



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT August 12, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Of course, the big news of the week for the US was the USDA WASDE report and its bearish projections on most everything. The projections were not really all that bearish but they were higher for estimate harvest and yields than most of the private forecasters has expected. The higher than expected yields and crops certainly crashed the market on Thursday.

Once things had calmed down a little on Friday, futures prices rallied a little but not enough to overcome the drop in prices on Thursday. As the week ended we had corn down by about USD 2.50 m/t, soybeans down by about USD 5 m/t, soymeal down by USD 6-7 m/t. Both soft and hard winter wheat were down by USD 7 to 8 m/t while spring wheat crashed by almost USD 15 m/t as the spring wheat situation may not be as bad as had been expected.

The southern corn harvest in the US is chugging along and is well ahead of the five-year average and as you can see below, the corn condition is said to be 60% good/excellent. There are still a few weeks to go before the main US corn harvest begins so things can still change.

Soybeans/soymeal looks weak and the weather for soybeans over the next while looks to be very good. At least, as of today, there doesn't seem to be any serious near-term weather risk to push soybean prices higher. Most experts don't seem to be expecting any rally in soybean prices in the short term. There is really nothing to push prices higher.

As we move along here in August, it gets less and less likely that the weather will have major effect – although too much rain could do it or even too little rain in some regions. However, at the moment, the weather does look quite good for the next couple of weeks – so, prices should tend to be steady to lower rather than higher.

Crop progress and condition --- USA and France

Condition USA Aug 06, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	4	9	27	47	13
Soybeans	3	9	28	50	10
Sorghum	2	7	30	52	9
Spring Wheat	22	21	25	25	7
Spring Barley	8	12	35	37	8
Condition	Very	Poor	Fair	Good	Excellent



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France Aug 07, 2017	poor %	%	%	%	%
Corn	0	4	17	64	15

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	Steady	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$23/24.00	Steady	x
US Gulf Israel: 50,000 m/t	\$24/25.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$23/24.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$25/26.00	Down \$1.00	x
US Gulf Morocco: 30,000(5,000 disch)	\$25/26.00	Down \$1.00	x
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$27/28.00	Steady	x
US Gulf Nigeria: 30,000 m/t	\$39/40.00	Down \$1.00	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	Steady	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	\$37/38.00	Down \$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	
US East Coast Nigeria: Handisize	\$51/52.00	Steady	
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$14/15.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$16/17.00	Down \$1.00	X
France/Germany to India: 50,000 m/t	\$22/23.00	New	X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$24/25.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$12/13.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$21/22.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$34/35.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$49/50.00	Steady	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$25/26.00	Down 1.00	X
Argentina to China: 50,000 m/t, with top-off	\$34/35.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00	Down \$1.00	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)	\$23/24.00	Down \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$45/46.00	Steady	X
Argentina to South Africa 25/30,000 m/t (3k disch)	\$32/33.00	Steady	X
Argentina to Spain: 30,000 m/t	\$23/24.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$25/26.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$17/18.00	Down \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Steady	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: 50,000 m/t	\$20/21.00	New	X



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		Panamax	
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	Down \$2.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$21/23.00	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
Ukraine to China: 50,000 m/t	\$28/29.00	Steady	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$12/13.00	Down \$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)	\$12/13.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$13/14.00	Down \$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)	\$36/38.00	Up \$2.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$32/33.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$15/16.00	Steady	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)	\$21/22.00	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	\$37/38.00	Steady	x
Black Sea to Turkey – 30,000 m/t	\$11/12.00	Down \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$14/15.00	Down \$1.00	X
Black Sea to Yemen: 50,000 m/t	\$25/26.00	New	X
Baltic Dry Index	1138	Up 106	x
Baltic Capesize Index	2013	Up 376	x
Baltic Panamax Index	1256	Up 103	X
Baltic Supramax Index	759	Down 5	X
Baltic Handysize Index	466	Down 12	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 187/203	X
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 223/237 high protein Premium	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 174/178	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 190/194	X
Wheat, Romania 12.5 pro	USD 190/193	X
Wheat, Superior, France, Rouen	USD 191/194198	X
Wheat, milling, 12.0%, Argentina, upriver	USD 178/183 new crop	X
Wheat, feed, Black Sea	USD 163/167	X
Barley, France, Rouen port	USD 172/174	X
Barley, feed, Argentina	USD 178/182 new crop Dec	X
Barley, feed, Black Sea, 30,000+	USD 175/178	X



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Barley, feed, USA Pacific Northwest	USD 220/225	X
Corn, FOB NOLA USA	USD 160/164	X
Corn, FOB USA Pacific northwest	USD 168/172	X
Corn, FOB Argentina port, upriver	USD 152/157 Oct/Nov	X
Corn, FOB Brazil port	USD 149/153 Sep/Nov	X
Corn, FOB Ukraine, 30,000+ m/t	USD 167/171	X
Corn, FOB France	USD 180/188	X
Corn, FOB Romania	USD 174/176	X
Corn, FOB Russia	USD 171/174	X
Sorghum, FOB Texas	USD 187/190	X
Sorghum, FOB Argentina port	USD 161/168	X
Soymeal, 48% protein, FOB NOLA	USD 325/329	X
Soymeal, 48% protein, USA, Rotterdam	USD 350/354	X
Soymeal, Argentina, Rotterdam	USD 338/341	X
Soymeal, 47% pro, FOB Argentina	USD 308/311	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 333/337	X
Soymeal, 48% protein, FOB Brazil	USD 315/319	X
Soymeal, 48% protein, FOB India	USD 330/335	X
Soybeans, FOB NOLA	USD 364/369	X
Soybeans, Argentina, FOB	USD 354/362 Sep/Oct	X
Soybeans, Brazil, FOB	USD 370/376 Sep/Nov	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 137/141 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 174/177 m/t	X

DDGS prices are up in the US domestic market as production is off a little but demand is not. Export prices didn't really change on the week as most buyers are bidding below the current market and don't seem all that willing to pay higher prices. This time of year, with the US harvest not all that far away, no one much wants to pay anything more when prices should be at or near their yearly lows – but they are not at their lows this week.

According to the USDA weekly price details for the domestic markets, corn gluten feed prices were up by about USD 5 m/t with corn gluten meal prices unchanged from last week while DDGS prices were up by USD 2 to 5 m/t.

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 440/450 m/t CNF Asia
Australian MBM 50% protein	USD 490/500 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 530/540 m/t CNF Asia
Australian Poultry Meal, pet food	USD 780/800 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 500/510 m/t CNF Asia
USA Feathermeal, 80% protein	USD 530/540 m/t CNF Asia



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USA Poultry Meal, feed grade	USD 670/680 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 830/840 m/t CNF Asia

Export animal protein business into the major markets in Asia remains on the quiet side but prices from Australia and New Zealand are said to be trending higher as buyers are looking for shorter delivery times rather than just lower prices --- OZ/NZ are geographically closer to all major buyers. However, domestic prices in Australia are said to be lower which may put some pressure on export prices for a few weeks out.

USA export prices were steady to higher for feathermeal and poultry meal while MBM prices tended to be unchanged. Buy, as with Australia, prices a little further out could show some upward movement.

Domestic prices in the USA were a little firmer for all animal protein items as seasonal demand is stopping prices from dropping any lower and then there is the expectation of heavier export demand in coming week.

Even with the weakness in soybeans/soymeal after the USDA report, animal proteins seem to be holding their own for pricing ---- looks like steady to higher for now.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The only fishing in Peru these days is a very little in the South against the 515,000 m/t quota that runs until December 31, 2017. Just over 1,000 m/t of fish were landed last week with a total of just over 9,000 m/t landed since the new season began in early July.

According to trade reports there is a USD 50 m/t spread between current stock and next season supply with the next season being discounted by USD 50 m/t. Prices for the last of what is now available are bound to be higher as there is just not that much available. There are also some reports that some old crop business has been rolled to the next crop due to current shortage of supply.

Next season sales are reported to be about 40,000 m/t but there are some buyers who feel that the next season fishmeal prices should move quite a bit lower, so will hold off on any early purchases.

With little left to sell from Peru, most buyers who are in need are now looking to European suppliers but there is also not much European fishmeal available.

There was a report this week on the success that is being seen on the production of a high Omega-3 oil from GM Camelina seeds. It is reported that the GM seeds – modified with marine microbes – can produce oil that is very similar in quality and specifications to Omega-3 fishoil. This vegetable based Omega-3 oil is also said to be free from dioxins and heavy metals that can be a problem with fishoil. Needless to say, the camelina project is still in the research stage but there is a great deal of excitement about the potential of vegetable based Omega-3 oils.

Also reported this week is a report from Ojo Publico in Peru that claims that four large companies in Peru control 70% of the fishmeal business and pay a very low price per ton for their raw materials – according to the report, only USD 5 m/t for raw fish. The report points out that the Peruvian fishing rights system is to be reviewed in 2018 which may then make significant changes to the “system of quotas and payment for fishing rights”. A former fisheries minister has said that company payments “are insufficient” while the head of the National Fisheries Society is quoted as saying that it is “a myth to say that little is paid”.



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European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,505
Danish fishmeal	64% protein	1,380
Peru fishmeal	64% protein	1,250
Chile fishmeal	67% protein	1,300
Iceland fishmeal	70% protein	1,480

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	1360/1380
67% protein 120 TVN	1350/1370 m/t	1380/1400
67% protein 1000 hist, 120 TVN	1400/1420 m/t	1400/1420
68% protein 500 hist, 120 TVN	1450/1470 m/t	1450/1470
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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