



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT March 04, 2017

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

It was a bit of an up week this week with corn moving about USD 5 m/t higher and about the same for soybeans – soymeal was pretty well unchanged on the week and winter wheat prices were perhaps a couple of bucks up.

Much of the small rally in corn was due to the questions and speculations concerning the US renewable fuel standard (RFS). The situation was that it was rumored that E-15 gasoline would be allowed for use in summer months in the USA – E-15 is 15% ethanol and is not allowed in the summer due to summer smog control regulations. Needless to say, if E-15 gasoline could be used all year this would probably result in increased corn demand for ethanol production.

The US government says that they are not planning on changing the E-15 summer rules.

Also adding some strength to corn prices was the slowdown of corn planting in Brazil due to heavy rains. There was not much else in the corn market.

For soybeans, it was a combination of soybean transportation problems in Brazil trying to push prices higher while higher forecasts of the Brazil crop pushed lower – for the nearby the transportation problems won out and price moved higher.

Experts say that the transport problems in Brazil are not significant and should not cause any serious increase in prices but also that the larger forecasted crop will probably stop any rally in soybeans.

One point on winter wheat in the US, seems that some rainfall is needed but that there is little or nothing in the weather forecasts for major wheat areas. As the experts point out, it is not too serious yet but the winter wheat does need some rainfall.

And, a point on France, the spring barley planting is at 32% completed versus 11% last year this due to a very early spring in France. As mentioned previously, French winter wheat this year looks to be about 94% good to excellent with winter barley at 90% good to excellent. Export markets are going to see a lot of French wheat again this year, after missing last year due to the very poor production.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15.00/15.50	Up \$0.50	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$24/25.00	Steady	X
US Gulf Israel: 50,000 MT	\$24/25.00	Up \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$23/24.00	Up \$1.00	X
US Gulf Turkey: 50,000	\$25/26.00	Up \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$24/25.00	Steady	X
US Gul Algeria/Tunisia: 30,000 (3,000 disch)	\$26/27.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$53/54.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	Up \$1.00	X
US Gulf Japan: Panamax	\$36/37.00	Steady	X

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US Gulf China: Panamax	\$34/35.00	Steady	X
US PNW South Africa – 40,000 m/t	\$39/40.00	Steady	X
US PNW Japan: Panamax	\$20/21.00	Up \$1.00	X
US PNW China: Panamax	\$19/20.00	Up \$1.00	X
US East Coast Egypt: Panamax	\$45/46.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$52/53.00	Up \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$18/19.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$13/14.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$33/34.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$28/29.00	Up \$2.00	X
France/Germany to South Africa: 30,000 m/t	\$36/37.00	Up \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$50/51.00	Up \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$28/29.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$32/33.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$33/34.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Up \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	Up \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$25/26.00	Up \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$40/41.00	Up \$1.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$27/28.00	Up \$1.00	X
Argentina to Spain: 30,000 m/t	\$25/26.00	Up \$1/00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00	Up \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$25/26.00	Steady	X
Brazil to Japan: 55,000 m/t	\$26/27.00	Steady	X
Brazil to Europe: 30,000 m/t	\$30/31.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$28/29.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$40/41.00	Up \$1,00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$19.50/20.00	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Up \$0.50	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$28/29.00	Up \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Up \$1.00	
Ukraine to East Med: coaster (1,000 disch)	\$28/29.00	Up \$1.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$18/19.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$19/20.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Up \$1.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$28/29.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Up \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$13/14.00	Steady	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$21/22.00	Up \$1.00	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	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$20/21.00	Up \$1.00	X



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Baltic Dry Index	939	Up 64	x
Baltic Capesize Index	1227	Up 62	x
Baltic Panamax Index	1118	Up 171	x
Baltic Supramax Index	846	Up 35	x
Baltic Handisize Index	462	Up 34	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 April 2017/June 2017

Wheat, USA Soft Red Winter, NOLA	USD 187/194	x
Wheat, USA Hard Red Winter 12 protein	USD 218>>214	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 183/186	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 189/192	x
Wheat, Romania 12.5 pro	USD 192/195	x
Wheat, Superior, France, Rouen	USD 193/195	x
Wheat, milling, 12.0%, Argentina, upriver	USD 186/189	x
Wheat, feed, Black Sea	USD 174/178	x
Barley, France, Rouen port	USD 167/169	x
Barley, feed, Argentina	USD 161/164	x
Barley, feed, Black Sea, 30,000+	USD 166/169	x
Barley, feed, USA Pacific Northwest	USD 190/195	x
Corn, FOB NOLA USA	USD 173>>167	x
Corn, FOB USA Pacific northwest	USD 202>>177	X
Corn, FOB Argentina port, upriver	USD 172/175	x
Corn, FOB Brazil port	USD 186/189	x
Corn, FOB Black Sea, 30,000+ m/t	USD 171/174	x
Corn, FOB France	USD 191/193	x
Corn, FOB Romania	USD 174/177	x
Sorghum, FOB Texas	USD 168/172	x
Sorghum, FOB Argentina port	USD 162/165	x
Soymeal, 48% protein, FOB NOLA	USD 359/365	X
Soymeal, 48% protein, USA, Rotterdam	USD 384/390	X
Soymeal, Argentina, Rotterdam	USD 374/377	X
Soymeal, 47% pro, FOB Argentina	USD 343/347	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 364/367	X
Soymeal, 48% protein, FOB Brazil	USD 338/342	X
Soybeans, FOB NOLA	USD 399/403	X
Soybeans, Argentina, FOB	USD 389/392	X
Soybeans, Brazil, FOB	USD 394/397	x
Soybeans, Black Sea	USD 401/405	X
Corn Gluten Meal, USA FOB NOLA	USD 600/610 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 140/145 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 150/153 m/t	x



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Corn prices were up this week but most corn by-product prices moved a little lower. Depending on who you talked to, the DDGS export prices were down by USD 5 to 10 m/t with corn gluten feed prices unchanged on the week. Corn gluten meal export prices were higher – more because of logistics than a higher price for CGM since the domestic CGM prices were down on the week.

The USDA monthly “grain crushing” report showed very little change in the production of any corn by-products – DDGS production was down by about 1 percent to 2.1 million m/t but this is up by 2.3 percent on last year. Corn gluten meal were both almost unchanged from last month’s levels: corn gluten feed 347,300 m/t production and corn gluten meal at 90,600 m/t produced.

## Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 420/430 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 420/430 m/t CNF Asia
Australian MBM 45 protein	USD 470/480 m/t CNF Asia
Australian MBM 50 protein	USD 520/530 m/t CNF Asia
Australian Feathermeal, 80 protein	USD 530/540 m/t CNF Asia
Australian Poultry Meal, pet food	USD 770/790 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 480/500 m/t CNF Asia
USA Feathermeal, 80 protein	USD 540/550 m/t CNF Asia
USA Poultry Meal, feed grade	USD 630/640 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 760/780 m/t CNF Asia

The Asia market for meat and bone meal was a little stronger this week, in particular from Australia and New Zealand, as their supplies for export are a little tight. Some experts are saying that prices could move a little higher but no one is looking for any major move up. It is probably just a case of up a little then down a little until there is a good reason for a serious market move.

US export sales were quiet this week although MBM export prices are quoted USD 10 m/t or so higher. It is also reported that export demand is steady for poultry meal into Asia – both feed grade and pet food grade.

In the US domestic market not too much was happening with MBM prices mainly unchanged. There are some trade comments that feathermeal prices could come down due to oversupply.

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

Still no fishing allowed in the southern region of Peru.

The Fishery Minister has said that the next northern fishing season will begin in April and that things look quite good at present for the quota. According to the trade, some “experts” are not fully convinced that it will be a good fishing season – at least not based on the stories/rumors, etc. so far.

The sales activity in Peru has slacked off this week and it seems that the buyers and sellers are quite happy with their market positions. No one wants to sell more than they may produce and no one wants to buy too much at too high a price.

The prices in Peru for the next season are steady this week but the prices in Europe seem to have fallen off a little as they catch up with the drop in prices that happened in Peru a couple of weeks ago.

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So, for now, all is quiet in the selling/buying side of the Peru fishmeal business. The same can't be said about the shipping side, as producers are very busy shipping out the last of their fishmeal with shipments in February said to be more than 100,000 m/t with even more lined up for March shipment. Just because there is nothing left to sell doesn't mean that there is nothing to ship since producers are still working off the backlog of orders for last season's production.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,360
Danish fishmeal	64% protein	1,330
Peru fishmeal	64% protein	1,310
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,350

## **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	1150/1180 m/t	
65/66 protein	1250/1270 m/t	
67% protein standard steam	1300/1320 m/t	1330/1350
67% protein 150 TVN	1340/1360 m/t	1380/1400
67% protein 120 TVN	1390/1410 m/t	1430/1450
67% protein 1000 hist, 120 TVN	1440/1460 m/t	1480/1500
68% protein 500 hist, 120 TVN	1490/1510 m/t	1520/1540
Fish oil, crude bulk	1450/1500	1500/1550
Fish oil, crude drums	1550/1600	
Fish oil, flexi tank	1700/1750	
Fish oil, Omega 3: 28%EPA/DHA	1900/2000	

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

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