



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT October 28, 2017

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

It wasn't the most exciting trading week this week for grain and oilseed but there were a couple of US weather rumors that got people a little excited – but just a little.

There was quite a bit of talk about the US corn harvest falling behind but most experts seem to feel that this is not much of a problem as the farmers are working hard on the soybean harvest and leaving corn for a bit. As we all know from past years, the US farmer can catch up with the harvest levels in a very short period of time.

Grain/oilseed prices were also pushed a little lower by the stronger US dollar and then there was the International Grain Councils report out during the week and the forecast of larger corn supplies. Spain has bought some US corn – about 250,000 m/t in the past two weeks – after not buying any by this time last year.

US weather looks quite good for a few busy harvest days which may allow farmers to just about finish the soybeans and race ahead on the corn.

Overall, the experts don't seem to be forecasting lower prices for grains – we are bouncing around on the lows and once everything is harvested there is not too much reason for lower prices. US supply should probably not be any greater than what has been forecasted, based on harvest yields to date, which would tend to suggest that post-harvest prices will be higher not lower than today

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

<b>Condition USA Oct 22, 2017</b>	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	38%	3	8	23	50	16
Soybeans	70%	3	9	27	48	13
Sorghum	47%	2	6	27	52	13
<b>Condition France Oct 23, 2017</b>	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	76%	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)	\$17.50/18.00	Down \$0.50	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$21/22.00	Changed cargo size	X
US Gulf Israel: 50,000 m/t	\$27/28.00	Down \$1.00	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Down \$1.00	X
US Gulf Turkey: 50,000 m/t	\$28/29.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$29/30.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$30/31.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$40/41.00	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	Steady	X
US Gulf Japan: Panamax	\$43/44.00	Steady	X
US Gulf China: Panamax	\$42/43.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$21/22.00	Down \$2.00	X
US PNW China: Panamax	\$21/22.00	Down \$2.00	X
US East Coast Egypt: Panamax	\$46/47.00	Steady	X
US East Coast Nigeria: Handisize	\$39/40.00	Down \$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	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	\$19/20.00	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)	\$24/25.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$39/40.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$24/25.00	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)	\$21/22.00	Down \$1.00	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	Steady	X
Argentina to Spain: 30,000 m/t	\$23/24.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$24/25.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Down \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Steady	X
Brazil to China: 55,000 m/t	\$32/33.00	Down \$2.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Down \$2.00	X
Brazil to Europe: 50,000 m/t	\$22/23.00	Steady	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	\$22/23.00	Down \$1.00	X



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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	\$31/32.00	Steady	X
Ukraine to Bangladesh: 45,000 m/t	\$32/33.00	Steady	X
Ukraine to India: 45/50,000 m/t	\$28/29.00	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)	\$30/31.00	Up \$4.00	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)	\$15/16.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/31.00	Up \$4.00	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$52/53.00	Up \$5.00	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)	\$16/17.00	Up \$2.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$15/16.00	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	\$21/22.00	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)	\$16/17.00	Up \$2.00	X
Black Sea to Yemen: 50,000 m/t	\$23/24.00	Steady	X
Baltic Dry Index	1546	Down 32	X
Baltic Capesize Index	3220	Up 75	X
Baltic Panamax Index	1517	Down 126	X
Baltic Supramax Index	1100	Up 26	X
Baltic Handysize Index	687	Up 8	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 November 2017/January 2018

Wheat, USA Soft Red Winter, NOLA	USD 187/190	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 232/236	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 181/186	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 188/193	X
Wheat, Romania 12.5 pro	USD 189/194	X
Wheat, Superior, France, Rouen	USD 191/193	X
Wheat, milling, 12.0%, Argentina, upriver	USD 179/184 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	X
Barley, feed, Black Sea, 30,000+	USD 195/199	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, FOB NOLA USA	USD 156/159	X



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Corn, FOB USA Pacific northwest	USD 164/168	x
Corn, FOB Argentina port, upriver	USD 146/150	X
Corn, FOB Brazil port	USD 154/157	X
Corn, FOB Ukraine, 30,000+ m/t	USD 159/163	X
Corn, FOB France	USD 180/183	x
Corn, FOB Romania	USD 165/169	X
Corn, FOB Russia	USD 162/167	X
Sorghum, FOB Texas	USD 187/192	x
Sorghum, FOB Argentina port	USD 169/172	X
Soymeal, 48% protein, FOB NOLA	USD 344/347	X
Soymeal, 48% protein, USA, Rotterdam	USD 369/372	x
Soymeal, Argentina, Rotterdam	USD 346/351	x
Soymeal, 47% pro, FOB Argentina	USD 316/320	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 344/348	x
Soymeal, 48% protein, FOB Brazil	USD 316/320	X
Soymeal, 48% protein, FOB India	USD 350/355	x
Soybeans, FOB NOLA	USD 373/378	X
Soybeans, Argentina, FOB	USD 370/373	X
Soybeans, Brazil, FOB	USD 379/382	x
Soybeans, Black Sea	USD 382/386	x
Corn Gluten Meal, USA FOB NOLA	USD 560/565 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 138/142 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 181>>174 m/t	x

Starting off with the USDA average US prices this week, there is very little change. Corn gluten feed prices did not change on the week but on the domestic side corn gluten meal is up by a couple of dollars while DDGS in the US are mainly unchanged.

On the export side CGF is steady while CGM is a little lower – perhaps as shippers have cleaned up all the backlog of CGM orders – DDGS prices are steady but with the nearby at a premium due to logistics and strong nearby lineups.

With DDGS, the export buyers seem to be waiting a little for lower prices – they feel that the weakness in corn and soymeal should be pushing DDGS prices down. No one seems to be in much of a rush to cover at the current price levels. If we could get DDGS back into the 160's FOB NOLA, then we should see some good buying interest from Asia.

## 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
	USD 340/360 to Indonesia
USA Feathermeal, 80% protein	USD 470/480 m/t CNF Asia



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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

I have included the price indication for US MBM to Indonesia this week – courtesy of the Jacobsen Report. Their report also states that MBM in Indonesia is trading in about a USD 50 m/t range with sellers from Australia getting the highest prices due to their short shipping time and quick delivery.

There seems to be a never-ending supply of low cost MBM in the Asia market – supply that some say will exceed demand into early 2018. According to Jacobsen the price ratio of MBM to soymeal is at the lowest level seen since 2011 – certain should make MBM popular with feed producers in Asia.

In the US domestic market, the feeling seems to be that prices are about at the bottom and with the strong export sales some say the heavy supplies could be eaten up but no one is expecting any serious rally in prices until Jan/Feb 2018.

Looks like we could be trading a price range for MBM for the next few weeks.

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

Very little to say about fishmeal this week as all the major players are at the IFFO meeting and there is a dearth of trade information as a result.

However, there were some rumors from Peru that suggest the IMARPE cruise is not having the best results for the next season – spawning, rumors say is being delayed by cold waters and the anchovy population is very spread out. It is said that with a late spawning there could be a high level of juveniles once fishing starts.

There was also the odd comment that the late spawning could result in a quota of less than 2 million m/t.

The IMARPE cruise should finish next week so we may get some word on the situation.

In the meantime, the prices this week in Peru seem to have moved up by about USD 20 m/t while prices for Chile are steady with last week. Prices in Europe were off little but that is a result of the strengthening USD against the Euro.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,550
Danish fishmeal	64% protein	1,360
Peru fishmeal	64% protein	1,370
Chile fishmeal	67% protein	1,420
Iceland fishmeal	70% protein	1,580

### **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	1170/1180 m/t	
65/66 protein	1210/1220 m/t	
67% protein standard steam	1260/1270 m/t	
67% protein 150 TVN	1360/1370 m/t	1360/1380
67% protein 120 TVN	1400/1410 m/t	1380/1400
67% protein 1000 hist, 120 TVN	1440/1450 m/t	1400/1420
68% protein 500 hist, 120 TVN	1490/1500 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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