



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT July 22, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Perhaps a little quieter in the grain/oilseed markets this week, although not all would agree. The week ended on a down day for prices but still for corn, soybeans and soymeal we had an up week in the market. Corn was only up a couple of dollars on the week while soybeans were up USD 7 or 8 m/t and soymeal up USD 6 m/t or so.

The drop in prices on Friday was all rain related as short-term rain seemed to get everyone in a bearish mood, although there was no change in the longer-term weather forecasts. For significant parts of the US corn/soybean areas it looks like we are going to continue with above average temperatures and below average rainfall – just not for the next two days.

Long term weather forecasts by a couple of reliable services are a little at odd with one another with one calling for US weather to be cooler and wetter while the other says hotter and drier. So, believe which ever forecast you like or try something in between.

Argentina lowered their forecast for soybean production by about 4% to 55 million m/t. Still quite a crop of soybeans but it was enough to help push soybean prices higher.

Looking at corn for the next while, we are into the very important corn pollination period so the weather will be very important and we are quite likely to see very volatile markets, as everyone speculates on what is happening to the corn crop.

Crop progress and condition --- USA and France

Condition USA July 16, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	3	8	25	51	13
Soybeans	3	8	28	51	10
Sorghum	2	6	29	56	7
Spring Wheat	21	20	25	28	6
Spring Barley	8	10	29	43	10
Condition France July 17, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Wheat, soft	1	9	23	56	10
Barley, spring	1	10	24	63	2



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Corn	0	3	16	69	12

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13.50/14.00	Up \$0.50	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$22/23.00	Steady	x
US Gulf Israel: 50,000 MT	\$24/25.00	Up \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$23/24.00	Up \$1.00	X
US Gulf Turkey: 50,000	\$25/26.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$25/26.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$26/27.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$38/39.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$28/29.00	Steady	X
US Gulf Japan: Panamax	\$38/39.00	Up \$1.00	X
US Gulf China: Panamax	\$37/38.00	Up \$1.00	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$20/21.00	Steady	x
US PNW China: Panamax	\$19/20.00	Steady	x
US East Coast Egypt: Panamax	\$48/49.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$51/52.00	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)	\$17/18.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$23/24.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$10/11.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$20/21.00	Steady	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)	\$25/26.00	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$35/36.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$24/25.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$20/21.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$42/43.00	Steady	X
Argentina to South Africa 25/30,000 m/t (3k disch)	\$30/31.00	Steady	X
Argentina to Spain: 30,000 m/t	\$22/23.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$25/26.00	Steady	x
Argentina to US Gulf: 25/35,000 m/t	\$17/18.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$24/25.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$27/28.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to Europe: 30,000 m/t	\$29/30.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$24/25.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$22/23.00	Down \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	x
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Steady	x



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Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	x
Ukraine to China: 50,000 m/t	\$28/29.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$12/13.00	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)	\$12/13.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$13/14.00	Down \$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)	\$32/34.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$35/36.00	Up \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	Steady	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)	\$21/23.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$20/21.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$36/37.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$14/15.00	Steady	X
Baltic Dry Index	977	Up 77	x
Baltic Capesize Index	1154	Up 221	x
Baltic Panamax Index	1258	Up 85	x
Baltic Supramax Index	812	Up 43	x
Baltic Handysize Index	499	Up 13	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 August 2017/October 2017

Wheat, USA Soft Red Winter, NOLA	USD 207/216	X
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 250/260 high protein premium	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 182/187	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 191/194	X
Wheat, Romania 12.5 pro	USD 189/193	X
Wheat, Superior, France, Rouen	USD 197/199	X
Wheat, milling, 12.0%, Argentina, upriver	USD 190/195 new crop	X
Wheat, feed, Black Sea	USD 174/177	x
Barley, France, Rouen port	USD 167/170	X
Barley, feed, Argentina	USD 174/178 new crop Dec	X
Barley, feed, Black Sea, 30,000+	USD 163/166	X
Barley, feed, USA Pacific Northwest	USD 215/220	X
Corn, FOB NOLA USA	USD 167/169	X
Corn, FOB USA Pacific northwest	USD 174/177	X
Corn, FOB Argentina port, upriver	USD 153/157 Aug/Oct	X
Corn, FOB Brazil port	USD 158/163 Aug/Oct	X
Corn, FOB Ukraine, 30,000+ m/t	USD 169/174	X
Corn, FOB France	USD 195/199	X



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Corn, FOB Romania	USD 172/175	X
Corn, FOB Russia	USD 168/171	X
Sorghum, FOB Texas	USD 194/197	X
Sorghum, FOB Argentina port	USD 155/158	X
Soymeal, 48% protein, FOB NOLA	USD 359/362	X
Soymeal, 48% protein, USA, Rotterdam	USD 384/387	X
Soymeal, Argentina, Rotterdam	USD 353/358	X
Soymeal, 47% pro, FOB Argentina	USD 328/332	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 340/344	X
Soymeal, 48% protein, FOB Brazil	USD 314/318	X
Soymeal, 48% protein, FOB India	USD 365/370	X
Soybeans, FOB NOLA	USD 387/391	X
Soybeans, Argentina, FOB	USD 376/381	X
Soybeans, Brazil, FOB	USD 388/393	X
Soybeans, Black Sea	USD 390/394	X
Corn Gluten Meal, USA FOB NOLA	USD 605/615 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 139/143 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 173/177 m/t	x

Corn by-products all moved a little higher this week following behind what has been happening in the corn and soymeal markets. Most prices are at or near their recent highs with DDGS reported to be up by about USD 6 m/t at export ports. The US Grains Council (USGC) report this week says that higher barge rates on the Mississippi river have helped push up export prices. The USGC also says that DDGS, corn and soymeal are fighting for every ton of business as the cost/benefit ratio between the three items is very close and a dollar here or there can quickly change buying intentions.

Both corn gluten feed and corn gluten meal showed higher export prices while in the domestic market in the US there didn't seem to be much change in prices. According to the USDA, corn gluten feed prices were down by about USD 1 on average with corn gluten meal up by USD 3 m/t while DDGS prices were unchanged in much of the US.

As is normal, corn byproduct prices tend to follow corn and soymeal prices but with corn gluten meal we could see some strength in prices as fishmeal prices are moving higher and this does tend to affect CGM.

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 510/520 m/t CNF Asia
USA Poultry Meal, feed grade	USD 620/630 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 740/770 m/t CNF Asia

Prices for most animal protein exports were steady this week from all major origins. We seem to be in



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a bit of a quiet period in the export market where supply and demand are nicely balanced and there was no major market rally in vegetable proteins to put any upward pressure on animal protein prices.

All is reported to be quiet in Asia with steady demand and decent supply with buyers seeming even willing to pay producers export prices.

In the US domestic market, meat and bone meal prices were a little higher while pet food grade poultry meal continues to slip lower on weak demand. Experts see the US market as quiet for trading in the next few weeks as no one feels that there should be any sudden market changes that will create a major price action --- but then one never knows what might happen to soybean crops in the US that could easily affect all protein prices. But for this week, quiet and in a trading range, up a little then down a little.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Not much change in the fishing to report this week as the weather continued to be quite poor and there were some port closures. We are now up to 2.3 million m/t for the north of Peru and 185,000 m/t for the south – but time is running put for the northern fishing. It looks like the northern quota will come up about 400,000 to 450,000 m/t short – around 100,000 m/t of fishmeal. However, there has been some speculation in Peru that the government may add on a couple of extra weeks of time to the quota – perhaps to mid-August, but if fishing is poor this will not make much of a dent in the shortfall against the quota. But then, better more days than not.

There was also an earthquake in the south of Peru that shook things up and closed a couple of ports, so only just over 3,000 m/t of catch reported.

The trade in Peru reports that there are more buyers in the market – but not many sellers – and that prices are creeping higher, especially for higher quality fishmeal grades. Most market experts feel that fishmeal prices are going to continue higher.

There was quite a bit of action in the Eu this week regarding the suspension of the authorization of ethoxyquin use in the EU. As us fishmeal folks know, ethoxyquin is the main antioxidant used in fishmeal production. The EU action did not stop or ban the use of ethoxyquin just did not renew the authorization – it expires in September 2019 and could still be authorized if the required documentation is supplied to the EU to insure product safety.

Ethoxyquin, as I am sure most know, is used to stop the oxidation of the fatty acids in fishmeal and as a measure to stop the spontaneous combustion of fishmeal (as used to happen very often years ago).

The problem with not renewing the approval is that there doesn't seem to be any good alternative to ethoxyquin and, for the ocean shipment of fishmeal, ethoxyquin is required to be added to all fishmeal.

Most experts don't feel that there is going to be an EU ban on ethoxyquin and that the approval for use will be renewed "in the fullness of time".

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,480
Danish fishmeal	64% protein	1,380



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Peru fishmeal	64% protein	1,250
Chile fishmeal	67% protein	1,300
Iceland fishmeal	70% protein	1,450

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	1100/1120 m/t	
65/66 protein	1150/1170 m/t	
67% protein standard steam	1200/1220 m/t	
67% protein 150 TVN	1300/1320 m/t	1290/1310
67% protein 120 TVN	1340/1360 m/t	1360/1370
67% protein 1000 hist, 120 TVN	1390/1410 m/t	1390/1410
68% protein 500 hist, 120 TVN	1440/1460 m/t	1400/1420
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	1700/1800	

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

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