



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT January 07, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

This week was only four-day trading week in most countries due to the New Year holiday being celebrated in Monday but there was still enough time to get some excitement in the market. Probably the biggest surprise was the USDA cancelling close to 900,000 m/t of previously reported export soybean sales. This helped to move soybean prices down by USD 6.50 m/t on Friday and overall USD 4 m/t lower on the week. Soymeal was also pushed lower by the news – down USD 5 m/t.

The threat of lower soybean crops in Argentina should have moved prices a little higher but didn't seem to have much effect probably offset by the good weather in Brazil and the healthy crop. However, things in some parts of Brazil do look too dry so there could easily be some upward pressure on soybean prices developing – at least until it rains.

Corn prices were up a little as farmers didn't seem to be inclined to sell much and the demand or corn from the ethanol industry was very strong. Export sales this week were not all that great but the year so far is far ahead of last year.

The next USDA WASDE report is due to the 12th and some experts feel that the corn production number for 2016 will be reduced – probably only slightly.

Overall, the corn market is very quiet with very little news at present to push prices in any particular direction.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15/15.50	Down \$1.00	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$25/26.00	Steady	x
US Gulf Israel: 50,000 MT	\$25/26.00	Steady	X
US Gulf to Egypt: Panamax(6,000 disch)	\$24/25.00	Steady	X
US Gulf Turkey: 50,000	\$26/27.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$24/25.00	Corrected	X
US Gulf Nigeria: 30,000 m/t	\$54/55.00	Down \$1.00	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$28/29.00	Corrected	x
US Gulf Japan: Panamax	\$35/36.00	Steady	X
US Gulf China: Panamax	\$33/34.00	Steady	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Down \$1.00	x
US PNW Japan: Panamax	\$18/19.00	Down \$1.00	x
US PNW China: Panamax	\$17/18.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$46/47.00	Down \$1.00	x
US East Coast Nigeria: Handisize	\$55/56.00	Down \$2.00	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$25/26.00	Down \$2.00	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$16/17.00	Down \$2.00	x
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$36/37.00	Down \$2.00	X



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France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$24/25.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$28/29.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$38/39.00	Down \$2.00	X
France/Germany to Yemen: 30,000 m/t	\$54/55.00	Down \$2.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$29/30.00	Down \$1.00	x
Argentina to China: 50,000 m/t, with top-off	\$30/31.00	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$32/33.00	Steady	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	Down \$2.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$28/29.00	Down \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$46/47.00	Down \$1.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$32/33.00	Down \$2.00	X
Argentina to Spain: 30,000 m/t	\$26/27.00	Down \$2.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$29/30.00	Down \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$34/35.00	Steady	X
Brazil to China: 55,000 m/t	\$24/25.00	Down \$2.00	X
Brazil to Japan: 55,000 m/t	\$26/27.00	Down \$2.00	X
Brazil to Europe: 30,000 m/t	\$32/33.00	Down \$2.00	X
Brazil to Morocco: 25/30,000 m/t	\$30/31.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$40/42.00	Down \$5.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Down \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$18.00/18.50	Down \$0.50	x
Australia to Japan: 40-55,000 m/t – round trip	\$18.50/19.00	Down \$0.50	x
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Down \$1.00	x
Ukraine to China: 50,000 m/t	\$27/28.00	Down \$2.00	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$19/20.00	Down \$2.00	X
Ukraine to East Med: coaster (1,000 disch)	\$27/28.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$17/18.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$27/28.00	Down \$2.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$23/24.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$15/16.00	Steady	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$22/23.00	Down \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$26/27.00	Down \$2.00	X
Black Sea to South Africa – 30,000 m/t	\$36/37.00	Down \$2.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Steady	x
Baltic Dry Index	963	Up 2	x
Baltic Capesize Index	1658	Up 273	X
Baltic Panamax Index	892	Up 40	X
Baltic Supramax Index	783	Down 120	x
Baltic Handisize Index	508	Down 89	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.)



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ALL PRICES ARE FOR February 2017/April 2017

Wheat, USA Soft Red Winter, NOLA	USD 181/184	X
Wheat, USA Hard Red Winter 12 protein	USD 200/203	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 176/180	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 181/184	X
Wheat, Romania 12.5 pro	USD 180/184	X
Wheat, Superior, France, Rouen	USD 188/192	X
Wheat, milling, 12.0%, Argentina, upriver	USD 174/178	X
Wheat, feed, Black Sea	USD 171/174	X
Barley, France, Rouen port	USD 160/162	X
Barley, feed, Argentina	USD 156/159	X
Barley, feed, Black Sea, 30,000+	USD 162/165	X
Barley, feed, USA Pacific Northwest	USD 190/195	X
Corn, FOB NOLA USA	USD 161/165	X
Corn, FOB USA Pacific northwest	USD 175/179	X
Corn, FOB Argentina port, upriver	USD 185/188	X
Corn, FOB Brazil port	USD 186/189	X
Corn, FOB Black Sea, 30,000+ m/t	USD 166/169	X
Corn, FOB France	USD 183/186	X
Corn, FOB Romania	USD 166/169	X
Sorghum, FOB Texas	USD 169/173	X
Sorghum, FOB Argentina port	USD 162/165	X
Soymeal, 48% protein, FOB NOLA	USD 347/355	X
Soymeal, 48% protein, USA, Rotterdam	USD 372/380	X
Soymeal, Argentina, Rotterdam	USD 369/374	X
Soymeal, 47% pro, FOB Argentina	USD 335/340	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 359/364	X
Soymeal, 48% protein, FOB Brazil	USD 320/324	X
Soybeans, FOB NOLA	USD 385/388	X
Soybeans, Argentina, FOB	USD 397/401	X
Soybeans, Brazil, FOB	USD 396/400	X
Soybeans, Black Sea	USD 405/410	X
Corn Gluten Meal, USA FOB NOLA	USD 590/600 m/t	X
Corn Gluten Meal, CNF Egypt	USD 695/700 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 135/140 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 147/150 m/t	X

The latest USDA export numbers are very encouraging for DDGS – imports by China have dropped from 6.2 million m/t to 2.3 million m/t with only minimal effect on the total DDGS exports – that is quite an accomplishment and certainly shows how price competitive US DDGS are in world markets. Some countries, like Turkey, have almost tripled imports with Asian imports up by almost 100%, excluding China.

DDGS and corn gluten feed prices were lower this week but most reports say that much of the drop was due to slow sales over the past couple of holiday weeks. Experts feel that prices will move higher as buyers get back into the market for Feb/Mar shipments. At USD 150 m/t CNF Nola, DDGS looks to be a tremendous bargain – corn gluten feed is also a bargain but is less of an export product.



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Corn gluten meal was also a little lower on the week but this too may only be due to slower, holiday related demand.

USA Exports of corn by-products – January to November 2016 – in m/t - major destinations only

	Corn Gluten Feed	Corn Gluten Meal	Distillers Dried Grains DDGS
Canada	26,700	63,700	464,600
Chile		68,500	
China	1,000		2,313,600 Down 63%
Colombia	54,300	88,100	171,400
Costa Rica	4,500		80,900
Egypt		115,100	141,400
El Salvador		11,600	52,100
Germany	29,400		
Holland	19,100		
Indonesia	2,100	192,400	325,500
Ireland	283,100		223,300
Israel	191,200		167,600
Japan		16,800	292,500
Malaysia		16,500	50,500
Mexico	12,700	25,900	1,748,600
Morocco	68,500	1,700	133,700
New Zealand			71,400
Pakistan			61,300
Philippines			148,600
Portugal	57,900		14,300
South Korea			827,100
Spain	5,300		180,400
Taiwan		29,700	205,900
Thailand		30,300	690,300
Tunisia			14,400
Turkey	237,000		695,900
UK	53,200		142,600
Vietnam		14,300	1,175,400
Total	1,046,800	721,800	10,617,900
% change	Up 43%	Down 4%	Down 9%

USDA GATS

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 400/410 m/t CNF Asia
Argentina poultry meal, 57/60 protein	USD 530/540 m/t CNF Asia
Argentina feathermeal, 78/80 protein	USD 460/470 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 490/500 m/t CNF Asia



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Australian Feathermeal, 80 protein	USD 510/520 m/t CNF Asia
Australian Poultry Meal, pet food	USD 770/790 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 440/460 m/t CNF Asia
USA Feathermeal, 80 protein	USD 510/520 m/t CNF Asia
USA Poultry Meal, feed grade	USD 560/580 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 780/800 m/t CNF Asia

USA meat and bone meal export prices moved a little lower this week although there does seem to be a little pressure to move prices higher. Both Australian and New Zealand exporters were looking for higher prices this week as supply was tight but Asian buyers were not in the mood for increased prices.

Domestic animal protein prices in the US were moving a little higher, feathermeal in particular, but some of the price strength may be due to supply shortages caused by all the recent holidays. It is not too likely that animal protein prices will be trending higher over coming days.

The latest US export numbers are shown below and, as usual, Indonesia and the rest of Asia are major destinations for animal proteins. If you take Canada and Mexico out of the numbers, then Asian destinations look like a much more significant share of exports.

USA Exports of animal proteins – January to November 2016 – in m/t - major destinations only

	Meat and Bone Meal Includes poultry and pork meal	Feathermeal
Canada	59,800	16,000
Chile		9,200
China	50,900	6,900
Ecuador	8,400	
Germany	14,000	
Holland	10,800	
Honduras	9,700	
Indonesia	118,500	25,100
Mexico	72,300	
Philippines	8,700	
Thailand	3,200	
Vietnam	25,400	1,200
Total	395,100	59,700
% change	Up 49%	Down 27%

USDA GATS

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in Peru was not too bad the past week with the total landed against the quota now up to 1.47 million m/t, with a couple of days last week in excess of 30,000 m/t. Landed to date represents just over 340,000 m/t of fishmeal production.

New sales to China are reported to be quite strong this week with an estimate by MSI Ceres of in excess of 300,000 m/t of fishmeal being booked, perhaps as much as 340,000 m/t. If these numbers are correct then there is nothing left to sell at present and very little available before the next season.

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Peru fishmeal prices are said to be a little softer but if sales are as forecasted it is difficult to see much weakness left in prices. Difficult to forecast lower prices if almost everything has been sold.

So, we now have just over 500,000 m/t of Peru quota left and with reasonable fishing so far in 2017 some experts are thinking that we may land the full quota --- that would be good since much of it has now been booked.

There is probably not too much room for prices to slip lower, with the longer term trend probably for steady to higher prices as all the supply is used.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,520
Danish fishmeal	64% protein	1,400
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,650
Iceland fishmeal	70% protein	1,510

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	1250/1270 m/t	
65/66 protein	1280/1300 m/t	
67% protein standard steam	1330/1350 m/t	1400/1420
67% protein 150 TVN	1390/1410 m/t	1430/1450
67% protein 120 TVN	1460/1480 m/t	1480/1500
67% protein 1000 hist, 120 TVN	1510/1540 m/t	1530/1550
68% protein 500 hist, 120 TVN	1560/1580 m/t	1580/1600
Fish oil, crude bulk	1800/1850	1600/1650
Fish oil, crude drums	1900/1950	
Fish oil, flexi tank	2050/2100	
Fish oil, Omega 3: 28%EPA/DHA	2600/2700	

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

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