



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: tradegroup@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office: +33.9.7044.4881 Mobile: +33.6.8068.4564 Fax: +33.4.5774.7575
1 Traverse Du Cheval Blanc, St Remy de Provence, 13210 France

WEEKLY FEED GRAIN AND PROTEIN REPORT November 04, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Looking at the weekly change in futures prices for grains/oilseed and soymeal, it looks like a very quiet week – but looks are not always correct. Thursday was an up day for grains then followed by a down day on Friday – for soybeans in particular.

US soybeans moved lower because of the weakness in Brazil's currency and the concern that soybean export business would swing south to Brazil. Brazil, it seems, has very good stocks of soybeans and expects to double its sales to China for the next few months. If China is buying Brazil beans, then they won't be buying US – or so the thinking goes.

There wasn't a great deal of market moving news for corn this week. The harvest has not as yet caught up to normal levels and export sales remain good – two reasons for steady to higher prices. However, as several experts are saying, corn looks to be in a trading range, up a little then down a little, with no real reason for prices to race off in any direction. Export sales are good, harvest yields are good and there is still lots of corn to be harvested --- looks like for now steady to lower for corn is the most likely pricing situation.

Wheat has been much like corn this week with good export sales but also good crops in much of the world along with quite good quality levels and no good reasons for prices to do anything dramatic.

We are getting close to the Global Grain Conference in Geneva, just another 10 days or so. While both Geneva and the conference are expensive, it is a good place to see grain people from all over the world that you haven't seen in a year. Also, interesting to see that this year some international grain companies are taking part after quite a few years of absence.

Crop progress and condition --- USA and France

Condition USA Oct 29, 2017	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	54%	3	8	23	50	16
Soybeans	83%	3	9	27	48	13
Sorghum	59%	2	6	27	52	13
Winter wheat	84% planted	4	8	36	43	9



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Condition France Oct 30, 2017	Harvested	Very poor %	Poor %	Fair %	Good %	Excellent %
Corn	89%	0	3	16	61	20
Winter soft wheat	79% planted					
Winter barley	89% planted					

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17.00/17.50	Down \$0.50	X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$22/23.00	Up \$1.00	X
US Gulf Israel: 50,000 m/t	\$27/28.00	Steady	X
US Gulf to Egypt: Panamax (6,000 disch)	\$26/27.00	Steady	X
US Gulf Turkey: 50,000 m/t	\$28/29.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$29/30.00	Steady	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	\$42/43.00	Down \$1.00	X
US Gulf China: Panamax	\$41/42.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Down \$1.00	X
US PNW Japan: Panamax	\$22/23.00	Up \$1.00	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	\$39/40.00	Steady	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	Up \$1.00	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	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$39/40.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$40/41.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$24/25.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$21/22.00	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	Steady	x
Argentina to Spain: 30,000 m/t	\$24/25.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$24/25.00	Steady	x



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Steady	x
Brazil to China: 55,000 m/t	\$33/34.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$34/35.00	Up \$1.00	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	\$23/24.00	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	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	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)	\$15/16.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/31.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$52/53.00	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	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$16/17.00	Up \$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	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	Down \$1.00	X
Black Sea to Yemen: 50,000 m/t	\$23/24.00	Steady	X
Baltic Dry Index	1476	Down 70	x
Baltic Capesize Index	3036	Down 184	x
Baltic Panamax Index	1562	Up 45	X
Baltic Supramax Index	1014	Down 86	X
Baltic Handysize Index	664	Down 23	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 237/240	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 179/184	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 188/193	x
Wheat, Romania 12.5 pro	USD 188/193	x



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Wheat, Superior, France, Rouen	USD 193/195	x
Wheat, milling, 12.0%, Argentina, upriver	USD 178/183 new crop Dec	x
Wheat, feed, Black Sea	USD 174/178	x
Barley, France, Rouen port	USD 187/189	x
Barley, feed, Argentina	USD 183/187 new crop Dec	x
Barley, feed, Black Sea, 30,000+	USD 194/198	X
Barley, feed, USA Pacific Northwest	USD 220/225	x
Corn, FOB NOLA USA	USD 159/161	x
Corn, FOB USA Pacific northwest	USD 164/167	x
Corn, FOB Argentina port, upriver	USD 148/153	x
Corn, FOB Brazil port	USD 151/156	x
Corn, FOB Ukraine, 30,000+ m/t	USD 158/162	x
Corn, FOB France	USD 186/189	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 171/176	x
Soymeal, 48% protein, FOB NOLA	USD 348/352	X
Soymeal, 48% protein, USA, Rotterdam	USD 373/377	x
Soymeal, Argentina, Rotterdam	USD 352/356	x
Soymeal, 47% pro, FOB Argentina	USD 318/322	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 347/351	x
Soymeal, 48% protein, FOB Brazil	USD 316/320	x
Soymeal, 48% protein, FOB India	USD 353/357	x
Soybeans, FOB NOLA	USD 381/385	x
Soybeans, Argentina, FOB	USD 375/379	x
Soybeans, Brazil, FOB	USD 382/387	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 146/150 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 176/179 m/t	X

Prices were quite steady this week with not too much excitement seen in the export side of things. But it is interesting to note that the USDA shows domestic corn gluten feed prices up by USD 13 m/t this increase has not been seen in export prices – at least not so far.

Corn gluten meal was up by about USD 5 m/t in both domestic and export markets while DDGS export prices were unchanged – although the premium for nearby DDGS seems to have disappeared as shippers have caught up with the backlog.

The USDA grain crushing report was out this week and shows that September DDGS production was down about 10 percent from August while corn gluten feed production dropped by 13 percent and corn gluten meal production was off by about 6 percent. Perhaps August was just a large production month as September 2017 is in line with September 2016.



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

USA corn by-product exports – January to September 2017 – in m/t **Major destinations**

Destination	Distillers Dried Grains DDGS	Corn Gluten Meal	Corn Gluten Feed
Bangladesh	81,300		
Cambodia	42,400		
Canada	544,100	42,800	
Chile	18,500	89,600	
China	337,300		
Colombia	149,600	64,700	30,600
Costa Rica	66,000		
Denmark		8,600	
Egypt	111,400	81,200	16,900
El Salvador	46,600	5,800	
Guatemala	40,300	8,300	
Honduras	39,200	5,900	
Indonesia	491,600	183,500	
Ireland	251,000		269,900
Israel	222,200	5,200	172,100
Japan	339,900	4,700	
Malaysia	58,400	11,600	
Mexico	1,630,500	20,700	33,900
Morocco	181,000		43,800
New Zealand	133,300		10,000
Pakistan	42,500		
Peru	16,700	7,600	
Philippines	101,600		
Portugal	45,700		32,100
Saudi Arabia	49,300		
South Korea	686,100		
Spain	283,900		5,400
Taiwan	204,400	24,300	
Thailand	515,200	33,100	
Turkey	1,176,900		216,200
UK	159,600		43,500
Vietnam	13,400	5,000	

@USDA-FAS

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



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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

The Jacobsen Report says that meat and bone meal prices into Indonesia were lower again this week – perhaps USD 20 m/t lower than the MBM price shown above. MBM from Australia and New Zealand are prices at the top of the market price levels but then they can do almost immediate delivery which does give them an advantage and commands higher prices.

Demand into the major markets in Asia is reported to be strong with Jacobsen reporting that Vietnam is a very good buyer of pork meal.

US domestic prices are steady but the export demand for pork meal is pushing prices up. No real change in prices for MBM or feathermeal.

Looking at the year to date export numbers below it is easy to see that Canada and Mexico are the major markets with about 70 percent of MBM exports, but Asia does represent 28 percent of MBM exports and close to 60 percent of feathermeal exports.

USA animal protein exports – January to September 2017 – in m/t **Major destinations**

Destination	Meat and bone meal Including pork and poultry meal	Feathermeal
Canada	51,500	14,900
Cambodia	4,400	
Chile		8,400
China	33,600	13,800
Ecuador	6,000	
Germany	3,900	
Honduras	2,900	
Indonesia	118,900	21,500
Malaysia	4,300	
Mexico	441,000	
Peru	4,200	
Thailand	10,800	
Vietnam	21,000	
Total all exports	713,200	60,300

@USDA-FAS

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

The IMARPE exploratory cruise is expected to finish this weekend and the announcement on the new season should be available within a week or ten days. Everyone is expecting mid-November for a start time.

Advance sales for the next fishing season are said to be in the 150,000 m/t range, which is about 30 percent of the next season production, assuming a 2 million m/t quota. According to MSI Ceres, the current consumption of fishmeal is still quite strong but the aquafeed season is winding down. Peru



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

continues to represent about 60% of China's fishmeal imports. Total imports by China are up to an estimated 1.36 million m/t with the full year forecasted to hit 1.55 mm/t or perhaps a little more.

Everyone is now back from the IFFO meeting and the word is that there was nothing much exciting booked at the meeting – everyone is waiting for the new quota. MSI Ceres reports that the meeting covered the development of alternate protein sources and the ever growing aquafeed sector and the need to keep the fishmeal industry active in new market development. Even though all fishmeal produced tends to get sold every year, the industry can't just sit back and assume that this is a forever situation. I have been in the business long enough that I can remember fishmeal mountains and rock bottom prices – so, the industry can't assume that demand will last forever.

Perhaps the IFFO (and the trade) needs to have some buyer development programs, as we see with USSEC (US Soybean Export Council) and the US Grains Council in their development of aquafeed uses for soybean and corn related feed materials.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,550
Danish fishmeal	64% protein	1,370
Peru fishmeal	64% protein	1,380
Chile fishmeal	67% protein	1,430
Iceland fishmeal	70% protein	1,575

PERU "INDICATION" FISHMEAL PRICES:

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

Minimum shipment of 200 m/t for fishmeal

<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

The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

solely those of the author. As such, they may differ in material respects from those of, or expressed or published by or on behalf of, Hammersmith Marketing Ltd or its officers, directors, employees or affiliates

Copyright © 2017 Wayne S. Bacon