



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT September 03, 2017

Sorry, a day late this week – my wife and I went off to Bruges, Belgium for a couple of very enjoyable days. Bruges is a place that everyone should visit if given the chance – and do try the beef stew.

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This weekend is a long weekend in the US with everything being closed on Monday for the Labor Day holiday.

Overall, there was not too much change in prices this past week and while there was a little excitement in prices on Thursday the week ended quite quietly. The long US weekend meant that most traders wanted to leave the office on Friday with a quiet week so they could enjoy three days of rest.

There were some private sector estimates of corn yields published last week and these seem to support the yields that the USDA has been forecasting, although there seems to be a leaning toward smaller yields. – there was no market price effect from these forecasts. The next USDA yield forecasts will be published in September 12.

Soybean prices were up a little on the week with soymeal being down a little but no major changes in prices for either. The two private yield forecasts seemed to be in opposition with one looking higher and the other lower – so who knows – we will see on the 12th with the USDA yield update.

There were some comments in the trade that the rally in corn on Thursday could just be the end to falling prices for the year that we may now have seen the bottom of the price market. Needless to say, the corn experts are divided on the price direction with some looking still lower for a few weeks while others can only see higher prices.

Crop progress and condition --- USA and France

Condition USA Aug 27, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	3	9	26	48	14
Soybeans	3	8	28	50	11
Sorghum	2	5	28	52	13
Condition France	Very poor	Poor %	Fair %	Good %	Excellent %



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Aug 28, 2017	%				
Corn	0	4	16	63	16

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)	\$21/22.00	Steady	x
US Gulf Israel: 50,000 m/t	\$27/28.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$27/28.00	Steady	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)	\$31/32.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$37/38.00	Steady	X
US Gulf Japan: Panamax	\$38/39.00	Steady	X
US Gulf China: Panamax	\$37/38.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	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	\$49/50.00	Down \$2.00	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	\$48/49.00	Down \$1.00	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	\$25/26.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$22/23.00	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	\$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	Steady	X



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Brazil to Japan: 55,000 m/t	\$29/30.00	Steady	X
Brazil to Europe: 50,000 m/t	\$20/21.00	Up \$1.00	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	Steady	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	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	Up \$2.00	X
Ukraine to Bangladesh: 45,000 m/t	\$30/31.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$26/27.00	New	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)	\$13/14.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$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	Steady	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	Steady	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	Steady	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	1183	Down 26	X
Baltic Capesize Index	2264	Down 204	X
Baltic Panamax Index	1198	Down 37	X
Baltic Supramax Index	853	Up 8	X
Baltic Handysize Index	486	Up 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 September 2017/November 2017

Wheat, USA Soft Red Winter, NOLA	USD 189/194	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 223/229 high protein Premium	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 166/171	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 177/182	x
Wheat, Romania 12.5 pro	USD 180/183	x
Wheat, Superior, France, Rouen	USD 190/192	x
Wheat, milling, 12.0%, Argentina, upriver	USD 177/183 new crop Dec	x
Wheat, feed, Black Sea	USD 157/161	x



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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
Corn, FOB NOLA USA	USD 160/163	x
Corn, FOB USA Pacific northwest	USD 176/179 Nov/Dec	x
Corn, FOB Argentina port, upriver	USD 151/155	x
Corn, FOB Brazil port	USD 150/155	x
Corn, FOB Ukraine, 30,000+ m/t	USD 156/161	x
Corn, FOB France	USD 185/188	x
Corn, FOB Romania	USD 170/174	x
Corn, FOB Russia	USD 163/168	x
Sorghum, FOB Texas	USD 184/187	x
Sorghum, FOB Argentina port	USD 162/167	x
Soymeal, 48% protein, FOB NOLA	USD 323/327	x
Soymeal, 48% protein, USA, Rotterdam	USD 348/352	x
Soymeal, Argentina, Rotterdam	USD 339/344	x
Soymeal, 47% pro, FOB Argentina	USD 310/316	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 335/339	X
Soymeal, 48% protein, FOB Brazil	USD 313/318	X
Soymeal, 48% protein, FOB India	USD 330/335	X
Soybeans, FOB NOLA	USD 374/378	X
Soybeans, Argentina, FOB	USD 366/373	X
Soybeans, Brazil, FOB	USD 372/377	X
Soybeans, Black Sea	USD 363/368	X
Corn Gluten Meal, USA FOB NOLA	USD 590/600 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 136/140 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 166/169 m/t	X

DDGS prices were down a little this week as lower prices for soymeal weighed on the market. However, the rally in corn prices as the week ended will probably mean a little higher price next week for all corn by-products: DDGS, corn gluten meal and corn gluten feed.

Trade reports have said that the export buying interest is lower this week but this may not last for long after the rally in corn prices and the fact that Vietnam has once again approved the import of DDGS. If buyers in Vietnam were to jump into the DDGS market it would not be too difficult to imagine a decent rally in prices. Vietnam imported more than 1 million m/t of DDGS in 2016 but nothing so far in 2017 --- they could jump back into the market for a good chunk of DDGS.

Corn gluten meal export demand is steady but could climb for the next few months as the world supply of fishmeal is running very low and CGM is one of the best high protein alternatives. Increased demand will at least keep prices steady.

As they do every month, the USDA issued their "grain crushing" report last week which shows DDGS production up on the month by 7% but down on last year. Both corn gluten meal and corn gluten feed production were down a little on the month versus both last month and last year. Overall the corn usage for crushing was up 4 percent from last month but down a little from last year.



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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
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 850/870 m/t CNF Asia

Meat and bone meal prices in Asia are reported to be lower this week – due mainly to MBM shipments from Europe at lower prices. Exporters from Australia and New Zealand are trying to hold their prices but the EU material is making it difficult. Buyers are now bidding lower for supplies.

According to the Jacobsen report this week, prices from Australia may move lower as OZ is moving into a period of higher supply with lower demand. However, they add, the lack of available fishmeal may keep prices from dropping too much.

In the US market, the prices for MBM exports were steady but pet food grade poultry meal continued to be weak and on the domestic side even MBM was a little weaker as lower soymeal prices continue to affect the demand for animal proteins.

Experts seem to feel that we are looking at a period of lower prices for animal proteins – pressured by larger available supplies and the very low prices seen out of the EU.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Very, very quiet in Peru these days as there is nothing to sell but the produces are still busily shipping out all the fishmeal that they sold weeks ago. There is still little or no business being booked for the next fishing season. The experts still feel that the next season will begin in about mid-November. This would mean that there will be no fishmeal shipments from Peru before the end of December, allowing some time for production and ageing.

Reports this week show fishmeal stocks in China to be on the rise and there is still quite a bit on the way and still to be loaded in Peru but with no new supply to be shipped from Peru until late December or January there should be time for China's supplies to work lower.

MSI Ceres was mentioning this week that the Government of Peru seems to have finally realized how important the fishing industry is to the economy of the country and is now encouraging fishing rather than discouraging it --- of course the encouragement is still with an eye to the sustainability of fishing stocks.

MSI Ceres also reports that the government is making investments in patrol vessels and control systems that will allow for better monitoring of illegal fishing – plus increasing inspection staff by more than 10 percent. The budget for inspection services is being more than tripled.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per
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		m/t USD
Herring fishmeal	72% protein	1,560
Danish fishmeal	64% protein	1,410
Peru fishmeal	64% protein	1,370
Chile fishmeal	67% protein	1,420
Iceland fishmeal	70% protein	1,570

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	1460/1480
Fish oil, crude bulk	1500/1550	1300/1350
Fish oil, crude drums	1600/1650	
Fish oil, flexi tank	1700/1750	
Fish oil, Omega 3: 28%EPA/DHA	1900/2000	

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

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