



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT April 01, 2017

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

The USDA's Prospective Plantings report was a surprise for soybean people as the USDA has estimated plantings higher than anyone had expected and, I guess, a surprise too for corn folks as the corn acres are lower.

The bigger switch by farmers from corn to soybeans was what shook things up. Corn acres had been expected to be down by 3% or so but are down by about 5.3% from 2016 while soybean plantings are up by about 7% over last year and more than one million acres higher than most had expected.

The report didn't have any major changes in wheat from what was expected but, as has been the trend for a few years, wheat plantings continue to drop.

Of course, what you must remember with all these number is that they are just estimates based on surveys of farmers across the US – but much of the actual planting depends on the weather and which crop is seen to have a better potential. World Perspectives was saying that famers can quite easily switch plantings between corn, soybeans and spring wheat.

As to the markets --- the USDA report did push price for corn up a little on Friday so that we were up by about USD 3 to 5 m/t on the week – soybeans were off by USD 10 to 12 m/t with soymeal down by the same amount. It will be interesting to see if Monday's markets continue with Friday's price direction or if the market reaction was just a one day scare.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$17.00/17.50	Up \$1.00	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$25/26.00	Up \$1.00	X
US Gulf Israel: 50,000 MT	\$26/27.00	Up \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$25/26.00	Up \$1.00	X
US Gulf Turkey: 50,000	\$27/28.00	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	\$55/56.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Steady	X
US Gulf Japan: Panamax	\$39/40.00	Up \$1.00	X
US Gulf China: Panamax	\$37/38.00	Up \$1.00	X
US PNW South Africa – 40,000 m/t	\$38/39.00	Steady	X
US PNW Japan: Panamax	\$22/23.00	Steady	X
US PNW China: Panamax	\$20/21.00	Steady	X
US East Coast Egypt: Panamax	\$46/47.00	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)	\$15/16.00	Down \$1.00	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$14/15.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$30/31.00	Down \$1.00	X



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France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$13/14.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$31/32.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$37/38.00	Up \$1.00	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	\$36/37.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$37/38.00	Up \$1.00	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	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	\$43/44.00	Up \$2.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$29/30.00	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	\$22/23.00	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	\$28/29.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$29/30.00	Up \$1.00	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	\$38/39.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$20.00/20.50	Steady	x
Australia to Japan: 40-55,000 m/t – round trip	\$20.50/21.00	Steady	x
Australia to Saudi Arabia: 40-55,000 m/t	\$27/28.00	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	Steady	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	\$26/27.00	Up \$1.00	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	Steady	x
Baltic Dry Index	1324	Up 84	x
Baltic Capesize Index	2690	Up 208	x
Baltic Panamax Index	1366	Up 148	x
Baltic Supramax Index	882	Down 14	X
Baltic Handysize Index	539	Up 13	x

FOB port or location specified. Prices in US\$, in metric tons:  
All shipments in bulk grain vessels unless stated otherwise



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(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 199/203	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 182/185	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 188/192	x
Wheat, Romania 12.5 pro	USD 187/190	x
Wheat, Superior, France, Rouen	USD 180/183	x
Wheat, milling, 12.0%, Argentina, upriver	USD 187/191	x
Wheat, feed, Black Sea	USD 175/178	X
Barley, France, Rouen port	USD 156/159	x
Barley, feed, Argentina	USD 161/165	x
Barley, feed, Black Sea, 30,000+	USD 170/173	x
Barley, feed, USA Pacific Northwest	USD 190/195	x
Corn, FOB NOLA USA	USD 159/162	x
Corn, FOB USA Pacific northwest	USD 171/173 May/June	x
Corn, FOB Argentina port, upriver	USD 162/165	X
Corn, FOB Brazil port	USD 161/164 Aug/Sep	X
Corn, FOB Ukraine, 30,000+ m/t	USD 169/172	x
Corn, FOB France	USD 184/188	x
Corn, FOB Romania	USD 172/175	X
Corn, FOB Russia	USD 171/174	x
Sorghum, FOB Texas	USD 168/172	x
Sorghum, FOB Argentina port	USD 152/155	x
Soymeal, 48% protein, FOB NOLA	USD 336/342	X
Soymeal, 48% protein, USA, Rotterdam	USD 361/367	X
Soymeal, Argentina, Rotterdam	USD 352/356	X
Soymeal, 47% pro, FOB Argentina	USD 321/326	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 345/348	X
Soymeal, 48% protein, FOB Brazil	USD 331/336	x
Soybeans, FOB NOLA	USD 362/367	x
Soybeans, Argentina, FOB	USD 352/357	X
Soybeans, Brazil, FOB	USD 362/368	X
Soybeans, Black Sea	USD 390/405	x
Corn Gluten Meal, USA FOB NOLA	USD 600/608 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 128/133 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 145/151 m/t	x

While corn prices are a little higher on the week, the drop in soymeal price is putting some pressure on corn by-product prices. The USDA says that average USA domestic prices for DDGS are down by USD 5 to 10 m/t while corn gluten feed prices are steady but corn gluten meal is off by about USD 7 to 10 m/t. The drop in domestic prices for CGM has not yet been seen in export markets where prices have just not softened at all in the past couple of weeks. Even looking out into May and June for CGM shows no weakness in prices. However, with US soymeal prices down by at least USD 10 m/t on the week, there should be pressure developing in corn gluten meal export prices.

Container shipments, minimum 200 m/t



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Argentina Meat & Bone meal, 45/50 protein	USD 435/450 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 415/425 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 into Asia are said to be a little higher, mainly into Indonesia, but that the rush in demand seems to be slowing down as all Ramadan orders have been booked. According to the Jacobsen report, supplies of animal proteins from Australia are quite tight which is certainly stopping any drop of prices. Of course, with the weakness in soymeal prices we may have to see a price drop in some animal protein items.

The US domestic market is steady with no real change in export prices this week. But it is said that there is quite a range in the prices from different exporters so buyers are best to shop around for export supplies.

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

With fishing bans in southern Peru, the total fish landed for the week was just over 4,000 m/t bringing the total so far to just over 116,000 – still 400,000 m/t to catch to reach quota.

Most everyone is now back from the various trade shows in Asia so the fishmeal business should be getting back to normal. Forward sales of fishmeal are said to be at about 220,000 to 230,000 m/t which, as quoted from MSI Ceres, is about one million m/t of catch --- this is a good chunk of the expected quota for the next fishing season.

As mentioned in a previous weekly report and as confirmed by the folks at the Asia events – the tighter regulations for fishmeal production in China is likely to increase imports as local production will be lower in 2017.

For Jan/Feb 2017 China reports fishmeal imports of 154,000 m/t with about 56% coming from Peru. There must be a good chunk of fishmeal in transit as Peru shows exporting 201,000 m/t of fishmeal to China in Jan/Feb. For Jan/Feb China represents 80% of Peru's fishmeal exports ---- thanks to MSI Ceres for all the detailed numbers on exports and imports.

And, a word on prices --- no changes this week in Peru.

It was interesting to read this week about AgriProtein and their plans to build 20 "fly farms" in the US and Canada, to produce insect protein as a replacement for fishmeal in animal feeds. The company says that not only is insect protein a very valuable feed item but that, as the fly larva are raised on organic waste, it is a product that is beneficial to the environment. The company also announced that they have signed an agreement for three fly farms in Saudi Arabia and have licensed the technology to companies in Asia.



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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,315
Danish fishmeal	64% protein	1,290
Peru fishmeal	64% protein	1,300
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,240

## **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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