



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT July 01, 2017

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

This week's report may be a little shorter than usual as I have travelling all week – Geneva and Rome – so have not had the time to keep up with everything.

So, how was that for the week!!! Corn process up by USD 6 to 7 m/t, soybeans up by USD 14 to 15 m/t, soymeal up by USD 11 to 12 m/t and then there was wheat with winter wheat being up by USD 17 to 18 m/t while the concerns for spring wheat pushed prices up by USD 35 to 37 m/t.

This was kind of a triple witching weekend with the USDA report and then the 4<sup>th</sup> of July holiday on Tuesday on the US and many people taking Monday off to get a nice long four-day weekend. On long weekends grain prices do tend to get a little more excited than in a normal week as no one wants to be exposed at all for four days, just too much price risk.

With the USDA report the acreage for both soybeans and wheat were bullish and got the rally moving while corn should have been bearish but the excitement in the market pulled corn prices higher too.

There really wasn't any reason for corn to move higher and with good crop weather expected for next week then we could see corn move lower again.

With the soybean acreage numbers coming in at less than expected and the futures being a little oversold, it didn't take much to push prices up quickly. However, with good weather expected for next week will these week's rally hold.

As for wheat, acreage much smaller than expected coupled with serious weather situation for spring wheat pushed prices much higher and contrary to corn and soybeans these price increases could just hold, as the rally is fact based rather than speculative.

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

<b>Condition USA June 25, 2017</b>	Very poor %	Poor %	Fair %	Good %	Excellent %
Winter wheat	4	12	35	40	9
Corn	2	6	25	55	12
Soybeans	2	6	26	56	10
Sorghum	1	3	31	57	8
Spring Wheat	10	18	32	33	7
Spring Barley	4	8	28	42	18



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Condition	Very poor %	Poor %	Fair %	Good %	Excellent %
<b>France June 26, 2017</b>					
Wheat, soft	2	9	24	56	9
Barley, winter	2	12	24	53	8
Wheat, hard	1	11	28	54	6
Barley, spring	1	10	25	62	3
Corn	0	3	15	73	9

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13.00/13.50	Steady	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$22/23.00	Up \$1.00	X
US Gulf Israel: 50,000 MT	\$22/23.00	Steady	X
US Gulf to Egypt: Panamax(6,000 disch)	\$21/22.00	Steady	X
US Gulf Turkey: 50,000	\$23/24.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$25/26.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$26/27.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$36/37.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$28/29.00	Up \$1.00	X
US Gulf Japan: Panamax	\$36/37.00	Steady	X
US Gulf China: Panamax	\$35/36.00	Steady	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	X
US PNW Japan: Panamax	\$19/20.00	Steady	X
US PNW China: Panamax	\$18/19.00	Steady	X
US East Coast Egypt: Panamax	\$47/48.00	Down \$1.00	X
US East Coast Nigeria: Handisize	\$51/52.00	Up \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$13/14.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$16/17.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$22/23.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$10/11.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$20/21.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$32/33.00	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	Up \$1.00	x
Argentina to China: 50,000 m/t, with top-off	\$33/34.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Steady	X
Argentina to Egypt: 50,000 m/t	\$24/25.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$21/22.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Up \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$42/43.00	Up \$1.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$30/31.00	Up \$1.00	X
Argentina to Spain: 30,000 m/t	\$22/23.00	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$25/26.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$17/18.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$25/26.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$25/26.00	Up \$1.00	X



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Brazil to Japan: 55,000 m/t	\$26/27.00	Up \$1.0	X
Brazil to Europe: 30,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$24/25.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$37/38.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Steady	x
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Steady	X
Ukraine to China: 50,000 m/t	\$27/28.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$13/14.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$25/27.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$14/15.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/27.00	Steady	X
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/32.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$34/35.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$12/13.00	Steady	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$19/20.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$19/20.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$35/36.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$15/16.00	Up \$1.00	x
Baltic Dry Index	901	Up 31	X
Baltic Capesize Index	1086	Up 99	X
Baltic Panamax Index	1091	Down 47	X
Baltic Supramax Index	754	Up 10	X
Baltic Handisize Index	467	Up 16	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 July 2017/September 2017

Wheat, USA Soft Red Winter, NOLA	USD 215/219	X
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 264/269 high protein premium	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 175/179	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 184/188	X
Wheat, Romania 12.5 pro	USD 184/188	X
Wheat, Superior, France, Rouen	USD 194/196	X
Wheat, milling, 12.0%, Argentina, upriver	USD 193/197 new crop	X
Wheat, feed, Black Sea	USD 168/173	X
Barley, France, Rouen port	USD 165/167	X
Barley, feed, Argentina	USD 158/164	X
Barley, feed, Black Sea, 30,000+	USD 159/162	X



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Barley, feed, USA Pacific Northwest	USD 200/205	X
Corn, FOB NOLA USA	USD 161/165	X
Corn, FOB USA Pacific northwest	USD 167/170	X
Corn, FOB Argentina port, upriver	USD 144/149 Aug/Sep	X
Corn, FOB Brazil port	USD 155/160 Aug/Sep	X
Corn, FOB Ukraine, 30,000+ m/t	USD 169/173	X
Corn, FOB France	USD 201/206	X
Corn, FOB Romania	USD 171/174	X
Corn, FOB Russia	USD 168/172	X
Sorghum, FOB Texas	USD 180/184	X
Sorghum, FOB Argentina port	USD 135/139	X
Soymeal, 48% protein, FOB NOLA	USD 327/332	X
Soymeal, 48% protein, USA, Rotterdam	USD 352/357	X
Soymeal, Argentina, Rotterdam	USD 332/337	X
Soymeal, 47% pro, FOB Argentina	USD 300/305	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 327/332	X
Soymeal, 48% protein, FOB Brazil	USD 296/301	X
Soymeal, 48% protein, FOB India	USD 332/337	x
Soybeans, FOB NOLA	USD 356/361	X
Soybeans, Argentina, FOB	USD 353/358	X
Soybeans, Brazil, FOB	USD 357/362	X
Soybeans, Black Sea	USD 367/372	X
Corn Gluten Meal, USA FOB NOLA	USD 600/610 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 134/137 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 157/160 m/t	x

Prices were weaker for corn by-products this week, although it does not always show in export prices. Corn gluten meal is down by about USD 10 in the domestic market but this is not seen as yet in export price levels. DDGS export prices are a little lower on the week but may push higher next week with the rally in corn prices after the USDA report.

In the US domestic market, both corn gluten meal and DDGS were lower while corn gluten feed prices were steady.

Most of the export buying interest is out a couple of months as there is very little in loading capacity available over the next few weeks and buyer don't much want to pay a premium to try to get a nearby shipment.

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 490/500 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 400/410 m/t CNF Asia
Australian MBM 45% protein	USD 440/450 m/t CNF Asia
Australian MBM 50% protein	USD 490/510 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/810 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 500/510 m/t CNF Asia



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USA Feathermeal, 80% protein	USD 520/530 m/t CNF Asia
USA Poultry Meal, feed grade	USD 620/630 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 860/880 m/t CNF Asia

Animal protein prices were lower again this week – the rally in US grains/oilseeds may change that next week with prices up very strongly after the USDA planting report. There has been some comment that increased buying in Asia could move prices higher but that was certainly not the situation this week as most everything slid a little lower – at least USD 10 m/t.

There was also the comment in the Jacobsen report this week that a slowdown in demand from the pet food industry is the reason for the drop in poultry meal prices. This said to just be a seasonal slowdown rather than any change in use for poultry meal.

I guess that with the weekend rally we can expect higher export prices from the US next week.

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

The landings in the north up to late this week have reached 2.2 million m/t with the catch not being all that good due to bad weather and mini-bans – but we are still chugging along trying to get to 2.8 million m/t by the end of July.

Peru was closed on Thursday and for some on Friday too so business has not been all that active and there are no reported changes in market prices.

The latest China import stats show that Peru represents about 60% of all China's fishmeal imports followed by Vietnam at just under 7% and then there are another 18 or so countries that ship smaller quantities of fishmeal to China --- Peru is really the number one player in the market.

With about a three day week in Peru there is little new to say – just producers trying to ship out the orders that they have on hand while working hard to try to catch the last of the quota.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,420
Danish fishmeal	64% protein	1,320
Peru fishmeal	64% protein	1,250
Chile fishmeal	67% protein	1,300
Iceland fishmeal	70% protein	1,380

### **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	1000/1020 m/t	
65/66 protein	1030/1040 m/t	



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67% protein standard steam	1050/1070 m/t	
67% protein 150 TVN	1250/1260 m/t	1290/1310
67% protein 120 TVN	1300/1320 m/t	1310/1330
67% protein 1000 hist, 120 TVN	1350/1370 m/t	1350/1370
68% protein 500 hist, 120 TVN	1400/1410 m/t	1370/1390
Fish oil, crude bulk	1200/1250	1100/1150
Fish oil, crude drums	1300/1350	
Fish oil, flexi tank	1400/1450	
Fish oil, Omega 3: 28%EPA/DHA	1600/1700	

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

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