



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY FEED GRAIN AND PROTEIN REPORT March 25, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

One would be very hard pressed to find any grain/oilseed prices that moved higher this week. Corn prices dropped by USD 4 to 5 m/t while soybeans were down by USD 7 to 9 m/t and soybean meal was down by about USD 10 m/t. The same goes for wheat where US soft red winter wheat was down by about USD 4 m/t while hard red winter wheat slipped by USD 7 to 10 m/t.

Interestingly, there was not a great deal of news in the corn market to push prices lower but perhaps next week's planting intentions report will put some strength in corn prices. It is expected that corn planting will be down a little but any more of a drop than "a little" could move corn prices higher.

On the corn futures side of things, it is reported that recent volumes traded have dropped. Also, futures reports say that corn is "oversold" which could hint at a futures rally. While on the cash side farm gate prices are up by a couple of dollars.

Soybeans are at their lowest level in several months as the size of the South American crop weighs heavily on prices. Estimates of the size of the Argentina and Brazil soybean crops just seem to get larger every week.

US wheat prices tended to be lower on improved rainfall for very dry wheat areas – rainfall that should continue for a few days. Like soybeans, wheat futures are getting very close to being "oversold", so perhaps a wee rally is due.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16.00/16.50	Up \$1.00	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$24/25.00	Up \$1.00	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	Steady	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$27/28.00	Steady	x
US Gulf Nigeria: 30,000 m/t	\$54/55.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Up \$1.00	X
US Gulf Japan: Panamax	\$38/39.00	Up \$1.00	X
US Gulf China: Panamax	\$36/37.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$38/39.00	Steady	X
US PNW Japan: Panamax	\$21/22.00	Steady	X
US PNW China: Panamax	\$20/21.00	Steady	X
US East Coast Egypt: Panamax	\$45/46.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$52/53.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$16/17.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$13/14.00	Steady	X



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France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$31/32.00	Down \$1.00	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	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	\$35/36.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$36/37.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Down \$1.00	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	Steady	X
Brazil to Japan: 55,000 m/t	\$28/29.00	Steady	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	\$39/40.00	Down \$1.00	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	\$20.00/20.50	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.50/21.00	Up \$0.50	X
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Up \$1.00	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)	\$18/19.00	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)	\$17/18.00	down \$1.00	X
Baltic Dry Index	1240	Up 44	x
Baltic Capesize Index	2482	Up 69	x
Baltic Panamax Index	1218	Up 110	x
Baltic Supramax Index	896	Up 17	x
Baltic Handysize Index	526	Up 18	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 182/185	X
Wheat, USA Hard Red Winter 12 protein	USD 200/204	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 182/185	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 186/190	x
Wheat, Romania 12.5 pro	USD 189/192	x
Wheat, Superior, France, Rouen	USD 187/189	x
Wheat, milling, 12.0%, Argentina, upriver	USD 187/191	x
Wheat, feed, Black Sea	USD 174/177	x
Barley, France, Rouen port	USD 159/162	x
Barley, feed, Argentina	USD 156/160	x
Barley, feed, Black Sea, 30,000+	USD 164/169	x
Barley, feed, USA Pacific Northwest	USD 190/195	x
Corn, FOB NOLA USA	USD 157/161	x
Corn, FOB USA Pacific northwest	USD 169/171 May/June	x
Corn, FOB Argentina port, upriver	USD 159/163	x
Corn, FOB Brazil port	USD 152/163 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 166/169	x
Corn, FOB France	USD 188/191	x
Corn, FOB Romania	USD 169/172	x
Corn, FOB Russia	USD 169/173	x
Sorghum, FOB Texas	USD 159/162	x
Sorghum, FOB Argentina port	USD 150/154	x
Soymeal, 48% protein, FOB NOLA	USD 349/354	x
Soymeal, 48% protein, USA, Rotterdam	USD 374/379	X
Soymeal, Argentina, Rotterdam	USD 360/364	x
Soymeal, 47% pro, FOB Argentina	USD 328/331	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 353/358	x
Soymeal, 48% protein, FOB Brazil	USD 334/340	x
Soybeans, FOB NOLA	USD 375/379	x
Soybeans, Argentina, FOB	USD 362/365	X
Soybeans, Brazil, FOB	USD 374/379	x
Soybeans, Black Sea	USD 390/405	x
Corn Gluten Meal, USA FOB NOLA	USD 595/605 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 130/135 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 144/148 m/t	x

US DDGS traders report that business was slow this week but that the easing of US logistics problems is putting some downward pressure on export prices. The weakness in both corn and soymeal prices is going to put more pressure on DDGS and corn gluten feed prices. However, according to the USDA price report, corn gluten meal prices are up on the week again this week. The USDA says that



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average corn gluten feed prices are down by about USD 4 m/t with DDGS also down by about USD 4 m/t in the domestic market but corn gluten meal moved higher by about USD 8 m/t.

World Perspectives had an interesting report on DDGS this week, as they pointed out that, even with the DDGS problems in China and Vietnam, new buyers are keeping DDGS export sales up. Turkey is back strongly in the DDGS market while Asian volumes, excluding China and Vietnam, are all higher. They also point out that DDGS continues to have a significant protein unit price advantage against soymeal but with falling soymeal prices can this advantage continue or will it narrow.

World Perspectives does conclude that DDGS prices could see a USD 8 to 9 m/t increase in prices in the next few months.

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 460/470 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 430/440 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 530/550 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

Meat and bone meal prices in Asia are reported to have moved higher by about USD 10 to 20 m/t, depending on the origin. The jump in demand seen over the past couple of weeks was the main reason for the rally – a rally that will probably end as soon as all the Ramadan orders have been filled.

Trade reports also say that supply is building and that should stop any rally from moving much higher. The weakness in soymeal prices should also put a damper on any serious rally.

Domestic prices in the US and New Zealand were steady on the week while Australian domestic prices were reported to have moved a little higher.

The Jacobsen report this week was saying that although current prices are steady the future looks just a little bearish, due mainly to expected further weakness in soymeal prices.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the south of Peru has been averaging at about 3,500 m/t per day with the total landed now up to just over 110,000 m/t against the quota of 515,000 m/t

There has been no change in prices this week in Peru or Chile with the trade reporting that business is very slow. Producers have presold all that they want to sell of the next quota so there is little business to be done.

There is news from China that the existing fishmeal facilities in China need a great deal of upgrading to meet the pollution standards and that some facilities may have to close. The feeling is that while the upgrades are being done the local production of fishmeal could drop by as much as 50 percent –



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that is a drop of about 500,000 m/t. This drop in local production is certainly going to increase import demand and, with Peru being the major supplier, some of this business will certainly go to Peru.

As mentioned last week, all the major fishmeal folks are on their way to Asia for a couple of important conferences. But then, with not much to sell at present it looks like a good time to be talking to the major players in Asia. Who knows how much additional business they may book for the next season.

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,310
Danish fishmeal	64% protein	1,310
Peru fishmeal	64% protein	1,305
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,270

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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