



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT September 08, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Corn prices did very little this week with very little excitement in the corn market. US corn exports were quite good and were higher than some experts had thought would happen. There was some concern in part of the US about too much rain and the possibility of flood fields – but this certainly didn't push corn prices higher. Next week we will have the USDA yield estimates so that could change market direction, although no one seems to be expecting any USDA surprises.

Soybeans too were not all that exciting this week with prices doing little or nothing although US soymeal was up by about USD 10 m/t on better than expected export sales.

US wheat prices continued lower on the week, down by as much as USD 14 m/t, as there just wasn't any bullish news in the market to support prices and seems that futures traders were getting out of their long positions and moving short.

We have the September USDA WASDE report next week so most grain traders, buyers and hedgers are being quite conservative coming into the report – so, unless something happens we could be looking at a quiet pre-report week.

Crop Situation and Condition – USA --- USDA report September 02, 2018

<u>USA</u>	Very poor %	Poor %	Fair %	Good %	Very Good %
<u>Condition</u>					
Corn	4	8	21	46	21
Sorghum	5	12	31	43	9
Soybeans	3	8	23	49	17
<u>Harvested</u>	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, spring	87	77	87	75	
Sorghum	22	20	23	23	
Barley	86	80	91	83	

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	Steady	x
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$22/23.00	Steady	x
US Gulf Israel: 50,000 m/t	\$30/31.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$29/30.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$31/32.00	Steady	x
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00	Steady	X



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US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$33/34.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$43/44.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$33/34.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Steady	X
US Gulf Japan: Panamax	\$45/46.00	Steady	X
US Gulf China: Panamax	\$44/45.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$25/26.00	Steady	X
US PNW China: Panamax	\$24/25.00	Steady	X
US East Coast Egypt: Panamax	\$42/43.00	Down \$1.00	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	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	\$27/28.00	Down \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$20/21.00	Down \$1.00	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	\$17/18.00	Down \$1.00	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	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$37/38.00	Down \$2.00	X
Argentina to Europe: 50/60,000 m/t	\$37/38.00	Down \$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	Steady	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	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	Steady	X
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	Down \$1.00	x
Brazil to Japan: 55,000 m/t	\$37/38.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$33/34.00	Steady	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	Steady	x
Brazil to Spain: 50,000 m/t	\$31/32.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$33/34.00	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	Steady	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



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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	\$33/34.00	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	\$11/12.00	Steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Down \$1.00	x
Baltic Dry Index	1490	Down 89	x
Baltic Capesize Index	2411	Down 321	x
Baltic Panamax Index	1528	Up 43	X
Baltic Supramax Index	1134	Up 2	X
Baltic Handysize Index	568	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 221/225 Oct/Dec	x
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 242/247 Oct/Dec	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 208/212	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 219/224	x
Wheat, Romania 12.5 pro	USD 219/223	x
Wheat, Superior, France, Rouen	USD 231/234	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 229/233 Dec/Jan 2019	x
Wheat, feed, Black Sea	USD 201/205	x
Barley, France, Rouen port	USD 232/236	x
Barley, feed, Argentina, up river	USD 178/182	x
Barley, feed, Black Sea, 30,000+	USD 225/229	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 184/188	x
Corn, FOB Argentina port, upriver	USD 163/166	x
Corn, FOB Brazil port	USD 171/175	x
Corn, FOB France - Atlantic	USD 208/211	x



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Corn, FOB Romania	USD 174/178	x
Corn, FOB Russia	USD 184/188	x
Corn, FOB Ukraine, 30,000+ m/t	USD 172/175	x
Sorghum, FOB Argentina port	USD 158/162	x
Sorghum, FOB Texas	USD 183/186	x
Soymeal, 48% protein, FOB NOLA	USD 361/364	x
Soymeal, 48% protein, USA, Rotterdam	USD 386/389	x
Soymeal, Argentina, Rotterdam	USD 380/383	X
Soymeal, 47% pro, FOB Argentina	USD 345/347	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 381/385	x
Soymeal, 48% protein, FOB Brazil	USD 354/358	x
Soybeans, FOB NOLA	USD 319/323	x
Soybeans, Argentina, FOB	USD 371/376	x
Soybeans, Brazil, FOB	USD 375/379	x
Soybeans, Black Sea	USD 357/362	x
Corn Gluten Meal, USA FOB NOLA	USD 560>>540 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 175>>170 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 202/206	x

According to ethanol production reports in the US, the week ending August 31 was a near record week for DDGS production with daily production of just over 103,000 m/t of DDGS on average. Corn gluten feed production is at about 10,900 m/t per day with corn gluten meal at close to 2,000 m/t per day.

The monthly fissures don't quite support the weekly report as they show DDGS production at 2.1 million m/t for the month of July with CGF at 321,000 and CGM at 93,000 m/t

The USDA average domestic price report shows corn gluten feed prices to be up by about USD 2 m/t with corn gluten meal prices down by less than USD 1 and DDGS prices steady.

Export prices for all corn byproducts were steady to lower and seem to be stuck in a trading range – up a little, down a little.

USA exports of corn by-products – 7 months 2018 – major destinations and selected countries – in m/t

Country	Distillers Dried Grains DDGS Jan/July 2018	Corn Gluten Meal Jan/July 2018	Corn Gluten Feed Jan/June 2018
Australia		3,500	
Bangladesh	83,400	3,500	
Burma	33,600	1,800	
Cambodia	30,300		900
Canada	390,800	42,900	
Chile		78,000	
China	111,000		
Colombia	116,000	58,900	14,800



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Costa Rica	49,400		
Denmark		6,600	
Ecuador	19,300	2,300	
Egypt	155,900	85,900	
El Salvador	44,500	1,200	
Guatemala	32,600	4,300	
Honduras	31,500	5,200	
Indonesia	402,400	64,900	1,400
Ireland	188,300		227,000
Israel	171,300	800	155,000
Jamaica	12,100		
Japan	253,800	3,900	
Malaysia	40,000	12,400	
Mexico	1,222,000	8,600	15,100
Morocco	104,100		35,300
New Zealand	111,400		13,900
Panama	12,700		
Peru	13,900	6,500	
Philippines	92,100	800	
Portugal	15,600		29,800
Saudi Arabia	4,200	500	
South Korea	686,400		900
Spain	138,000		
Sri Lanka	9,700		
Taiwan	120,300	22,100	
Thailand	581,600	17,000	
Tunisia	22,000		
Turkey	767,800		67,900
UK	62,400	1,500	21,100
Vietnam	637,100	7,400	
Total exports	6,774,700	n/a	n/a

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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 400/420 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

Meat and bone meal prices into Indonesia moved much higher this week as a number of MBM producers in export countries have lost their approval in Indonesia – fewer approved suppliers means less supply and higher prices.

Domestic MBM prices in Australia moved a little higher this week but not so in the export market, but



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that will happen. There is also reported to be some tightness in the feathermeal export market which could cause higher prices in coming weeks. There is also a feeling that poultry meal prices may start to move higher due to lower numbers in the poultry slaughter reports.

USA MBM export prices were steady on the week, but domestic prices moved a little lower which may just push export prices for Asian buyers a little lower.

According to the Jacobsen Report this week there are many more sellers than buyers in the market at present.

USA exports of animal protein – 7 months 2018 – major destinations – in m/t

Destination	Meat and bone meal – includes poultry and pork	Feather meal
	Jan/July 2018	Jan/July 2018
Burma	2,900	
Canada	33,400	11,000
Chile	300	15,200
China	27,600	23,400
Colombia	800	100
Ecuador	9,500	
Germany		
Honduras	6,200	
Indonesia	99,600	14,800
Jamaica	1,100	
Malaysia	6,000	
Mexico	107,200	
Peru	2,800	700
Philippines	12,000	400
Sri Lanka	1,800	
Thailand	10,200	
Vietnam	30,500	
Total exports	354,100	65,600

@USDA GATS

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Still no fishing in the south of Peru – trade reports say this is due to bad weather and the fish being too close to shore.

Looking back on recent fishing seasons, as published by MSI Ceres, it looks like the best average for the upcoming season will be at 2 million m/t --- there have been lower season in the past few years but, with the biomass expected to be in good shape, the 2 million looks like a good number.



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Prices in Peru look a little bit firmer with some trade reports saying prices up by USD 10 m/t while other say it is closer to USD 50 m/t higher. Most trade reports don't seem to see any reason for prices to move lower – looks like steady to higher could be the trend.

New season presales are said to be up close to 90,000 m/t.

The government of Peru has reversed its decision on fish oil processing that required producers to have two production lines – one for human consumption fish oil and one for the rest. Normally fishoil producers use the same line but with a shut down and cleaning between processing each type but new rules in the EU had caused the government to change the processing requirements. The government will now give producers much more time to meet the new EU processing requirements.

As usual, not too much to say in these weeks between seasons in Peru.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,800
Danish fishmeal	64% protein	1,490
Peru fishmeal	64% protein	1,475
Chile fishmeal	67% protein	1,525
Iceland fishmeal	70% protein	1,750

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	1260/1280 m/t	
67% protein standard steam	1310/1330 m/t	
67% protein 150 TVN	1460/1480 m/t	No prices
67% protein 120 TVN	1510/1530 m/t	1530/1550
67% protein 1000 hist, 120 TVN	1560/1580 m/t	1600/1620
68% protein 500 hist, 120 TVN	1600/1620 m/t	1610/1630
Fish oil, crude bulk	1410/1430	1400/1450
Fish oil, crude drums	1460/1480	
Fish oil, flexi tank	1560/1580	
Fish oil, Omega 3: 28%EPA/DHA	1700/1800	

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

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