



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT July 29, 2017

### **SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN**

It was another down week for prices for US grains and oilseeds – everything was lower. In the futures market, the week ended with corn down by about USD 3 m/t. soybeans down by USD 19 m/t and soy meal down USD 18 to 20 m/t. Even wheat was lower with hard red winter wheat down USD 8 m/t and soft red winter down by close to USD 9 m/t and spring wheat down by USD 8 m/t.

Much of the drop in prices in the US was weather related, caused by the rainfall in the US corn belt. However, the rainfall may not have been as large as some thought so we might just see a little price recovery on Monday.

Grain markets closed very quietly on Friday following the few frantic days before Friday. Generally speaking, the weather for the next ten days or so looks very good for the US crops – at least there doesn't appear to be anything too negative in the weather forecasts.

Soybean harvesting has begun in the southern bean areas of the US and the spring wheat harvest is chugging along in some parts of the US. Corn is doing its best to get the pollination all done.

Everyone will be waiting for the next USDA WASDE report which will be out on August 10. At present most experts seem to feel that the report could be a little bullish

### **Crop progress and condition --- USA and France**

<b>Condition USA July 30, 2017</b>	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	4	9	26	48	13
Soybeans	4	9	28	49	10
Sorghum	2	7	30	54	7
Spring Wheat	22	21	26	26	5
Spring Barley	6	11	34	43	6
<b>Condition France July 31, 2017</b>	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	0	4	17	66	13



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All other French grain crops are harvested

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$14.50/15.00	Up \$0.50	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$23/24.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$25/26.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$24/25.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$26/27.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$26/27.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$27/28.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Up \$2.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	Up \$1.00	X
US Gulf Japan: Panamax	\$37/38.00	Steady	X
US Gulf China: Panamax	\$36/37.00	Steady	X
US PNW South Africa – 40,000 m/t	\$38/39.00	Up \$1.00	X
US PNW Japan: Panamax	\$19/20.00	Steady	X
US PNW China: Panamax	\$18/19.00	Steady	X
US East Coast Egypt: Panamax	\$47/48.00	Steady	X
US East Coast Nigeria: Handisize	\$51/52.00	Steady	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$14/15.00	Up \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$17/18.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$24/25.00	Up \$1.00	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$12/13.00	Up \$2.00	X
France/Germany to Saudi Arabia: 50/60,000	\$21/22.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$34/35.00	Up \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$49/50.00	Up \$2.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$26/27.00	Up 1.00	X
Argentina to China: 50,000 m/t, with top-off	\$35/36.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$24/25.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$21/22.00	Steady	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Up \$2.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$45/46.00	Up \$2.00	X
Argentina to South Africa 25/30,000 m/t (3k disch)	\$32/33.00	Up \$2.00	X
Argentina to Spain: 30,000 m/t	\$24/25.00	Up \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$26/27.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$19/20.00	Up \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Up \$2.00	X
Brazil to China: 55,000 m/t	\$27/28.00	Steady	X
Brazil to Japan: 55,000 m/t	\$28/29.00	Steady	X
Brazil to Europe: 30,000 m/t	\$30/31.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Up \$1.00	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	Steady	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
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X



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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)	\$13/14.00	Up \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$13/14.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$14/15.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$24/26.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$34/36.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$33/34.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$15/16.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$14/15.00	Steady	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$22/24.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$20/21.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	Up \$1.00	X
Black Sea to Turkey – 30,000 m/t	\$12/13.00	New	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$15/16.00	Up \$1.00	x
Baltic Dry Index	1032	Up 99	X
Baltic Capesize Index	1637	Up 498	X
Baltic Panamax Index	1153	Up 44	X
Baltic Supramax Index	764	Down 48	x
Baltic Handysize Index	478	Down 20	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 191/201	X
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 222/236 high protein Premium	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 179/182	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 191/195	X
Wheat, Romania 12.5 pro	USD 193/197	X
Wheat, Superior, France, Rouen	USD 196/198	X
Wheat, milling, 12.0%, Argentina, upriver	USD 184/189 new crop	X
Wheat, feed, Black Sea	USD 167/171	X
Barley, France, Rouen port	USD 177/179	X
Barley, feed, Argentina	USD 183/187 new crop Dec	X
Barley, feed, Black Sea, 30,000+	USD 173/176	X
Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, FOB NOLA USA	USD 159/162	X
Corn, FOB USA Pacific northwest	USD 165/170	X
Corn, FOB Argentina port, upriver	USD 151/156 Aug/Oct	X
Corn, FOB Brazil port	USD 154/158 Aug/Oct	X
Corn, FOB Ukraine, 30,000+ m/t	USD 172/175	X
Corn, FOB France	USD 186/192	X



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Corn, FOB Romania	USD 171/174	X
Corn, FOB Russia	USD 169/172	X
Sorghum, FOB Texas	USD 192/194	X
Sorghum, FOB Argentina port	USD 161/164	X
Soymeal, 48% protein, FOB NOLA	USD 333/338	X
Soymeal, 48% protein, USA, Rotterdam	USD 358/363	X
Soymeal, Argentina, Rotterdam	USD 339/343	X
Soymeal, 47% pro, FOB Argentina	USD 315/319	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 327/331	X
Soymeal, 48% protein, FOB Brazil	USD 313/317	X
Soymeal, 48% protein, FOB India	USD 340/350	X
Soybeans, FOB NOLA	USD 368/373	X
Soybeans, Argentina, FOB	USD 358/363	X
Soybeans, Brazil, FOB	USD 374/378	X
Soybeans, Black Sea	USD 377/382	X
Corn Gluten Meal, USA FOB NOLA	USD 590/600 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 135/140 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 180>>174 m/t	X

The USDA released their latest "grain crushing" report and there were no major surprises. Corn use was down a little from last month but up a little from last year – just minimal changes. DDGS production was down about 4% on the month – down 90,000 m/t – and down about the same on last year. Corn gluten meal production was down by about 5,000 m/t while corn gluten meal production was unchanged. Actual production was: DDGS at 1.82 million m/t, corn gluten meal at 87,000 m/t and corn gluten feed at 341,000 m/t.

According to the USDA national price report, DDGS prices were lower by 2 to 5 m/t while corn gluten meal was down by about USD 4 m/t and corn gluten feed was up by about USD 2 m/t. At the same time spot soymeal prices in the US were down by about USD 11 m/t – down much less than soymeal futures.

Export business was a little slow this week with most exporters well sold into September and buyers not too willing to buy after September as yet.

There will probably be some downward pressure on prices next week following the weak performance of corn and soybeans this week.

### **USA Corn By-product exports, in m/t – January to June 2017 – major destinations**

Country	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Canada	370,800	23,000	
Chile		58,000	
China	313,000		
Colombia	97,900	49,100	27,600
Egypt	68,200	48,500	8,400
Guatemala		6,400	
Indonesia	281,300	135,400	
Ireland	170,700		158,100



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Israel	151,100		110,000
Japan	238,100	2,600	
Korea, South	468,600		
Malaysia		8,000	
Mexico	1,079,250	14,400	22,100
Morocco	128,100		28,000
Philippines	73,700		
Portugal			21,100
Spain	191,400		5,400
Taiwan	122,700	15,600	
Thailand	351,800	26,300	
Turkey	834,100		116,500
UK	123,300		

@USDA GATS

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50% protein	USD 420/430 m/t CNF Asia
Argentina poultry meal, 57/60% protein	USD 540/550 m/t CNF Asia
Argentina feathermeal, 78/80% protein	USD 500/510 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 430/440 m/t CNF Asia
Australian MBM 45% protein	USD 450/460 m/t CNF Asia
Australian MBM 50% protein	USD 500/510 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
USA Poultry Meal, feed grade	USD 670/680 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/820 m/t CNF Asia

Meat and bone meal prices into Asia were mainly steady this week with not much in the way of buying interest seen in the market. However, poultry meal prices made a move higher probably due to buyers spotting a very good value in poultry meal and demand just moved prices higher.

USA domestic animal protein prices are reported to all be a little higher as demand in the US has picked up but with the weakness seen in soymeal prices this week it will be very difficult for MBM and other animal proteins to show much price strength.

It is difficult to imagine any sharp rally in animal protein prices at this moment as all vegetable proteins slip lower.

### **USA Animal Protein product exports, in m/t – January to June 2017 – major destinations.**

Country	Feathermeal	Meat and bone meal
Canada	7,300	31,900
Chile	4,100	
China	7,800	22,400
Ecuador		3,600
Germany		3,900
Indonesia	16,000	78,300
Mexico		166,900
Peru		3,100



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Thailand		7,100
Vietnam		14,200

@USDA-GATS

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

Looking at the latest numbers from Peru it looks like the fishing came up about 445,000 m/t short of the quota – just over 100,000 m/t of fishmeal short. So now all eyes will turn to the next fishing season and government officials have implied that, based on their estimate of yearly catch, the next quota will be about 2 million m/t or more.

The word in Peru is that some sellers are caught short by the 100,000 m/t of missing fishmeal --- seems that there were some people who oversold a tad and now must scurry to cover or make arrangements with their buyers to move off to a future shipment period.

Trade reports in Peru say that there is little or nothing in the way of unsold fishmeal available and producers are busily shipping out all the goods they sold earlier. If and when any small parcels of fishmeal come available they are certainly expected to be at a higher price. The market does expect that some producers should have a little stock still to sell but producers don't want to do anything until they have shipped all their backlog of orders and determined if they do have anything left to sell.

Buyers are probably going to have to expect higher prices for fishmeal in the next weeks as no one seems to have much available for sale and not just in Peru – most world markets are short of fishmeal at present.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,510
Danish fishmeal	64% protein	1,375
Peru fishmeal	64% protein	1,250
Chile fishmeal	67% protein	1,300
Iceland fishmeal	70% protein	1,490

### 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	1320/1350 m/t	1360/1380
67% protein 120 TVN	1370/1390 m/t	1380/1400
67% protein 1000 hist, 120 TVN	1420/1440 m/t	1400/1420
68% protein 500 hist, 120 TVN	1460/1480 m/t	1440/1460



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Fish oil, crude bulk	1400/1450	1200/1250
Fish oil, crude drums	1500/1550	
Fish oil, flexi tank	1600/1650	
Fish oil, Omega 3: 28%EPA/DHA	1800/1900	

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

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