



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT November 18, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Grain markets in the US decided to try for a little rally on Friday and managed to push both soybeans and soymeal up into a positive price on the week. Even with the Friday rally corn and wheat prices were a little lower on the week.

Corn prices ended up almost unchanged from the previous week as corn had a very quiet and uninteresting week. Some reports say that farmers weren't selling as they would rather hold until after next week's Thanksgiving holiday in the US. There was the report from Brazil that the second corn crop would be down by as much as 18.75% but even that didn't push the corn market much higher. However, trading in corn futures was reported to be very large but the large speculator section is said to have increased their short positions by about 10%, so some don't seem to feel that corn prices should be moving higher.

Soybeans were quite a bit higher on Friday – up by USD 6 to 7 m/t – as everyone was quite worried about the situation in Argentina and the lack of rain that could affect the next soybean crop. Soymeal finished the week up by just USD 3 to 4 m/t but could have been down on the week except for the Argentina driven price rally. All seems to be going well in Brazil for soybeans – at least there seems to be no bad news that would push prices higher.

Wheat prices were up a little on Friday but were still down on the week with hard red winter wheat down by about USD 4 m/t and soft red winter down by only a dollar or two m/t.

Crop progress and condition --- USA and France

| | Harvested | Very poor % | Poor % | Fair % | Good % | Excellent % |
|--------------------------------------|-------------|-------------|--------|--------|--------|-------------|
| Condition USA Nov 12, 2017 | | | | | | |
| Corn | 83% | | | | | |
| Soybeans | 93% | | | | | |
| Sorghum | 83% | | | | | |
| Winter wheat | 95% planted | 3 | 8 | 35 | 46 | 8 |
| | | | | | | |
| | | | | | | |
| Condition France Nov 13, 2017 | | | | | | |
| Corn | 99% | 0 | 3 | 16 | 61 | 20 |



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|-------------------|-------------|---|---|---|----|---|
| Winter soft wheat | 95% planted | 0 | 0 | 3 | 92 | 5 |
| Winter hard wheat | 65% planted | | | | | |
| Winter barley | 99% planted | 0 | 0 | 3 | 89 | 8 |

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 | Steady | X |
| US Gulf to Spain: 50,000 m/t (5,000 disch) | \$21/22.00 | Down \$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 | \$39/40.00 | Down \$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 | \$38/39.00 | Down \$1.00 | X |
| US Gulf Japan: Panamax | \$41/42.00 | Steady | X |
| US Gulf China: Panamax | \$40/41.00 | Steady | X |
| US PNW South Africa – 40,000 m/t | \$36/37.00 | Steady | X |
| US PNW Japan: Panamax | \$22/23.00 | Steady | X |
| US PNW China: Panamax | \$23/24.00 | Steady | X |
| US East Coast Egypt: Panamax | \$45/46.00 | Down \$1.00 | 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 Bangladesh: 35/45,000 m/t | \$34/35.00 | 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) | \$14/15.00 | Down \$1.00 | X |
| France/Germany to India: 50,000 m/t | \$19/20.00 | Down \$1.00 | 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) | \$10/11.00 | Down \$1.00 | X |
| France/Germany to Saudi Arabia: 50/60,000 | \$21/22.00 | Steady | X |
| France/Germany to South Africa: 30,000 m/t | \$32/33.00 | Down \$1.00 | X |
| France/Germany to Turkey: 35,000 m/t | \$20/21.00 | Steady | X |
| France/Germany to Yemen: 30,000 m/t | \$46/47.00 | 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 | \$36/37.00 | Down \$3.00 | X |
| Argentina to Japan: 50,000 m/t, with top-off | \$37/38.00 | Down \$3.00 | X |
| Argentina to Egypt: 50,000 m/t | \$24/25.00 | Down \$2.00 | X |
| Argentina to Europe: 50/60,000 m/t | \$24/25.00 | Down \$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 50,000 m/t | \$23/24.00 | Size change | X |
| Argentina to Spain: 50,000 m/t | \$22/23.00 | Size change | X |
| Argentina to Tunisia: 25/30,000 m/t (3,000 disch) | \$24/25.00 | Steady | X |
| Argentina to US Gulf: 25/35,000 m/t | \$20/21.00 | Steady | X |



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|---|---------------|-------------|---|
| Brazil to Algeria/Tunisia: 25/30,000 m/t | \$27/28.00 | Down \$1.00 | X |
| Brazil to China: 55,000 m/t | \$32/33.00 | Down \$1.00 | X |
| Brazil to Japan: 55,000 m/t | \$33/34.00 | Down \$1.00 | X |
| Brazil to Europe: 50,000 m/t | \$22/23.00 | Steady | X |
| Brazil to Morocco: 25/30,000 m/t | \$26/27.00 | Down \$1.00 | X |
| Brazil to Saudi Arabia 30/40,000 m/t | \$35/36.00 | 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 | \$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 | \$25/26.00 | Steady | X |
| | | | |
| Ukraine to China: 50,000 m/t | \$30/31.00 | Down \$2.0 | X |
| Ukraine to Bangladesh: 45,000 m/t | \$31/32.00 | Steady | X |
| Ukraine to India: 45/50,000 m/t | \$27/28.00 | 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) | \$14/15.00 | Down \$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) | \$14/15.00 | Steady | X |
| Black Sea to Spain: 40/50,000 m/t (8,000 disch) | \$16/17.00 | Steady | X |
| Black Sea to Jordan: 50,000 m/t (5,000 disch) | \$22/23.00 | Steady | x |
| Black Sea to Saudi Arabia – Jeddah – 50k | \$24/25.00 | 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 | \$23/24.00 | Steady | x |
| | | | |
| Baltic Dry Index | 1371 | Down 93 | x |
| Baltic Capesize Index | 3153 | Down 207 | x |
| Baltic Panamax Index | 1285 | Down 133 | x |
| Baltic Supramax Index | 845 | Down 67 | x |
| Baltic Handysize Index | 630 | Down 14 | 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 December 2017/February 2018

| | | |
|---|--------------------------|---|
| Wheat, USA Soft Red Winter, NOLA | USD 187/190 | x |
| Wheat, USA Hard Red Winter 12 protein -NOLA | USD 231/238 | x |
| Wheat, Ukraine 11.5 pro, 30,000+ m/t | USD 178/183 | x |
| Wheat, Russia 12.5 pro, 30,000+ m/t | USD 187/191 | x |
| Wheat, Romania 12.5 pro | USD 188/192 | x |
| Wheat, Superior, France, Rouen | USD 190/192 | x |
| Wheat, milling, 12.0%, Argentina, upriver | USD 178/183 new crop Dec | x |



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| | | |
|---|--------------------------|---|
| Wheat, feed, Black Sea | USD 174/178 | x |
| Barley, France, Rouen port | USD 183/186 | x |
| Barley, feed, Argentina | USD 184/188 new crop Dec | x |
| Barley, feed, Black Sea, 30,000+ | USD 188/192 | x |
| Barley, feed, USA Pacific Northwest | USD 220/225 | x |
| Corn, 2YC FOB NOLA USA | USD 157/160 | x |
| Corn, 3YC FOB USA Pacific northwest | USD 170/174 | x |
| Corn, FOB Argentina port, upriver | USD 154/158 | X |
| Corn, FOB Brazil port | USD 152/156 | x |
| Corn, FOB Ukraine, 30,000+ m/t | USD 157/161 | x |
| Corn, FOB France | USD 185/190 | x |
| Corn, FOB Romania | USD 163/167 | x |
| Corn, FOB Russia | USD 161/165 | x |
| Sorghum, FOB Texas | USD 187/191 | x |
| Sorghum, FOB Argentina port | USD 158/163 | x |
| Soymeal, 48% protein, FOB NOLA | USD 348/352 | X |
| Soymeal, 48% protein, USA, Rotterdam | USD 373/377 | x |
| Soymeal, Argentina, Rotterdam | USD 349/353 | x |
| Soymeal, 47% pro, FOB Argentina | USD 322/326 | x |
| Soymeal, 48% protein, Brazil, Rotterdam | USD 344/348 | x |
| Soymeal, 48% protein, FOB Brazil | USD 318/321 | X |
| Soymeal, 48% protein, FOB India | USD 347/352 | x |
| Soybeans, FOB NOLA | USD 376/380 | x |
| Soybeans, Argentina, FOB | USD 371/375 | x |
| Soybeans, Brazil, FOB | USD 381/386 | x |
| Soybeans, Black Sea | USD 385/390 | x |
| Corn Gluten Meal, USA FOB NOLA | USD 580/585 m/t | x |
| Corn Gluten Feed, USA FOB NOLA | USD 154/157 m/t | x |
| DDGS corn, 35 profat, USA FOB NOLA | USD 184/188 m/t | x |

DDGS prices were steady to higher this week in the export market as there was good demand seen from Asia and the expectation of even more demand. There was also stronger domestic demand in the US which put some upward pressure on export prices.

The change in the VAT situation for DDGS into China could make a difference in the DDGS import demand but some are saying that change may not be enough to make US DDGS as competitive as it once was.

Corn gluten meal export prices were up a little too on good demand and, with the small Peru fishing quota, the demand for protein could easily push CGM prices even higher in coming weeks. Corn gluten feed prices have also had a decent few days will prices inching higher --- of course as we are getting well into the winter animal feeding season in the US, increased domestic demand should help to move export prices higher.

It is interesting to see that the USDA average prices show corn gluten meal down by close to USD 10 m/t with corn gluten feed up by about USD 3 and DDGS up by about USD 5 m/t.



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Container shipments, minimum 200 m/t

| | |
|-------------------------------------|--------------------------|
| Australian MBM 45% protein | USD 405/415 m/t CNF Asia |
| Australian MBM 50% protein | USD 450/460 m/t CNF Asia |
| Australian Feathermeal, 80% protein | USD 480/490 m/t CNF Asia |
| Australian Poultry Meal, pet food | USD 840/850 m/t CNF Asia |
| USA Meat & Bone meal, 50% protein | USD 450/460 m/t CNF Asia |
| USA Feathermeal, 80% protein | USD 340/360 to Indonesia |
| USA Poultry Meal, feed grade | USD 460/470 m/t CNF Asia |
| USA Poultry Meal, pet food grade | USD 600/620 m/t CNF Asia |
| | USD 800/830 m/t CNF Asia |

It was a little calmer week this week with no further sudden drops in animal protein prices. Demand from markets in Asia remains quite steady but some in the trade seem to feel that supply is building quicker than demand so that there may be some price weakness coming.

USA export prices were steady for meat and bone meal but a little lower for both feathermeal and feed grade poultry meal – both lower due to larger supplies in the US.

Domestic prices in the US were steady on the week with limited new demand but also not much aggressive selling.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishmeal quota and timing has been announced for Peru and it is quite a surprise --- the quota is reported to be set at 1.49 million m/t with fishing starting on the 23rd of November. The "official" announcement has not yet been published but the quota was mentioned by the Ministry of Production during a conference in Peru.

One would think that with the quota at this level there is going to be a rally in fishmeal prices. Although most of the trade was expecting a quota in the 2 million m/t range, there had been a couple of stories in the trade that the quota would be down around 1.5 mm/t --- and the stories were correct.

It is also reported that the juvenile level for the biomass is still very high, at about 67% by weight. While the juvenile level will drop reasonably quickly, the trade reports are saying that we will probably see a spate of mini fishing bans due to high juvenile levels.

With the announcement of the new quota only coming on Friday, there hasn't been too much change in the trade price lists, but Monday should be an interesting day. Major buyers will probably want to get some coverage, but producers will likely not be too willing sellers. There is no good reason to expect that prices will not move higher.

European fishmeal prices – FOB North German port.

| Type | Protein % | Price per m/t USD |
|------------------|-------------|-------------------|
| Herring fishmeal | 72% protein | 1,555 |
| Danish fishmeal | 64% protein | 1,380 |
| Peru fishmeal | 64% protein | 1,375 |
| Chile fishmeal | 67% protein | 1,420 |



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| Iceland fishmeal | 70% protein | 1,570 |
|------------------|-------------|-------|

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 | 1220/1230 m/t | |
| 65/66 protein | 1250/1260 m/t | |
| 67% protein standard steam | 1310/1320 m/t | |
| 67% protein 150 TVN | 1390/1400 m/t | 1370/1380 |
| 67% protein 120 TVN | 1430/1440 m/t | 1410/1410 |
| 67% protein 1000 hist, 120 TVN | 1470/1480 m/t | 1450/1460 |
| 68% protein 500 hist, 120 TVN | 1520/1530 m/t | 1500/1510 |
| Fish oil, crude bulk | 1600/1650 | 1350/1400 |
| Fish oil, crude drums | 1700/1750 | |
| Fish oil, flexi tank | 1800/1850 | |
| Fish oil, Omega 3: 28%EPA/DHA | 1900/2000 | |

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

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