



Hammersmith Trade Services

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 11, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

Depending on who you talk to, US corn prices are down on the week between USD 6 to 9 m/t but soybeans were down even further at USD 9 to 12 m/t lower – soymeal prices were also down but not as much at just USD 5 or so per m/t lower. The same situation was seen in US wheat where winter wheats were down by USD 4 to 8 m/t and spring wheat down by about USD 4 m/t.

So one can say that it was certainly a down week – most everyone was blaming the drop in prices on the USDA WASDE report and its generally bearish numbers for all grains and oilseeds. Not that anything was hugely bearish -- just the confirmation that supply of grains and oilseed was very seen by the USDA to be at high levels was enough to shake up the market a little.

Of course, on the futures side, with only one day of trading after the USDA reports, we may just see more reaction next week.

The experts are now saying that the corn market is quite soft and that lower prices seem to be more of a chance than high prices – barring any sudden change in the situation in South America.

Soybeans too look quite weak, at least US beans, as new export business has not appeared for a while and the harvest in South America doesn't look to be having any major problems. But then, anything that slows the South American harvest will probably cause a short-term price rally.

On the wheat side of things, US prices are said to be lower due to rain and snow in areas of the US where the soil was getting too dry and could have affected the winter wheat. Unfortunately, the weather shows more dryness in the next couple of weeks for major winter wheat areas.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15.50/16.00	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	\$25/26.00	Up \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$24/25.00	Up \$1.00	X
US Gulf Turkey: 50,000	\$26/27.00	Up \$1.00	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)	\$27/28.00	Up \$1.00	x
US Gulf Nigeria: 30,000 m/t	\$53/54.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	Steady	x
US Gulf Japan: Panamax	\$37/38.00	Up \$1.00	X
US Gulf China: Panamax	\$35/36.00	Up \$1.00	x
US PNW South Africa – 40,000 m/t	\$39/40.00	Steady	x
US PNW Japan: Panamax	\$21/22.00	Up \$1.00	X
US PNW China: Panamax	\$20/21.00	Up \$1.00	x
US East Coast Egypt: Panamax	\$45/46.00	Steady	x
US East Coast Nigeria: Handisize	\$52/53.00	Steady	x



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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	\$30/31.00	Up \$2.00	X
France/Germany to South Africa: 30,000 m/t	\$36/37.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$50/51.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$28/29.00	Steady	X
Argentina to China: 50,000 m/t, with top-off	\$34/35.00	Up \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00	Up \$2.00	X
Argentina to Egypt: 50,000 m/t	\$26/27.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$25/26.00	Steady	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$41/42.00	Up \$1.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$28/29.00	Up \$1.00	X
Argentina to Spain: 30,000 m/t	\$25/26.00	Steady	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$21/22.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00	Steady	X
Brazil to China: 55,000 m/t	\$27/28.00	Up \$2.00	X
Brazil to Japan: 55,000 m/t	\$28/29.00	Up \$2.00	X
Brazil to Europe: 30,000 m/t	\$31/32.00	Up \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$28/29.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$40/41.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$25/26.00	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	\$25/26.00	Steady	X
Ukraine to China: 50,000 m/t	\$29/30.00	Up \$1.00	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$28/29.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$19/20.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$20/21.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$29/30.00	Up \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$14/15.00	Up \$1.00	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$22/23.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Up \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$38/39.00	Up \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	down \$1.00	X
Baltic Dry Index	1086	Up 147	x
Baltic Capesize Index	1789	Up 562	x
Baltic Panamax Index	1211	Up 93	x
Baltic Supramax Index	874	Up 28	x
Baltic Handisize Index	495	Up 33	x



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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 187/190	X
Wheat, USA Hard Red Winter 12 protein	USD 217>>208	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 182/185	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 191/194	x
Wheat, Romania 12.5 pro	USD 193/196	x
Wheat, Superior, France, Rouen	USD 191/193	x
Wheat, milling, 12.0%, Argentina, upriver	USD 185/189	x
Wheat, feed, Black Sea	USD 175/179	x
Barley, France, Rouen port	USD 162/165	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 165>>160	x
Corn, FOB USA Pacific northwest	USD 170/174 May/June	X
Corn, FOB Argentina port, upriver	USD 168/172	x
Corn, FOB Brazil port	USD 181/184	x
Corn, FOB Black Sea, 30,000+ m/t	USD 171/174	x
Corn, FOB France	USD 186/189	x
Corn, FOB Romania	USD 173/176	x
Sorghum, FOB Texas	USD 164/167	x
Sorghum, FOB Argentina port	USD 157/162	x
Soymeal, 48% protein, FOB NOLA	USD 361/367	x
Soymeal, 48% protein, USA, Rotterdam	USD 386/392	x
Soymeal, Argentina, Rotterdam	USD 371/374	x
Soymeal, 47% pro, FOB Argentina	USD 337/342	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 362/365	X
Soymeal, 48% protein, FOB Brazil	USD 337/342	x
Soybeans, FOB NOLA	USD 385/390	X
Soybeans, Argentina, FOB	USD 373/378	X
Soybeans, Brazil, FOB	USD 382/387	x
Soybeans, Black Sea	USD 405/410	x
Corn Gluten Meal, USA FOB NOLA	USD 605/610 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 135/140 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 146/150 m/t	x

Most corn by-product export prices tended to be down on the week as corn prices dropped by USD 7 m/t or so. DDGS process dropped by USD 3 to 5 m/t while corn gluten feed was off by about USD 5 m/t and corn gluten meal by USD 5 to 10 lower. According to the USDA, domestic price report, corn gluten feed prices averaged about USD 2.50 m/t lower with corn gluten meal at as much as USD 15 m/t down and DDGS at USD 5 to 8 m/t lower.



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The lower domestic prices have not all been seen in the export market as yet but if corn and soymeal continue to slide lower this should bring export prices down too.

Per the US Grains Council report this week, buyers in Asia are scooping up supplies of DDGS at the current low price levels – DDGS can certainly compete very well against corn and soymeal. But, the USGC points out that the higher demand combined with lower ethanol production could start to push DDGS prices higher.

USA Corn by-product exports --- Jan 2017 – in m/t – major destinations – one month of 2017

	Distillers Dried Grains - DDGS	Corn Gluten Meal	Corn Gluten feed
Canada	58,000	5,500	
Chile		11,000	
China	87,300		
Columbia	12,900	8,600	13,200
Costa Rica	12,900		
Egypt		9,300	
Indonesia	43,600	22,200	
Ireland	47,900		17,800
Israel	17,100		
Japan	49,300		
Mexico	177,900	2,200	
Morocco	21,400		10,200
New Zealand	20,900		
Philippines	17,100		
South Korea	70,100		
Spain	33,300		
Taiwan	22,500	1,400	
Thailand	62,300	14,300	
Turkey	125,800		32,500

@USDA-FAS Gats

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 440/450 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 440/450 m/t CNF Asia
Australian MBM 45 protein	USD 480/490 m/t CNF Asia
Australian MBM 50 protein	USD 530/540 m/t CNF Asia
Australian Feathermeal, 80 protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 770/790 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 490/510 m/t CNF Asia
USA Feathermeal, 80 protein	USD 550/560 m/t CNF Asia
USA Poultry Meal, feed grade	USD 650/660 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 780/780 m/t CNF Asia

Animal protein prices into major markets in Asia have moved higher this week with some experts saying that purchasing has grown due to buyers in Indonesia wanting to cover their needs before the start of the month of Ramadan – starting about May 27. Both Australia and New Zealand are



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reporting higher export prices while prices from the US seem to be up by USD 10 to 20 m/t for all animal proteins.

The US domestic prices were steady on the week with no strong trends in any direction, at least not for now. However, export prices are said to be up as good export demand is tightening up on available export supplies.

USA Animal protein exports --- Jan 2017 – in m/t – major destinations - one month of 2017

	Feathermeal	Meat and bone meal, Incl pork and poultry meal
Canada	583	5,596
Chile	514	
China	1002	4,451
Indonesia	2,625	16,935
Mexico		12,175
Philippines	100	
Vietnam		2,385

@USDA-FAS Gats

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing is allowed in some areas of Southern Peru as of March 04 – initial catch levels are about 2 to 3,000 m/t per day with only 50 to 60 vessels fishing. The total landed so far this season is just under 69,000 m/t against the quota of 515,000 m/t.

The trade says that all is quiet in the Peru fishmeal business for now. Of course, with nothing left to sell before next season and producers hesitant to sell more future production there is no reason for buyers to be too active.

The talk in Peru is that the next fishing season will be in late April or early May depending on all the Peru research vessel results.

Fishmeal prices were a little softer this week for both Peru and Chile but nothing particularly significant. Looking at fish oil, this market has been quite soft but the new low prices have attracted the buyers so we could see fish oil prices move higher again in coming days. The major fish oil sales were for shipment to Europe.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,330
Danish fishmeal	64% protein	1,310
Peru fishmeal	64% protein	1,300
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,350

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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	1150/1180 m/t	
65/66 protein	1200/1220 m/t	
67% protein standard steam	1250/1270 m/t	1320/1340
67% protein 150 TVN	1320/1340 m/t	1370/1390
67% protein 120 TVN	1400/1420 m/t	1400/1420
67% protein 1000 hist, 120 TVN	1450/1470 m/t	1450/1470
68% protein 500 hist, 120 TVN	1500/1530 m/t	1500/1530
Fish oil, crude bulk	1350/1400	1250/1300
Fish oil, crude drums	1450/1500	
Fish oil, flexi tank	1600/1650	
Fish oil, Omega 3: 28%EPA/DHA	1800/1900	

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

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