



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT June 24, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It was an interesting week in the US grain markets with most everything, except spring wheat, moving lower.

The US weather for corn continues to look quite good and several experts are saying that the corn condition report from the USDA will show improved corn this coming week. The better the corn condition: the better the crop and probably, the weaker the corn price. After all we are now in a weather market so will just let the weather do what it will to prices – and this week, good weather just pushed corn prices lower. The USDA planting report next week is not expected to hold any surprises for corn.

Soybeans and soymeal were also lower on the week, again with good weather seen in much of the soybean areas of the US but some experts are now saying that soybean prices will probably not go much lower. We will have the USDA planting report out next week and it is expected to show more soybeans in the ground and higher stock levels --- but this is no surprise, as the market has expected this.

As has been the situation for the last couple of weeks, US spring wheat moved higher on the week, up by USD 7 m/t or so. The northern USA weather conditions are still causing concern for the spring wheat crop condition. Winter wheat prices were down a little on the week but there is still a tremendous premium to be paid for higher protein levels in winter wheat.

Crop progress and condition --- USA and France

	June 18, 2017 %	June 18, 2016 %	Five-year average %		
Planted USA					
Sorghum	86.0	86.0	85.0		
Condition USA	Very poor %	Poor %	Fair %	Good %	Excellent %
Winter wheat	5	11	34	42	8
Corn	2	6	25	55	12
Soybeans	2	5	26	57	10
Sorghum	1	4	29	61	5
Spring Wheat	9	18	32	35	6
Spring Barley	4	7	25	49	15
Condition France	Very poor %	Poor %	Fair %	Good %	Excellent %



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June 19, 2017					
Wheat, soft	2	9	22	58	10
Barley, winter	2	11	23	55	9
Wheat, hard	1	12	27	54	6
Barley, spring	1	9	24	63	3
Corn	0	2	13	74	10

Estimated Bulk Grain Freight in USD per m/t, basis heavy grains

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13.00/13.50	Down \$0.50	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$21/22.00	Steady	x
US Gulf Israel: 50,000 MT	\$22/23.00	Steady	x
US Gulf to Egypt: Panamax(6,000 disch)	\$21/22.00	Steady	x
US Gulf Turkey: 50,000	\$23/24.00	Steady	x
US Gulf Morocco: 30,000(5,000 disch)	\$24/25.00	Steady	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$25/26.00	Steady	x
US Gulf Nigeria: 30,000 m/t	\$35/36.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$27/28.00	Steady	x
US Gulf Japan: Panamax	\$36/37.00	Steady	x
US Gulf China: Panamax	\$35/36.00	Steady	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$19/20.00	Up \$1.00	X
US PNW China: Panamax	\$18/19.00	Up \$1.00	x
US East Coast Egypt: Panamax	\$48/49.00	Up \$1.00	x
US East Coast Nigeria: Handisize	\$50/51.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$13/14.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$16/17.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$22/23.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$10/11.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$20/21.00	Down \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$32/33.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$47/48.00	Steady	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$24/25.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$32/33.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Down \$1.00	X
Argentina to Egypt: 50,000 m/t	\$24/25.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$21/22.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$21/22.00	Up \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$41/42.00	Up \$1.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$29/30.00	Up \$1.00	X
Argentina to Spain: 30,000 m/t	\$21/22.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$24/25.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$17/18.00	Up \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$24/25.00	Steady	X
Brazil to China: 55,000 m/t	\$24/25.00	Steady	X
Brazil to Japan: 55,000 m/t	\$25/26.00	Steady	X
Brazil to Europe: 30,000 m/t	\$27/28.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$23/24.00	Steady	X



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Brazil to Saudi Arabia 30/40,000 m/t	\$37/38.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Up \$1.00	x
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Up \$0.50	X
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Steady	x
Ukraine to China: 50,000 m/t	\$26/27.00	Steady	X
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)	\$25/27.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$14/15.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Up \$1.00	x
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/27.00	Steady	x
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/32.00	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$33/34.00	Up \$1.00	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$13/14.00	Up \$1.00	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$12/13.00	Down \$2.00	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$19/20.00	Down \$1.00	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$19/20.00	Down \$1.00	x
Black Sea to South Africa – 30,000 m/t	\$35/36.00	Steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$14/15.00	Steady	x
Baltic Dry Index	870	Up 19	x
Baltic Capesize Index	987	Down 226	x
Baltic Panamax Index	1138	Up 174	x
Baltic Supramax Index	744	Up 43	x
Baltic Handisize Index	451	Up 16	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 July 2017/September 2017

Wheat, USA Soft Red Winter, NOLA	USD 192/206	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 249/253 high protein premium	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 176/180	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 184/188	x
Wheat, Romania 12.5 pro	USD 184/188	x
Wheat, Superior, France, Rouen	USD 189/192	x
Wheat, milling, 12.0%, Argentina, upriver	USD 188/192 new crop	x
Wheat, feed, Black Sea	USD 169/173	x
Barley, France, Rouen port	USD 166/170	x
Barley, feed, Argentina	USD 156/162	x
Barley, feed, Black Sea, 30,000+	USD 159/162	X
Barley, feed, USA Pacific Northwest	USD 195/200	x
Corn, FOB NOLA USA	USD 158/161	X



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Corn, FOB USA Pacific northwest	USD 164/167	x
Corn, FOB Argentina port, upriver	USD 147/154 Aug/Sep	x
Corn, FOB Brazil port	USD 152/158 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 167/172	x
Corn, FOB France	USD 198/203	X
Corn, FOB Romania	USD 168/173	X
Corn, FOB Russia	USD 170/174	X
Sorghum, FOB Texas	USD 179/183	x
Sorghum, FOB Argentina port	USD 133/137	x
Soymeal, 48% protein, FOB NOLA	USD 323/330	x
Soymeal, 48% protein, USA, Rotterdam	USD 348/355	x
Soymeal, Argentina, Rotterdam	USD 330/335	x
Soymeal, 47% pro, FOB Argentina	USD 299/304	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 322/327	x
Soymeal, 48% protein, FOB Brazil	USD 296/301	x
Soymeal, 48% protein, FOB India	USD 330/335	x
Soybeans, FOB NOLA	USD 349/355	x
Soybeans, Argentina, FOB	USD 346/351	x
Soybeans, Brazil, FOB	USD 350/356	x
Soybeans, Black Sea	USD 367/372	x
Corn Gluten Meal, USA FOB NOLA	USD 590/600 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 130/133 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 158/163 m/t	x

Looking at the USDA price information for corn by-products, it looks like a boring week for prices with very little change in prices for corn gluten feed and corn gluten meal – DDGS domestic prices were also steady.

In the export markets, there was an uptick in prices, related mainly to the tight shipping/loading positions for the next few weeks. There has not been a great deal of buyer interest from major buyers in Asia but even before Ramadan then forward sales were very strong and the container loading facilities were backed up with orders.

One could say that export prices this week were quite steady with only the odd exporter looking for higher prices while the few buyers in the market were all looking for lower prices. Of course, with corn prices down by USD 10 m/t on the week, most buyer were expecting lower prices – if not lower this week then next.

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50% protein	USD 410/420 m/t CNF Asia
Argentina poultry meal, 57/60% protein	USD 540/550 m/t CNF Asia
Argentina feathermeal, 78/80% protein	USD 490/500 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 400/410 m/t CNF Asia
Australian MBM 45% protein	USD 440/450 m/t CNF Asia
Australian MBM 50% protein	USD 490/510 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/810 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 500/510 m/t CNF Asia
USA Feathermeal, 80% protein	USD 520/530 m/t CNF Asia



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USA Poultry Meal, feed grade	USD 620/630 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 860/880 m/t CNF Asia

Reports on the animal protein export markets continue to point out that prices are weak in Asia with many major buyers covered for Ramadan and beyond. Ramadan ends today but is followed by several days of Eid holidays so most major buyers will be out of the office for a good chunk of next week. The Eid holidays will probably keep buying interest low – but there will still be some buyers who will be able to take advantage of the lower prices that we have seen over the past couple of weeks.

The US, Australia and New Zealand all reported export prices to be a little lower on the week with very little export demand seen.

The Jacobsen report was mentioning that lower fishmeal prices in China were moving some demand away from animal proteins to fishmeal. The greater availability of lower priced fishmeal will probably cut into the export demand for poultry meal.

US domestic markets were steady on the week with some saying that there could be some upward movement in prices in the next few weeks as demand gets back to higher levels.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The catch in northern Peru is now over 2.1 million m/t which means about 490,000 m/t of fishmeal produced so far. Fishing has not been quite as good over the past week due to a number of mini fishing bans along with quite poor fishing weather – so the daily catch is now averaging around 25,000 m/t. There is still another 5 weeks to go until the 2.8 million m/t quota expires and if the daily catch can average 20,000 m/t per day then the quota could be completed.

According to MSI Ceres report this week there is a question about how much fishmeal has actually been sold with estimates ranging from 500,000 m/t up to 550,000 m/t. If the sales are at 550,000 m/t then that would only leave 100,000 m/t of fishmeal still available for sale, assuming reaching quota. Even though China may now be fully covered, having only 100,000 m/t available for several months, until about December, can't be considered a large supply.

The market is not expecting to see much, if any, weakness in fishmeal prices from Peru in the next few months. Depending upon how the fishing finishes off in July and what happens regarding a new quota for southern Peru fishing, it would see more likely that prices will be steady to higher rather than lower – strictly a matter of supply and demand with the supply probably going to be somewhat limited for 4 or 5 months.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,420
Danish fishmeal	64% protein	1,320
Peru fishmeal	64% protein	1,250
Chile fishmeal	67% protein	1,300
Iceland fishmeal	70% protein	1,380

PERU "INDICATION" FISHMEAL PRICES:



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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% protein	1000/1020 m/t	
65/66 protein	1030/1040 m/t	
67% protein standard steam	1050/1070 m/t	
67% protein 150 TVN	1250/1260 m/t	1290/1310
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	1400/1410 m/t	1370/1390
Fish oil, crude bulk	1200/1250	1100/1150
Fish oil, crude drums	1300/1350	
Fish oil, flexi tank	1400/1450	
Fish oil, Omega 3: 28%EPA/DHA	1600/1700	

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

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