



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT September 16, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

There wasn't a lot of change in grain and oilseed prices this week. Hurricane Irma didn't seem to have the effect on prices that some had been expecting. Corn prices did little on the week other than a little increase in export prices due to some Irma related logistics problems.

The weather for corn looks to be quite good overall and no one is looking for much weather-related market excitement. At present, we just have the corn crop doing well and not much happening that would push prices up or down. There was a private sector estimate of corn planting for next year that showed higher planting levels than this year --- but planting is a long way off and there was no market effect.

Soybeans had an interesting up and down week, finishing the week a little higher. Every day last week there seemed to be another announcement of a US export soybean sale – sales are certainly chugging along. All these exports coupled with worries about too much rain in Argentina and thoughts that the US soybean yield may be lower, all combined to help push soybean and soymeal prices higher on the week.

US spring wheat prices were lower again this week as the spring wheat situation is just not as bad as everyone had felt a few weeks ago.

Crop progress and condition --- USA and France

Condition USA Sep 10, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	4	9	26	48	13
Soybeans	3	9	28	49	11
Sorghum	2	5	27	55	11
Condition France Sep 11, 2017	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	0	4	16	63	16

All other French grain crops are harvested



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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16.50/17.00	Up \$1.00	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$24/25.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$28/29.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$28/29.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$28/29.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$29/30.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$39/40.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$32/33.00	Up \$1.00	X
US Gulf South Africa: 45,000 m/t	\$38/39.00	Up \$1.00	X
US Gulf Japan: Panamax	\$42/43.00	Up \$2.00	X
US Gulf China: Panamax	\$41/42.00	Up \$2.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$23/24.00	Up \$2.00	X
US PNW China: Panamax	\$22/23.00	Up \$2.00	X
US East Coast Egypt: Panamax	\$47/48.00	Steady	x
US East Coast Nigeria: Handisize	\$46/47.00	Down \$3.00	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	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	\$40/41.00	Up \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	Up \$2.00	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	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	\$46/47.00	Up \$1.00	X
Argentina to South Africa 25/30,000 m/t (3k disch)	\$33/34.00	Up \$1.00	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	\$20/21.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$26/27.00	Steady	x
Brazil to China: 55,000 m/t	\$32/33.00	Up \$2.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Up \$2.00	X
Brazil to Europe: 50,000 m/t	\$20/21.00	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	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	\$20.00/20.50	Up \$0.50	X



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Australia to Japan: 40-55,000 m/t – round trip	\$20.50/21.00	Up \$0.50	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$31/32.00	Up \$1.00	x
Ukraine to Bangladesh: 45,000 m/t	\$30/31.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$26/27.00	Steady	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$11/12.00	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	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)	\$23/24.00	steady	x
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$40/42.00	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$31/32.00	Steady	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)	\$15/16.00	Up \$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	\$21/22.00	Up \$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	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	1385	Up 53	x
Baltic Capesize Index	2685	Down 82	x
Baltic Panamax Index	1521	Up 146	x
Baltic Supramax Index	977	Up 89	x
Baltic Handysize Index	536	Up 32	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 October 2017/December 2017

Wheat, USA Soft Red Winter, NOLA	USD 196/202	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 234/240 high protein Premium	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 169/174	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 180/184	x
Wheat, Romania 12.5 pro	USD 185/190	x
Wheat, Superior, France, Rouen	USD 190/193	x
Wheat, milling, 12.0%, Argentina, upriver	USD 184/191 new crop Dec	x
Wheat, feed, Black Sea	USD 162/167	x
Barley, France, Rouen port	USD 180/182	x
Barley, feed, Argentina	USD 180/184 new crop Dec	x
Barley, feed, Black Sea, 30,000+	USD 177/182	x
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, FOB NOLA USA	USD 157/161	x



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Corn, FOB USA Pacific northwest	USD 174/179 Nov/Dec	x
Corn, FOB Argentina port, upriver	USD 153/157	x
Corn, FOB Brazil port	USD 155/160	x
Corn, FOB Ukraine, 30,000+ m/t	USD 158/163	x
Corn, FOB France	USD 182/187	x
Corn, FOB Romania	USD 167/172	x
Corn, FOB Russia	USD 159/164	x
Sorghum, FOB Texas	USD 188/192	x
Sorghum, FOB Argentina port	USD 162/166	x
Soymeal, 48% protein, FOB NOLA	USD 339/344	X
Soymeal, 48% protein, USA, Rotterdam	USD 364/369	x
Soymeal, Argentina, Rotterdam	USD 353/356	x
Soymeal, 47% pro, FOB Argentina	USD 317/322	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 342/345	X
Soymeal, 48% protein, FOB Brazil	USD 313/318	x
Soymeal, 48% protein, FOB India	USD 423/425	x
Soybeans, FOB NOLA	USD 383/388	x
Soybeans, Argentina, FOB	USD 375/381	x
Soybeans, Brazil, FOB	USD 383/388	x
Soybeans, Black Sea	USD 373/378	x
Corn Gluten Meal, USA FOB NOLA	USD 580/590 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 145/148 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 170/173 m/t	x

Not much change in corn by-product prices this week but hurricane Irma did push the export price for DDGS up a little as barges to New Orleans were delayed by the storm. There is still quite good export demand for DDGS and corn gluten meal which is keeping export prices steady. According to the US Grains Council, export demand for US DDGS should remain very good as DDGS are priced very well against corn and soymeal.

ON the US domestic side, there was very little change in the USDA published national average prices with corn gluten feed said to be up by less than USD 2 m/t with corn gluten meal down by about USD 1 m/t and DDGS domestic prices largely unchanged on the week.

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 490/510 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 470/480 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 820/840 m/t CNF Asia

Animal protein prices seem to be in a trading range of about USD 20 m/t – first up a little then down



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a little but no long-term price trend. This past week has been on the down side. There were some comments in the trade that prices may have to go lower as supplies seem to be building and demand has been a little slack.

Australia and New Zealand are said to have good stocks of meat and bone meal for export and cheap European prices continue to pressure the market.

In the USA, most export prices were steady except for pet food grade poultry meal that slipped a little. There has been some talk that feathermeal prices need to move lower.

The US domestic market has seen price weakness all week as US MBM seems to be too expensive for domestic feed producers. The lower US domestic prices have not as yet been seen in the export market but it is a sure thing that they will, if the domestic market stays soft.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

No change in fishmeal prices this week as little business is being done but there was a story in the trade reports that a little more business had been booked for Jan/Feb 2018, at the same price levels as seen below.

Fishmeal prices in China are said to be dropping as stocks have been growing in warehouses – said to be up in the 210,000 m/t range. Port warehouses are said to be stuffed full of fishmeal. If the consumption of fishmeal in China does not work down the high stocks then one could see a drop in China demand for the next Peru fishing season.

Most experts now feel that the new Peru fishing season will begin in mid-November and be for about 2 million m/t of catch – about 480,000 m/t of fishmeal. There won't be any new fishmeal shipments from Peru until late December with arrival in Asia in Jan/Feb 2018.

According to the latest Peru export info, China remains the premier destination for Peru fishmeal, taking just over 83% of export fishmeal (771,000 m/t)--- Vietnam is the next biggest market but with only 4.6% of exports (42,500 m/t) --- total Peru fishmeal exports for 2017 to the end of August are at 928,000 m/t.

MSI Ceres was mentioning this week that if fishing starts in mid-November then it could run into January and January is normally a very poor fishing month. In my opinion, if December is a slow fishing month it may be tough to land all the quota.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,560
Danish fishmeal	64% protein	1,410
Peru fishmeal	64% protein	1,375
Chile fishmeal	67% protein	1,425
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



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<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
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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