
Argentina to Saudi Arabia: 50,000 m/t	\$39/40.00		X
Argentina to South Africa 50,000 m/t	\$41/42.00	Up \$1.00	X
Argentina to Spain: 50,000 m/t	\$25/26.00	Down \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00		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		X
Brazil to Japan: 55,000 m/t	\$40/41.00		X
Brazil to Europe: 50,000 m/t	\$29/30.00		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		X
Brazil to Spain: 50,000 m/t	\$29/30.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$21/21.50		X
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$29/30.00		X
Ukraine to China: 50,000 m/t	\$32/33.00		X
Ukraine to Bangladesh: 45,000 m/t	\$66/67.00		X
Ukraine to India: 45/50,000 m/t	\$63/64.00		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		X



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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)	\$18/19.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/25.00		X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$38/39.00		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		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		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)	\$22/23.00	Up \$1.00	X
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	2462	Up 84	X
Baltic Capesize Index (100,000 plus DWT)	4949	Up 482	X
Baltic Panamax Index (60,000 to 80,000 DWT)	2216	Down 44	x
Baltic Supramax Index (50,000 to 60,000 DWT)	1338	Up 2	X
Baltic Handisize Index (25,000 plus DWT)	689	Up 24	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 207/210	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 194/197	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 178/181	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 186/189	x
Wheat, Romania 12.5 pro	USD 188/191	X
Wheat, Superior, France, Rouen	USD 182/184	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 180/183 Dec/Jan	X
Wheat, feed, Black Sea	USD 179/182	X
Barley, France, Rouen port	USD 169/171	X
Barley, feed, Argentina, up river	USD 170/173 Dec/Jan	X
Barley, feed, Black Sea, 30,000+	USD 177/180 Oct/Nov	X
Corn, 2YC FOB NOLA USA	USD 155/158	X
Corn, 3YC FOB USA Pacific northwest	USD 176/179	X
Corn, FOB Argentina port, upriver	USD 142/145	X
Corn, FOB Brazil port	USD 152/155	X
Corn, FOB France – Atlantic	USD 181/183 new crop	X
Corn, FOB Romania	USD 156/159 Oct/Nov	X



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Corn, FOB Russia	USD 170/173 Oct/Nov	X
Corn, FOB Ukraine, 30,000+ m/t	USD 154/157 Oct/Nov	X
Sorghum, FOB Argentina port	USD 140/143	X
Sorghum, FOB Texas	USD 163/166	X
Soymeal, 48% protein, FOB NOLA	USD 330/333	X
Soymeal, 48% protein, USA, Rotterdam	USD 355/358	X
Soymeal, Argentina, Rotterdam	USD 344/347	X
Soymeal, 47% pro, FOB Argentina	USD 297/300	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 334/337	X
Soymeal, 48% protein, FOB Brazil	USD 295/298	X
Soybeans, FOB NOLA	USD 326/329	X
Soybeans, Argentina, FOB	USD 340/343	X
Soybeans, Brazil, FOB	USD 362/365	X
Soybeans, Black Sea	USD 346/349	X
Corn Gluten Meal, USA FOB NOLA	USD 480/490 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 172/175 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 196/202	X

With corn prices continuing lower, there is still pressure on corn byproduct prices. DDGS was steady to a little lower on the week while corn gluten meal dropped another USD 10 m/t – only corn gluten feed seemed to be able to hold steady in the face of lower corn prices.

The rush of buying that was seen in DDGS a couple of weeks ago seems to have slowed as buyer look to be covered out a ways but are also afraid to book much more as long as corn prices keep falling.

There doesn't look to be any reason for now to expect higher export prices at least not at an FOB level although, with quite a bit of byproducts shipping in containers, the increases in ocean freight costs may just offset any drop in product costs.

## **USA exports of corn by-products – 7 months to July 2019 – major destinations and selected countries – in m/t**

Country	Distillers Dried Grains DDGS 2019	Corn Gluten Meal 2019	Corn Gluten Feed 2019
Australia		2,000	
Bangladesh	102,700	18,600	
Burma	37,700	300	600
Cambodia	15,600		
Canada	387,300	33,900	
Chile		65,700	
China	75,400	13,300	
Colombia	97,500	40,000	16,700
Costa Rica	47,100		
Ecuador	9,600	2,300	
Egypt	64,600	90,500	
El Salvador	44,200	3,700	



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Guatemala	38,100	2,100	
Honduras	22,500	3,800	
Indonesia	536,200	85,300	5,700
Ireland	166,400		164,700
Israel	141,200		117,000
Japan	305,400	3,000	
Malaysia	36,000	18,600	
Mexico	1,222,200	11,200	16,400
Morocco	115,600		16,000
New Zealand	69,800		18,700
Peru	5,300	4,900	
Philippines	128,600	1,300	700
Portugal	6,600		9,200
South Korea	745,400	800	
Spain	61,600		
Taiwan	128,300	18,900	
Thailand	272,400	19,200	
Turkey	411,400		96,900
UK	107,800		40,700
Vietnam	684,300	8,500	

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## 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 720/730 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 420/440 m/t CNF Asia
USA Feathermeal, 80% protein	USD 405/415 to Indonesia
USA Poultry Meal, feed grade	USD 400/420 m/t CNF Asia
USA Poultry Meal, pet food grade	no prices
	USD 600/650 m/t CNF Asia

No changes on prices into major markets in Asia this week – as can be seen by the US export numbers below Asian countries are 60% of the export market for meat and bone meal – Indonesia and China in particular. There seems to be quite good sales volume being done and it looks like both buyers and sellers are happy with the level of prices these days.

Australia did see a drop in the export price for poultry meal --- much of this caused by OZ exporters trying to compete with lower priced US poultry meal.

This was a short work week in the US after the holiday last Monday and markets seemed very calm for the shortened week. While most animal protein prices remained steady there was more pressure on poultry meal prices as production was very good, but consumption was not. Poultry meal prices are now very attractive to buyer so it is felt that buying will pick up quickly and poultry meal prices should move higher --- both US domestic and export prices.



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## USA exports of animal protein – 7 months to July 2019 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork meal	Feather meal
	To July 2019	To July 2019
Burma	3,800	
Cambodia	1,500	
Canada	29,000	5,400
Chile	19,700	26,200
China	86,500	3,600
Colombia	800	
Ecuador	15,000	500
Germany		
Guatemala	1,300	
Honduras	4,400	400
Indonesia	123,600	13,800
Jamaica		
Malaysia	6,200	
Mexico	116,400	
Peru	900	800
Philippines	12,600	200
Sri Lanka	1,600	
Thailand	18,600	
Vietnam	42,900	1,700
Total exports	485,400 Up 37.0%	52,600 Down 20.0%

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

Fishmeal prices in Peru continue to slide lower and buyers are still trying to buy at lower levels. There is not much left to sell in Peru, only about 25,000 m/t, but there still seems to be the odd buyer looking around.

It has been reported that the first bits of business for the next fishing season have been done – said to be small amounts of Super Prime at about USD 1350 m/t. Reports say that perhaps 60,000 m/t has been traded for the next season.

Fishing in the South of Peru remains very poor with no landings reported for the past couple of weeks.

People are now talking about what the next Northern fishing quota will be with some saying that about 1.5 million m/t looks to be about the expected level.

Not much more to report this week.

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One small item – the fishmeal producers strike in India has ended --- the strike was called off "in the interest of the nation" as fishermen and boat owners were suffering major losses as I am sure were fishmeal producers.

## PERU "INDICATION" FISHMEAL PRICES:

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,830
Danish fishmeal	64% protein	1,385
Peru fishmeal	64% protein	1,420
Chile fishmeal	67% protein	1,510
Iceland fishmeal	70% protein	1,805

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	1050/1070 m/t	
67% protein standard steam	1100/1120 m/t	
67% protein 150 TVN	1200/1220 m/t	No prices
67% protein 120 TVN	1250/1270 m/t	1250/1270
67% protein 1000 hist, 120 TVN	1300/1320 m/t	1300/1320
68% protein 500 hist, 120 TVN	1350/1370 m/t	1350/1370
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

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