



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT August 25, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

We had a down week for corn and wheat prices again this week while soybeans and soymeal were the steady items in the market. Corn price dropped by about USD 5 m/t while winter wheat prices were down by USD 3 to 4 m/t.

Some experts are saying that the US corn crop condition is such that yields could end up below what the USDA has forecasted but the early corn inspection results seem to show that yield should be about that the USDA has said or even a little higher in some areas. So, it is really tough to know exactly where the yields will be but they certainly don't look to be at all bad. The current crop tour has estimated that yield will be below the USDA level – but only a little.

There seems to be no reason for corn prices to move higher --- for now it just looks like steady to lower are where the market will be with the odd daily rally thrown in to get us excited.

On the soybean side of things, the crop tour has forecasted soybean yields a little lower than the USDA but not enough lower to shake up the market. Meanwhile, soybean export business just chugs merrily along with every week bringing decent export order numbers.

As with corn, there is not much reason to expect higher soybean prices – just no news that would move things higher.

Crop progress and condition --- USA and France

Condition USA Aug 20, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	3	9	26	48	14
Soybeans	3	9	28	50	10
Sorghum	2	5	27	56	10
Spring Wheat	23	18	24	27	7
Condition France Aug 21, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	0	4	16	64	16



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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	down \$0.50	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$21/22.00	Down \$1.00	x
US Gulf Israel: 50,000 m/t	\$26/27.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$25/26.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$27/28.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$26/27.00	Steady	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	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	New	X
US Gulf Japan: Panamax	\$38/39.00	Down \$1.00	X
US Gulf China: Panamax	\$37/38.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$19/20.00	Down \$1.00	X
US PNW China: Panamax	\$18/19.00	Down \$1.00	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	Steady	X
France/Germany to China: 50,000 m/t	\$31/32.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$16/17.00	Steady	X
France/Germany to India: 50,000 m/t	\$22/23.00	Steady	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 Turkey: 35,000 m/t	\$22/23.00	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	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$36/37.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$37/38.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$24/25.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$22/23.00	Up \$1.00	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	\$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	\$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	\$26/27.00	Steady	x
Brazil to China: 55,000 m/t	\$28/29.00	down \$1.00	X
Brazil to Japan: 55,000 m/t	\$29/30.00	down \$1.00	X
Brazil to Europe: 50,000 m/t	\$19/20.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$25/26.00	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$33/34.00	Down \$1.00	X



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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	\$26/27.00	Down \$2.00	X
Ukraine to Bangladesh: 45,000 m/t	\$30/31.00	Steady	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)	\$23/24.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$12/13.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$13/14.00	Steady	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	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$32/33.00	Steady	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	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$21/22.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$20/21.00	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	\$12/13.00	Up \$1.00	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$15/16.00	Steady	X
Black Sea to Yemen: 50,000 m/t	\$24/25.00	Steady	x
Baltic Dry Index	1209	down 51	x
Baltic Capesize Index	2468	Down 168	X
Baltic Panamax Index	1235	Down 110	X
Baltic Supramax Index	845	Up 39	X
Baltic Handysize Index	474	Up 9	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 September 2017/November 2017

Wheat, USA Soft Red Winter, NOLA	USD 189/194	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 221/226 high protein Premium	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 164/169	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 175/182	x
Wheat, Romania 12.5 pro	USD 181/186	x
Wheat, Superior, France, Rouen	USD 187/191	x
Wheat, milling, 12.0%, Argentina, upriver	USD 179/183 new crop	x
Wheat, feed, Black Sea	USD 157/161	x
Barley, France, Rouen port	USD 175/178	x
Barley, feed, Argentina	USD 177/181 new crop Dec	x
Barley, feed, Black Sea, 30,000+	USD 172/176	x
Barley, feed, USA Pacific Northwest	USD 220/225	x



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Corn, FOB NOLA USA	USD 156/160	x
Corn, FOB USA Pacific northwest	USD 172/177 Nov/Dec	x
Corn, FOB Argentina port, upriver	USD 151/155 Oct/Nov	x
Corn, FOB Brazil port	USD 150/154 Sep/Nov	X
Corn, FOB Ukraine, 30,000+ m/t	USD 163/167	x
Corn, FOB France	USD 191/194	x
Corn, FOB Romania	USD 170/174	x
Corn, FOB Russia	USD 165/169	x
Sorghum, FOB Texas	USD 182/185	x
Sorghum, FOB Argentina port	USD 164/168	x
Soymeal, 48% protein, FOB NOLA	USD 327/331	X
Soymeal, 48% protein, USA, Rotterdam	USD 352/356	x
Soymeal, Argentina, Rotterdam	USD 341/345	x
Soymeal, 47% pro, FOB Argentina	USD 311/315	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 326/330	x
Soymeal, 48% protein, FOB Brazil	USD 314/318	x
Soymeal, 48% protein, FOB India	USD 333/338	x
Soybeans, FOB NOLA	USD 372/376	x
Soybeans, Argentina, FOB	USD 363/368 Sep/Oct	x
Soybeans, Brazil, FOB	USD 372/379 Sep/Nov	x
Soybeans, Black Sea	USD 367/372	x
Corn Gluten Meal, USA FOB NOLA	USD 600/610 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 140/143 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 173>>167 m/t	x

While DDGS spot prices are still quite high, prices for a few weeks further out are lower as production is gearing up for winter ethanol demand and we end up with higher DDGS supplies. There were a couple of comments in the trade that DDGS prices are now too high versus the lower corn/soybean prices so that DDGS should move lower.

On the other hand, with DDGS, there is the feeling that Vietnam will be back in the market shortly which could give a sudden jump to DDGS export demand and will certainly affect prices.

Corn gluten meal prices were a little stronger this week but could go even higher if some of the demand for fishmeal moves to corn gluten meal. There will not be any significant new supplies of fishmeal before December and CGM with some added amino acids is a decent alternative to fishmeal in some feed formulations.

According to the USDA national price report, corn gluten meal prices are unchanged on the week while corn gluten meal is up by about USD 6 m/t and DDGS prices are weaker by as much as USD 5 m/t in some areas ---- these are domestic USA price changes not export.

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 500/510 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 420/430 m/t CNF Asia
Australian MBM 45% protein	USD 450/470 m/t CNF Asia
Australian MBM 50% protein	USD 500/520 m/t CNF Asia



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Australian Feathermeal, 80% protein	USD 530/540 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/820 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 500/520 m/t CNF Asia
USA Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
USA Poultry Meal, feed grade	USD 670/680 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 870/890 m/t CNF Asia

Meat and bone meal prices into major markets in Asia were down a little this week – USD 10 or so per m/t. It seems that the lower vegetable protein prices have moved buyer away from animal proteins so lower prices are needed to get them back.

There were comments in the trade that poultry meal prices should start to move higher as fishmeal buyers try to fill their needs with poultry meal. There won't be any fishmeal from Peru before December and Peru is sold out at present so poultry meal is a decent and popular alternative.

Prices in the US domestic market for MBM were steady as was feathermeal but poultry meal was said to be a little weak due to low demand from the pet food industry.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

All remains very quiet in the Peruvian fishmeal market --- not much that can be said about current business. There is little or nothing left to sell and no one want to buy this far in advance for the next season – also, no one wants to sell this far out.

The IMARPE biomass assessment cruises are underway but nothing will be heard (or rumored) for three weeks or so. This cruise, which is for 20 days, will be followed by another research cruise in September off 40 days. It seems that the new fishing season will not likely start before mid-November.

There has been talk this week that China's fishmeal requirements could be higher this year due to changes in the countries approach to local pollution control --- local fishmeal production in China may drop as a result which could create extra import demand.

The IFFO published details on Peru's fishmeal exports to the end of July and, as expected, China is the number one destination with just under 84% of all Peru fishmeal exports – 696,000 m/t. The second largest destination is Vietnam with 4.3% of all exports but only 35,500 m/t of volume. Peru's total fishmeal exports to the end of July were just under 832,000 m/t, more than double 2016 exports.

The situation is quite different with fishoil where China is still the largest importer but with only a 21% share of exports – 23,600 m/t – followed by Denmark at 19.3% - 21,700 m/t and Canada with 14.5% share – 16,300 m/t. Peru's fishoil exports are at 112,000 m/t – double last year's numbers.

Looking at the fishmeal future, Skretting Norway has said that they can now produce an algae based fishmeal/fishoil replacement product. They will have a new production facility completed in 2019 but the production will still be quite small and it will be a premium priced product – at least for now. You can count on it that one of these days there are going to be competitive products on the market that could/would replace fishmeal/fishoil in some feed formulations --- but it looks like it is still a few years off.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
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Herring fishmeal	72% protein	1,510
Danish fishmeal	64% protein	1,390
Peru fishmeal	64% protein	1,345
Chile fishmeal	67% protein	1,395
Iceland fishmeal	70% protein	1,545

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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