



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT October 15, 2017

A day late with this week's report as I am just back from the European Commodities Exchange in Brussels. As usual, it was 2,000+ commodity people all trying to meet everyone they know.

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

Needless to say, the biggest news in the US grain and oilseed markets this week was the latest USDA WASDE report (WASDE is: World Agricultural Supply and Demand Estimates).

Soybeans had a slightly bullish report this week due to a lowering of the USDA estimated yield levels for soybeans – not much of a lowering but enough to push soybean prices up by about USD 10 to 12 m/t and soymeal by USD 10 to 11 m/t by the end of the week. Also lending some strength to soybean prices was the slowing of the US harvest and some concerns over the next Brazil crop. Also, the commodity funds are reducing their soybean short positions which will move futures prices higher. Soybeans did reach the level of USD 10 bushel on Friday and some feel that prices can move higher. Also, US farmers may feel that USD 10 bushel is quite a good level for them to be selling their beans.

Corn prices were a tad higher after a neutral USDA report and many experts don't seem to feel that corn prices have much of a chance to move higher in the near term. While the harvest in the US is not as far along as some wanted, the US farmer can catch up very, very quickly.

Corn futures volumes were lower on Friday after a crazy day for volume on Thursday and it looked like corn speculators were busily increasing their short positions in corn. Lower ethanol production and a speed up in the harvest may just put a little weakness in the corn market for next week. There certainly doesn't seem to be any reason today to expect corn prices to rally higher.

Wheat prices were up a little on the week but for no good reason other than following soybeans. Experts seem to feel that US wheat is now very competitive in world markets and should be able to get back a little business from Russia – especially for lower protein hard red winter wheat. As with corn, the futures speculators have increased their short positions on wheat.

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

	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
<b>Condition USA Oct 08, 2017</b>						
Corn	22%	3	8	25	49	15
Soybeans	32%	3	9	27	49	12
Sorghum	35%	2	6	28	52	12



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	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
<b>Condition France Oct 09, 2017</b>						
Corn	28%	0	4	15	61	20

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17.50/18.00	Up \$1.00	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$23/24.00	Steady	X
US Gulf Israel: 50,000 m/t	\$28/29.00	Up \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Up \$1.00	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$27/28.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$29/30.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$39/40.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$32/33.00	Steady	X
US Gulf South Africa: 45,000 m/t	\$39/40.00	Up \$1.00	X
US Gulf Japan: Panamax	\$42/43.00	up \$1.00	X
US Gulf China: Panamax	\$41/42.00	up \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$21/22.00	Down \$1.00	X
US PNW China: Panamax	\$21/22.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$46/47.00	Steady	X
US East Coast Nigeria: Handisize	\$42/43.00	Up \$1.00	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$13/14.00	Steady	X
France/Germany to China: 50,000 m/t	\$31/32.00	Up \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Steady	X
France/Germany to India: 50,000 m/t	\$21/22.00	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	\$33/34.00	Steady	X
France/Germany to Turkey: 35,000 m/t	\$20/21.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$47/48.00	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 \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	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	\$47/48.00	Steady	x
Argentina to South Africa 25/30,000 m/t (3k disch)	\$35/36.00	Steady	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)	\$25/26.00	Steady	x
Argentina to US Gulf: 25/35,000 m/t	\$21/22.00	Up \$1.00	x



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Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Up \$1.00	X
Brazil to Europe: 50,000 m/t	\$23/24.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$34/35.00	Up \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$24/25.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$20.00/20.50	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.50/21.00	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$32/33.00	Up \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	Up \$1.00	X
Ukraine to India: 45/50,000 m/t	\$29/30.00	Up \$1.00	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)	\$26/27.00	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 disch)	\$14/15.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$26/27.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$47/48.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$32/33.00	Up \$1.00	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)	\$17/18.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$22/23.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$23/24.00	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	1485	Up 80	X
Baltic Capesize Index	2871	Down 58	X
Baltic Panamax Index	1606	Up 200	X
Baltic Supramax Index	1069	Up 98	X
Baltic Handysize Index	649	Up 39	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 194/197	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 233/237	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 183/188	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 189/193	x
Wheat, Romania 12.5 pro	USD 194/197	x
Wheat, Superior, France, Rouen	USD 193/196	x
Wheat, milling, 12.0%, Argentina, upriver	USD 185/190 new crop Dec	x



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Wheat, feed, Black Sea	USD 175/179	x
Barley, France, Rouen port	USD no info	X
Barley, feed, Argentina	USD 184/188 new crop Dec	X
Barley, feed, Black Sea, 30,000+	USD 187/190	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, FOB NOLA USA	USD 157/160	X
Corn, FOB USA Pacific northwest	USD 166/171	X
Corn, FOB Argentina port, upriver	USD 147/151	X
Corn, FOB Brazil port	USD 155/159	X
Corn, FOB Ukraine, 30,000+ m/t	USD 155/159	X
Corn, FOB France	USD no info	X
Corn, FOB Romania	USD 168/172	X
Corn, FOB Russia	USD 162/166	X
Sorghum, FOB Texas	USD 186/192	x
Sorghum, FOB Argentina port	USD 163/167	X
Soymeal, 48% protein, FOB NOLA	USD 367/371	X
Soymeal, 48% protein, USA, Rotterdam	USD 392/396	x
Soymeal, Argentina, Rotterdam	USD 367/371	X
Soymeal, 47% pro, FOB Argentina	USD 335/338	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 364/369	X
Soymeal, 48% protein, FOB Brazil	USD 327/331	x
Soymeal, 48% protein, FOB India	USD 425/431	X
Soybeans, FOB NOLA	USD 386/391	x
Soybeans, Argentina, FOB	USD 387/391	x
Soybeans, Brazil, FOB	USD 392/396	X
Soybeans, Black Sea	USD 384/388	x
Corn Gluten Meal, USA FOB NOLA	USD 570/575 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 140/143 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 175/179 m/t	x

Not much happened to corn by-product prices this week although there were some reports that DDGS prices were up by about USD 2 to 3 m/t for export after the WASDE report. Prices for most corn by-products had been down a little on the week and even though the WASDE was not bullish for corn there will probably be strength in the by-products this coming week as soymeal prices have moved higher.

Looking at the USDA average prices (also issued before the WASDE) it shows no change in corn gluten feed prices, a very small drop in corn gluten meal prices and DDGS prices being largely unchanged from last week.

## Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50% protein	USD no prices 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 no prices m/t CNF Asia
Australian MBM 45% protein	USD 425/435 m/t CNF Asia



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Australian MBM 50% protein	USD 470/480 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 500/510 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 490/500 m/t CNF Asia
USA Poultry Meal, feed grade	USD 650/660 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/810 m/t CNF Asia

Export business for animal proteins from the US was quiet again this week with little change in prices prior to the USDA WASDE report. The rally in soybeans/soymeal prices after the report could lead to higher prices for animal proteins next week. However, demand in main markets in Asia has been quite low and this could put a cap on any possible price increases in the export markets.

According to this week's Jacobsen Report comments on animal proteins (written prior to the WASDE) large stocks of MBM in Indonesia are slowing new orders and buyers are looking to buy well below current market prices. Of course, this could change with the bullish WASDE report and the rally that has been seen in soymeal prices.

USA domestic prices also moved lower this week also prior to the WASDE report.

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

Reports from Peru say that sales to China for the next season are continuing but at quite a low volume level as neither buyers nor sellers seem to want to be too aggressive as yet. Sellers are hoping for slightly higher prices than those show below while buyers, as is to be expected, are bidding well below. Fishmeal prices have been steady to a little higher with no pre-fishing season weakness seen at all.

According to the MSI Ceres report this week the fishmeal pre-sales are probably up around 115,000 m/t and probably mostly to China. China's 2017 fishmeal imports are expected to be a little higher than previous forecasts, up to 1.55 million m/t for the year..

The feeling on the next fishing season in Peru is still centered on mid to end November with the usual amount of speculation on exactly what the new fishing quota will be.

The IFFO will be holding its annual conference in Washington DC on October 23 to 25, 2017. It is understood that all the major fishmeal/fishoil people will be in attendance.

It was reported this week that US fishmeal producer Omega Proteins has been bought by Canada's Cooke Aquaculture. Cooke is mainly a fish farming and seafood company while Omega is a producer of fishmeal and fishoil from menhaden fish, primarily in the US.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,560
Danish fishmeal	64% protein	1,380
Peru fishmeal	64% protein	1,375
Chile fishmeal	67% protein	1,425
Iceland fishmeal	70% protein	1,590



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## 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	1150/1160 m/t	
65/66 protein	1190/1200 m/t	
67% protein standard steam	1240/1250 m/t	
67% protein 150 TVN	1340/1350 m/t	1360/1380
67% protein 120 TVN	1380/1390 m/t	1380/1400
67% protein 1000 hist, 120 TVN	1420/1430 m/t	1400/1420
68% protein 500 hist, 120 TVN	1470/1480 m/t	1460/1480
Fish oil, crude bulk	1550/1600	1350/1400
Fish oil, crude drums	1650/1700	
Fish oil, flexi tank	1750/1800	
Fish oil, Omega 3: 28%EPA/DHA	1900/2000	

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

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