



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT April 09, 2017

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

Sorry that I am a day late with this report but I was travelling this week and just returned late on Saturday. I was in Dublin, Ireland where it was much colder than this part of France but, strangely for Ireland, there was lots of sunshine.

There didn't seem to be a great deal of excitement in the grain and oilseed markets this week as prices just seemed to be drifting.

Concern is increasing in Argentina about the rain effect on the soybean harvest but the weather guys say that hot and dry weather is approaching – so the harvest may just be all fine.

There were some corn experts that had thought corn prices would drop this week after the late rally last week following the planting intentions report but that doesn't seem to have happened as corn prices are just coasting along. Everyone seems to be waiting to see what the spring weather will be like once the farmers get on to serious corn planting.

In the US, there has been some concern expressed about wet weather that could delay the corn planting but no one seems to expect any serious delays yet.

All in all, for the week, things were very quiet and for next week many countries in the world will be having Easter holidays so there may not be quite as much export buying interest in the grain markets.

For now, there seems to be little reason for prices to move higher – we need a major weather event to shake up the market.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16/17.00	Down \$1.00	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$24/25.00	Down \$1.00	x
US Gulf Israel: 50,000 MT	\$25/26.00	Down \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$24/25.00	Down \$1.00	X
US Gulf Turkey: 50,000	\$26/27.00	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)	\$26/27.00	Down \$1.00	x
US Gulf Nigeria: 30,000 m/t	\$55/56.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Steady	x
US Gulf Japan: Panamax	\$39/40.00	Steady	x
US Gulf China: Panamax	\$38/39.00	Up \$1.00	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Down \$1.00	x
US PNW Japan: Panamax	\$21/22.00	Down \$1.00	X
US PNW China: Panamax	\$20/21.00	Steady	x
US East Coast Egypt: Panamax	\$46/47.00	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)	\$15/16.00	Steady	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$14/15.00	Steady	x
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$29/30.00	Down \$1.00	x
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$13/14.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$32/33.00	Up \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$37/38.00	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)	\$27/28.00	Down \$1.00	x
Argentina to China: 50,000 m/t, with top-off	\$37/38.00	Up \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$38/39.00	Up \$1.00	x
Argentina to Egypt: 50,000 m/t	\$25/26.00	Steady	x
Argentina to Europe: 50/60,000 m/t	\$21/22.00	Down \$2.00	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Down \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$43/44.00	Steady	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$30/31.00	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)	\$27/28.00	Down \$1.00	x
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00	Down \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$31/32.00	Up \$1.00	x
Brazil to China: 55,000 m/t	\$28/29.00	Steady	x
Brazil to Japan: 55,000 m/t	\$29/30.00	Steady	x
Brazil to Europe: 30,000 m/t	\$31/32.00	Steady	x
Brazil to Morocco: 25/30,000 m/t	\$29/30.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$22/23.00	Down \$1.00	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	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)	\$30/31.00	Up \$1.00	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)	\$23/24.00	Up \$1.00	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	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	1223	Down 101	x
Baltic Capesize Index	2173	Down 517	x
Baltic Panamax Index	1427	Up 61	x
Baltic Supramax Index	886	Up 4	x
Baltic Handysize Index	547	Up 8	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 180/184	x
Wheat, USA Hard Red Winter 12 protein	USD 197/201	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/184	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 185/188	x
Wheat, Romania 12.5 pro	USD 187/190	x
Wheat, Superior, France, Rouen	USD 178/181	x
Wheat, milling, 12.0%, Argentina, upriver	USD 188/192	x
Wheat, feed, Black Sea	USD 176/179	x
Barley, France, Rouen port	USD 156/159	x
Barley, feed, Argentina	USD 160/163 May/June	x
Barley, feed, Black Sea, 30,000+	USD 167/170	x
Barley, feed, USA Pacific Northwest	USD 190/195	x
Corn, FOB NOLA USA	USD 157/161	x
Corn, FOB USA Pacific northwest	USD 173/176 May/June	x
Corn, FOB Argentina port, upriver	USD 161/164	X
Corn, FOB Brazil port	USD 163/166 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 167/170	x
Corn, FOB France	USD 187/190	x
Corn, FOB Romania	USD 175/177	x
Corn, FOB Russia	USD 171/174	x
Sorghum, FOB Texas	USD 170/173	x
Sorghum, FOB Argentina port	USD 152/155	x
Soymeal, 48% protein, FOB NOLA	USD 331/335	x
Soymeal, 48% protein, USA, Rotterdam	USD 356/360	x
Soymeal, Argentina, Rotterdam	USD 348/352	x
Soymeal, 47% pro, FOB Argentina	USD 314/319	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 339/343	x
Soymeal, 48% protein, FOB Brazil	USD 324/328	x
Soymeal, 48% protein, FOB India	USD 342/346	x
Soybeans, FOB NOLA	USD 357/361	x
Soybeans, Argentina, FOB	USD 348/352	x
Soybeans, Brazil, FOB	USD 355/359	x
Soybeans, Black Sea	USD 385/390	x
Corn Gluten Meal, USA FOB NOLA	USD 590/600 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 125/130 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 145/150 m/t	x

The USDA issued their "grain crushing" report for April, covering the months up to the end of February and it shows that corn crushing is down about 11 percent in February from January but that February



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2017 is still higher than 2016. Needless to say, with the "crush" lower the production of all by-products: DDGS, corn gluten meal and corn gluten feed are also lower – all down by 9 to 12 percent.

With DDGS the prices were mainly steady this week but a little higher in some areas, as several USA ethanol operations were down for annual maintenance – there was a drop in ethanol production of about 3 percent this week. Where prices were higher they were up by only one or two dollars per m/t ... not much to get excited about.

DDGS still seems to be about the most cost effective protein item available.

Corn gluten meal prices were steady on the week while corn gluten feed was mainly unchanged but with a couple of exporters showing very slightly lower prices.

There doesn't seem to be much in the market right now that would cause prices to move higher.

## **USA Corn by-product exports – Jan/Feb 2017 – in m/t – major destinations.**

	Corn Gluten Feed	Corn Gluten Meal	Distillers Dried Grains DDGS
Canada		9,000	106,000
Chile		19,900	
China			151,800
Colombia	13,200	12,900	27,000
Egypt		9,300	28,500
Indonesia		39,100	102,500
Ireland	32,200		80,600
Israel	24,500		44,400
Japan			111,900
Malaysia		2,800	13,800
Mexico	2,100	3,800	419,100
Morocco	10,200		27,300
Philippines			28,800
Portugal	4,900		16,000
South Korea			124,200
Spain			91,600
Taiwan		5,300	40,100
Thailand		17,400	134,200
Turkey	50,600		278,300
UK			51,700
Vietnam		2,400	
Total exports	138,100	132,100	2,008,400

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Container shipments, minimum 200 m/t

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



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Australian Poultry Meal, pet food	USD 770/790 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 540/560 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 800/820 m/t CNF Asia

Nothing much has changed in the animal protein export business – good demand for pre-Ramadan shipments has kept exporters busy but this will come to an end very soon and lower prices are expected for the short term.

Of course, with mounds of soybeans everywhere and more to come, there will continue to be a great deal of pressure on animal protein prices --- especially in feed formulations where vegetable protein levels can be safely increased.

There is also very good demand from the pet food industry for both meat and bone meal and poultry meal so this is helping to keep prices firm. However, the Jacobsen report this week was saying that pet food demand normally falls off in spring and summer so we may see a drop in demand and perhaps some lower prices.

## **USA exports of animal proteins and feathermeal – Jan/Feb 2017 – in m/t**

	Meat and Bone meal -- includes pork and poultry meal	Feathermeal
Indonesia	28,900	5,100
Mexico	24,000	
Canada	10,500	1,000
Chile		1,000
China	9,300	2,300
Vietnam	4,600	
Germany	3,900	
Ecuador	1,100	
Total exports	86,800	9,600

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

The landings in the south of Peru are now up to just under 140,000 m/t which leaves about 375,000 m/t of quota to June 30, 2017, only about 13 weeks. It is probably going to be difficult to catch the entire quota, but one never knows what can happen.

The trade in Peru feels that there should be a quota announcement in the next week or so with an actual start to northern fishing in early May.

Everything seems to be very quiet in Peru these days and with all the Easter holidays creeping up on us it will get even quieter. Peru will be closed April 13 and 14 for Easter.

Sorry but not much more to say this week aa with no fishing and no sales there is just a lot of quiet.

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



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Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,290
Danish fishmeal	64% protein	1,285
Peru fishmeal	64% protein	1,300
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,210

## 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	1140/1160 m/t	
65/66 protein	1170/1190 m/t	
67% protein standard steam	1220/1240 m/t	1300/1320
67% protein 150 TVN	1290/1310 m/t	1320/1340
67% protein 120 TVN	1370/1390 m/t	1350/1370
67% protein 1000 hist, 120 TVN	1420/1440 m/t	1400/1420
68% protein 500 hist, 120 TVN	1470/1490 m/t	1450/1470
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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