



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT October 21, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Well now, this week was quite a reversal of the rally of last week – everything was lower this week: soybeans dropped by USD 8 to 10 m/t while soymeal fell by USD 12 to 14 m/t. Corn wasn't as weak and only dropped by about USD 3 to 5 m/t. Wheat too had a down week with both soft red winter and hard red winter wheat down by about USD 5 m/t.

Much of the weakness in prices this week was due to the improving harvest weather and the overall size of the US crops. Both corn and soybeans had decent export sales reported but the weight of the harvest just kept pushing prices lower.

According to some trade experts, the US farmer has not been too inclined to sell his corn and beans due to what is seen as too low prices. Of course, if the farmers do start to sell this will put more downward pressure on prices ---- as we all know, harvest time tends to have the lowest prices for the year so we may be able to slip a little lower before the harvest ends and we get into things like grain storage costs.

Wheat prices just continued with its one month slide lower. Doesn't seem to be anything that will rally wheat prices.

For all the grains, oilseeds and oil meals there is just no good reason at present to push price higher in the face of the very large US crop.

Crop progress and condition --- USA and France

Condition USA Oct 15, 2017	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	28%	3	8	24	50	15
Soybeans	49%	3	9	27	48	13
Sorghum	40%	2	6	27	52	13
Condition France Oct 16, 2017	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	56%	0	3	16	61	20



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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)	\$18.00/18.50	Up \$0.50	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	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$29/30.00	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)	\$30/31.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$40/41.00	Up \$1.00	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	Steady	X
US Gulf Japan: Panamax	\$43/44.00	Up \$1.00	X
US Gulf China: Panamax	\$42/43.00	Up \$1.00	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	\$23/24.00	Up \$2.00	X
US East Coast Egypt: Panamax	\$46/47.00	Steady	X
US East Coast Nigeria: Handisize	\$40/41.00	Down \$2.00	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	Steady	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	\$41/42.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$42/43.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	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	\$47/48.00	Steady	X
Argentina to South Africa 25/30,000 m/t (3k disch)	\$36/37.00	Up \$1.00	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	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$21/22.00	Steady	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Steady	x
Brazil to China: 55,000 m/t	\$34/35.00	Steady	X
Brazil to Japan: 55,000 m/t	\$35/36.00	Steady	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$34/35.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Down \$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



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Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	x
Ukraine to China: 50,000 m/t	\$31/32.00	Down \$1.00	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	Down \$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	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)	\$16/17.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$22/23.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$22/23.00	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	Steady	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	\$23/24.00	Down \$1.00	X
Baltic Dry Index	1578	Up 93	x
Baltic Capesize Index	3145	Up 274	X
Baltic Panamax Index	1643	Up 37	X
Baltic Supramax Index	1126	Up 57	X
Baltic Handysize Index	679	Up 30	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 191/194	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 229/235	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 182/187	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 188/193	x
Wheat, Romania 12.5 pro	USD 193/197	x
Wheat, Superior, France, Rouen	USD 190/192	x
Wheat, milling, 12.0%, Argentina, upriver	USD 176/182 new crop Dec	x
Wheat, feed, Black Sea	USD 175/179	x
Barley, France, Rouen port	USD 185/187	x
Barley, feed, Argentina	USD 184/188 new crop Dec	
Barley, feed, Black Sea, 30,000+	USD 187/190	
Barley, feed, USA Pacific Northwest	USD 220/225	
Corn, FOB NOLA USA	USD 155/157	x
Corn, FOB USA Pacific northwest	USD 162/166	x
Corn, FOB Argentina port, upriver	USD 147/151	x



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Corn, FOB Brazil port	USD 151/156	x
Corn, FOB Ukraine, 30,000+ m/t	USD 153/157	x
Corn, FOB France	USD 170/176	x
Corn, FOB Romania	USD 167/171	x
Corn, FOB Russia	USD 158/163	x
Sorghum, FOB Texas	USD 186/192	
Sorghum, FOB Argentina port	USD 163/167	
Soymeal, 48% protein, FOB NOLA	USD 349/352	X
Soymeal, 48% protein, USA, Rotterdam	USD 374/377	x
Soymeal, Argentina, Rotterdam	USD 358/362	x
Soymeal, 47% pro, FOB Argentina	USD 327/332	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 364/369	x
Soymeal, 48% protein, FOB Brazil	USD 316/321	x
Soymeal, 48% protein, FOB India	USD 382/387	x
Soybeans, FOB NOLA	USD 386/391	x
Soybeans, Argentina, FOB	USD 379/384	x
Soybeans, Brazil, FOB	USD 381/385	x
Soybeans, Black Sea	USD 382/386	x
Corn Gluten Meal, USA FOB NOLA	USD 565/570 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 138/142 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 178>>173 m/t	x

Nearby DDGS prices are firm which is due mainly to all the shipping slots being filled and many suppliers sold out of product for October well into November. Most DDGS buyers are looking further out for prices – where they can save a few dollars per m/t.

The US Grains Council was mentioning in their report this week that there are increases coming for container freight and this should move CNF prices for Nov/Dec up by USD 3 or 4 m/t.

According to the USDA average domestic price report, DDGS prices in the US were steady to higher for nearby positions – up by as much as USD 5 m/t. The USDA also shows corn gluten meal prices down by about USD 5 m/t on the week but corn gluten feed prices were unchanged.

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
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 450/460 m/t CNF Asia
USA Feathermeal, 80% protein	USD 470/480 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

Trade reports show that meat and bone meal prices in Asia, Indonesia, in particular, dropped quite significantly, although prices to China stayed firm. Reports say that lower offers from US shippers are



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the main cause of weakening prices. Exporters from Australia say that they have no interest in fighting over business at the current low prices and are trying to maintain their price levels while prices from New Zealand are said to have dropped by USD 50 m/t.

USA domestic prices moved lower as did export prices. The Jacobsen Report says that US stocks of animal proteins – especially MBM – are growing faster than demand and that domestic sellers are being very aggressive in their pricing.

Looks like we could be seeing some lower export price levels – at least for meat and bone meal.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Just to add a wee note about fishing in Peru – fishing in the south is allowed but there has been nothing landed in the past couple of months. Looking at the next fishing quota, trade reports say that the spawning season is coming to an end which makes fishing much more possible. Also, the IMARPE exploratory cruise seems to be progressing as planned.

The trade reports that fishmeal prices are creeping a little higher with some saying that overall prices could be up by about USD 20 m/t but with so little business being done it is hard to know exactly what prices may be for the new season. The trade also reports that prices are going up in China so that could confirm higher price levels in Peru in coming weeks.

This coming week is the IFFO conference in the USA – perhaps we will see some new buying interest when all the sellers and buyers are together.

It was interesting looking at the latest USDA-FAS information on fishmeal – looking at the last 15 years or so the total world fishmeal production has seen a high of 5.55 million m/t in 2010/11 and a low of 4.24 million m/t in 2009/10 with most years coming in at around 4.8 mm/t. Production is not increasing at all just varying by about 10 percent some years – some years up and some years down. World export shipments have been at about 2.2 million m/t for the past 3 or 4 years down by about 10 percent from the previous average of around 2.5 mm/t per year.

The most interesting thing about all these fishmeal statistics is how little things change on average – production is steady as are export sales and consumption doesn't vary much.

While the world is trying to find low cost alternatives to fishmeal, the growth in the world feed industry insures that fishmeal consumption always equals production --- there is really never any fishmeal left over that can't be sold.

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

PERU "INDICATION" FISHMEAL PRICES:

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS



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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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