



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
PO Box N-3944, Nassau, Bahamas. Email: tradegroup@hammersmith.biz
WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office: +33.9.7044.4881 Mobile: +33.6.8068.4564 Fax: +33.4.5774.7575
1 Traverse Du Cheval Blanc, St Remy de Provence, 13210 France

WEEKLY FEED GRAIN AND PROTEIN REPORT March 18, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It seemed like a quiet week in the grain markets – at least judging by the price changes all look quiet. Of course, no week in the grain business is actually all that quiet, even if there are no major changes in prices.

US corn exports were good on the week but the USDA WASDE report has Argentina and Brazil corn exports moving higher – demand everywhere is very good but supply is even better. These days, with no major threat to crops, the ever-growing supply of corn in major producing nations is weighing on the corn prices. There seems like no reason at all for corn prices to move higher.

The USDA will issue their planting intentions report at the end of March and things may just be a little quiet until the report is issued. The weather in Brazil looks good for their second corn crop and Brazil corn crop projections are still looking very good.

On the corn futures side of things, Friday reports say that corn looks to be “oversold” and that there could be the chance of a little rally in prices – more of a technical rally than a fundamental one.

Soybeans and soymeal were quiet on the week with the South American crop and harvest looking just fine – no bad news there.

As with corn, some experts feel that soybean prices will be steady until we get closer to the USDA planting intentions report and then the report could set the trend for prices going into the spring.

Even winter wheat had a quiet week in the US – winter wheat is just getting back to growing once again as it gets through winter dormancy. Wheat hibernates just like the bears do but in the US is now about to burst into action again.

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	Down \$0.50	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$23/24.00	Down \$1.00	X
US Gulf Israel: 50,000 MT	\$24/25.00	Down \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$23/24.00	Down \$1.00	X
US Gulf Turkey: 50,000	\$25/26.00	Down \$1.00	X
US Gulf Morocco: 30,000(5,000 disch)	\$25/26.00	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$27/28.00	Steady	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	Steady	x
US Gulf China: Panamax	\$35/36.00	Steady	X
US PNW South Africa – 40,000 m/t	\$38/39.00	Down \$1.00	x
US PNW Japan: Panamax	\$21/22.00	Steady	X
US PNW China: Panamax	\$20/21.00	Steady	x
US East Coast Egypt: Panamax	\$44/45.00	Down \$1.00	X



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US East Coast Nigeria: Handisize	\$52/53.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$17/18.00	Down \$1.00	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)	\$32/33.00	Down \$1.00	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$15/16.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$30/31.00	Steady	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	Steady	X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00	Steady	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	Steady	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$28/29.00	Steady	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	Steady	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	Steady	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	Steady	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	Steady	x
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$20/21.00	Steady	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	Steady	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$19/20.00	down \$1.00	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$14/15.00	Steady	x
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$22/23.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Steady	X
Black Sea to South Africa – 30,000 m//t	\$38/39.00	Steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$18/19.00	down \$1.00	x
Baltic Dry Index	1196	Up 110	x
Baltic Capesize Index	2413	Up 624	x
Baltic Panamax Index	1108	Down 103	X
Baltic Supramax Index	879	Up 5	X



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Baltic Handisize Index	508	Up 13	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 184/188	x
Wheat, USA Hard Red Winter 12 protein	USD 207/210	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 191/194	x
Wheat, Superior, France, Rouen	USD 191/193	x
Wheat, milling, 12.0%, Argentina, upriver	USD 195/199	x
Wheat, feed, Black Sea	USD 174/177	x
Barley, France, Rouen port	USD 164/166	x
Barley, feed, Argentina	USD 156/160	x
Barley, feed, Black Sea, 30,000+	USD 167/170	x
Barley, feed, USA Pacific Northwest	USD 195/200	x
Corn, FOB NOLA USA	USD 166>>162	x
Corn, FOB USA Pacific northwest	USD 171/174 May/June	x
Corn, FOB Argentina port, upriver	USD 165/168	x
Corn, FOB Brazil port	USD 183/186	x
Corn, FOB Black Sea, 30,000+ m/t	USD 168/172	x
Corn, FOB France	USD 188/191	x
Corn, FOB Romania	USD 172/175	x
Sorghum, FOB Texas	USD 163/166	x
Sorghum, FOB Argentina port	USD 154/158	x
Soymeal, 48% protein, FOB NOLA	USD 360/365	X
Soymeal, 48% protein, USA, Rotterdam	USD 385/390	x
Soymeal, Argentina, Rotterdam	USD 371/374	x
Soymeal, 47% pro, FOB Argentina	USD 340/344	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 361/364	x
Soymeal, 48% protein, FOB Brazil	USD 345/349	x
Soybeans, FOB NOLA	USD 385/390	x
Soybeans, Argentina, FOB	USD 371/375	X
Soybeans, Brazil, FOB	USD 382/387	X
Soybeans, Black Sea	USD 395/400	X
Corn Gluten Meal, USA FOB NOLA	USD 600/610 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 135/140 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 146/151 m/t	x

According to the USDA average price report, DDGS prices are lower on the week in the USA – down by USD 5 to 10 m/t. Corn gluten feed is down by about USD 4 m/t with corn gluten meal down by USD 5 m/t.



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The US Grains Council says that DDGS demand in the US domestic market is keeping supplies away from the export markets – at least for the moment. There is also a problem with the supply of containers for export grain business which is pushing up prices – too many export shipments and too few containers.

With domestic USA prices lower on the week, we could see a little weakness in FOB export port prices in the next week but tight shipping logistics may mean that lower product prices will be absorbed by higher logistics costs.

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 470/480 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 460/470 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 510/530 m/t CNF Asia
USA Feathermeal, 80 protein	USD 530/550 m/t CNF Asia
USA Poultry Meal, feed grade	USD 630/650 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 780/800 m/t CNF Asia

The trade reports that business to Asia has been steady this week as buyer continue to book supplies in advance of Ramadan. Meat and bone meal prices look to have mover just a little higher and normally low cost European and South American meat and bone meal is getting much closer in price to other higher priced origins.

The low prices for competing feed items, like DDGS, is probably keeping a lid on animal protein prices. It is reported by Jacobsen that Asian demand for pet food grade poultry meal is quite strong – not too surprising as it prices very well against fishmeal.

On the surface, there has not been much change in prices but there are stories that business is actually being done below the reported trade prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Even with mini-bans on fishing in the south of Peru it was not too bad a week for fishing – for the first four days of the week the catch was just under 20,000 m/t – so we are now up to about 93,000 m/t of catch against the 515,000 m/t quota.

There was a report this week in Peru on the water temperature situation that shows the current surface temperature is 3 to 6 degrees higher than normal – just great for swimming but not nearly as good for the fish population that is used to lower temperatures. High water temperatures send the fish off looking for cooler waters, could this affect the fishing for the next season. Experts do say that all will be back to normal in a couple of weeks or so.

Not much being reported on new sales and all is very quiet in Peru. It looks like both buyers and sellers are just waiting for the announcement of the next fishing quota and the fishing dates. No one wants to commit much until the new quota is seen.



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Quite a number of fishmeal people will be out of the office for the next few days attending the IFFO/JCI Fishmeal and Fish Oil Conference in China. MSI Ceres will not publish their much-read weekly report next week.

The IFFO will also be holding their membership meeting in Barcelona this year – in April. Barcelona is not too far from here so I may just wander down to see some of the fishmeal guys.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,300
Danish fishmeal	64% protein	1,300
Peru fishmeal	64% protein	1,305
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,280

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	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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