



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT July 21, 2018

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Hot dry weather in much of the US was a factor in higher prices this week for most grains: corn was up by about USD 5 m/t, soybeans up by USD 11 m/t, winter wheat up by close to USD 7 m/t and spring wheat up by about USD 8 m/t ---- only soymeal seemed to be able to be steady on the week.

Reports this weekend say that much of the strength in corn and soybeans was linked to the rally in wheat prices – a rally that was kicked off by lower wheat production estimates from Europe and the Black Sea.

Some reports also said that there didn't seem to be any reason for corn prices to move lower in coming week so that the longer term trend for corn still probably be slightly higher. Although, there seem to be more speculator shorts in corn futures market every week – the specs seem to feel that there is still some room to go lower. Of course, if the speculators get a little scared and start covering their shorts then we could see a decent corn price rally.

There were quite a few comments in the trade reports that soybeans too are probably at or close to their bottom for prices. US soybeans are at a very attractive discount to Brazil which should make buyers look very closely at the US (except for Chinese buyers). I guess the question will be, can the alternative buyers make up for the loss of business to China or will we just see lower and lower exports and weaker and weaker soybean prices.

Lots of bullish reports affecting wheat this week as France's wheat crop is expected to drop and Black Sea wheat crops may not be as good as expected and part so Europe, other than France, are also expected to see lower wheat production.

On the futures side of wheat, it looks like most of the important people are now settling in to long positions.

Crop Situation and Condition – USA and France

France	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat - soft	1	7	20	65	7
Wheat - hard	4	10	24	61	1
Barley, winter	1	9	21	64	5
Barley, spring	1	5	18	72	3
Corn	1	7	21	65	6
Harvested	This week %	Last week %	This week 2017		
Wheat - soft	64	20	53		
Wheat - hard	85	33	86		



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Barley, winter	99	92	96		
Barley, spring	31	7	38		
USA	Very poor %	Poor %	Fair %	Good %	Very Good %
Condition					
Wheat, spring	1	3	16	67	13
Corn	3	6	19	51	21
Sorghum	5	12	36	43	4
Soybeans	2	6	23	53	16
Barley	1	2	12	70	15
Harvested	This week %	Last week %	This week 2017	Average 2013/17	
Wheat, winter	74	63	74	71	

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	\$28/29.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Steady	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	Up \$1.00	x
US Gulf Nigeria: 30,000 m/t	\$42/43.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$32/33.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$36/37.00	Steady	X
US Gulf Japan: Panamax	\$43/44.00	Steady	X
US Gulf China: Panamax	\$42/43.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Up \$1.00	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	\$44/45.00	Down \$1.00	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	Down \$1.00	x
France/Germany to China: 50,000 m/t	\$36/37.00	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	\$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	\$25/26.00	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	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$40/41.00	Up \$1.00	X



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Argentina to Japan: 50,000 m/t, with top-off	\$39/40.00	Up \$1.00	x
Argentina to Egypt: 50,000 m/t	\$35/36.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$34/35.00	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	\$33/34.00	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	\$34/35.00	Up \$1.00	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$19/20.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$34/35.00	Steady	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Steady	X
Brazil to Europe: 50,000 m/t	\$29/30.00	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	\$34/35.00	Steady	X
Brazil to Spain: 50,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$31/32.00	Up \$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	\$35/36.00	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
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$14/15.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$22/23.00	Steady	X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$30/31.00	Up \$5.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$15/16.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$16/17.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$22/23.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$45/46.00	Up \$5.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$37/38.00	Up \$1.00	X
Black Sea to Europe: 50,000 m/t	\$19/20.00	Steady	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	Up \$1.00	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$21/22.00	Steady	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$26/27.00	Steady	X
Black Sea to Libya: 25/35,000 m/t	\$20/21.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Down \$2.00	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)	\$18/19.00	Up \$1.00	X
Baltic Dry Index	1689	Up 23	x
Baltic Capesize Index	3205	Up 47	X
Baltic Panamax Index	1557	Up 30	X
Baltic Supramax Index	1023	Up 28	X
Baltic Handysize Index	560	Up 1	X



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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 August 2018/October 2018

Wheat, USA Soft Red Winter, NOLA	USD 219/227	X
Wheat, USA Hard Red Winter 11 protein -NOLA	USD 233/240	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 190/193	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 202/205	X
Wheat, Romania 12.5 pro	USD 200/203	X
Wheat, Superior, France, Rouen	USD 229/232	x
Wheat, milling, 12.0%, Argentina, Upriver	USD 238/241	X
Wheat, feed, Black Sea	USD 184/188	x
Barley, France, Rouen port	USD 222/225	x
Barley, feed, Argentina	USD 177/180 Aug/Sep	X
Barley, feed, Black Sea, 30,000+	USD 190/193	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, 2YC FOB NOLA USA	USD 167/169	x
Corn, 3YC FOB USA Pacific northwest	USD 179/184	x
Corn, FOB Argentina port, Upriver	USD 164/167	X
Corn, FOB Brazil port	USD 172/175	X
Corn, FOB France - Atlantic	USD 205/208	x
Corn, FOB Romania	USD 177/181 Sep/Oct	X
Corn, FOB Russia	USD 194/197	X
Corn, FOB Ukraine, 30,000+ m/t	USD 175/179 Oct/Nov	X
Sorghum, FOB Argentina port	USD 163/166	x
Sorghum, FOB Texas	USD 179/181 Aug/Sep	X
Soymeal, 48% protein, FOB NOLA	USD 391/395	X
Soymeal, 48% protein, USA, Rotterdam	USD 416/420	x
Soymeal, Argentina, Rotterdam	USD 413/416	x
Soymeal, 47% pro, FOB Argentina	USD 374/378	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 404/407	x
Soymeal, 48% protein, FOB Brazil	USD 375/379	x
Soybeans, FOB NOLA	USD 342/346	X
Soybeans, Argentina, FOB	USD 376/380	X
Soybeans, Brazil, FOB	USD 386/390	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 170>>160 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 207/210	x

Corn prices were up a little this week, but this didn't seem to have much effect on corn byproducts as all the byproducts were steady to lower on the week.



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Buying interest from major importing markets, especially Asian markets, were very good on this week as buyers seem to be willing to stock up at price levels that may not be going any lower.

It is really going to be a matter of what happens with corn and soybean prices and with business to China that will determine which way prices are going to move.

Looking at markets today there doesn't seem to be much reason to expect a serious rally in prices, but some market exports are saying that we must be close to the bottom for market prices – but no one really know for sure.

Buyers are probably safer for now to just buy what they need to cover the near term and watch the market before buying long term positions. But watch closely as the market can turn in a minute.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 370/380 m/t CNF Asia
Australian MBM 50% protein	USD 410/420 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 535/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 850/870 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 420/440 m/t CNF Asia
	USD 380/400 to Indonesia
USA Feathermeal, 80% protein	USD 640/650 m/t CNF Asia
USA Poultry Meal, feed grade	USD 600/620 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 870/900 m/t CNF Asia

Meat and bone meal prices for Indonesia slipped a little lower again this week as supply seemed to be stronger than demand. The multi-animal MBM from Europe is still dominating the market but reports do say that demand for single animal beef, pork and poultry meal remains good.

The Jacobsen Report this week was saying that "prices should rebound in the near term" but this will be difficult if the supply side stays so full of product.

US and Australian priced for animal proteins were about steady on the week while NZ prices drifted a little lower.

US domestic animal protein prices look to be on the weak side, but much depends on what happens to soymeal prices. At least for meat and bone meal, soymeal always tends to be the price leader.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru is now up to close to 30,000 m/t of fish landed versus the quota of 535,000 – fishing on the week was about 18,000 m/t -- while the catch in the north, where there is still about 185,000 m/t left on the quota, is still at zero tons for the week.

There was some talk this week about the possibility of increased demand from China as they may switch their US fishmeal buying elsewhere due to the trade situation (some say trade war) between the US and China. Prices CNF China for Peruvian fishmeal are said to have jumped by USD 50 m/t for late 2018 shipment.

Trade reports seem to feel that major buyers will wait a while before buying for the next fishing season – as usual, buyers are hoping for lower prices for the next season production in weeks to come.



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The latest Peru fishmeal export number show total shipments to the end of June up to just under 545,000 m/t with 85% going to China and 94 plus % going to destinations in Asia. We all certainly know where the fishmeal market is -----Asia. It makes one wonder why the IFFO meeting is being held in Rome – unless it is just because the Chinese buyers like Italy.

On the side of great enthusiasm – MSI Ceres said this week that “it seems like the recent poor fishing years are behind us” – hopefully they wont live to regret the comment.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,730
Danish fishmeal	64% protein	1,510
Peru fishmeal	64% protein	1,480
Chile fishmeal	67% protein	1,530
Iceland fishmeal	70% protein	1,710

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% protein	1300/1320 m/t	
65/66 protein	1330/1350 m/t	
67% protein standard steam	1370/1390 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	1400/1420
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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