



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT April 22, 2017

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

It was another down week for most everything – in the futures market corn was down by about USD 5 to 6 m/t, soybeans down by around USD 2 m/t, soymeal down by USD 8 m/t and winter wheat down by USD 8 m/t. The drop in futures prices does not always get reflected in export prices but you can be quite sure that with everything lower, the trend in export prices should also be to lower, barring any logistics problems that could keep export prices up.

For the corn market, the good weather in the US is expected to lead to faster planting. The quicker the corn gets in the ground the sooner it is growing and, perhaps, the better the crop yield – at least that is what the short sellers seem to think. The weather in Brazil and Argentina has been very good with Brazilian crop forecasts seeming to increase daily.

Soybean prices were pressured by the announcement of a 10 percent increase in soybean planting in Canada – nothing like even more soybeans to move prices lower. There was a story in the press that farmers in Brazil have only sold just less than 50 percent of their soybean crop – does that mean that they will sell and push prices lower or that they will hold on to stocks in hopes of higher prices.

All winter wheat prices were lower as the situation seems to improve every day. Although, the planting of spring wheat has been slowed a little by heavy rains – good for the winter wheat but not so good for planting.

### **Crop progress and condition --- USA and France**

	April 16, 2017 %	April 16, 2016 %	Five year average %	
<b>Planted USA</b>				
Corn	6.0	12.0	9.0	
Sorghum	21.0	16.0	20.0	
Spring wheat	13.0	25.0	21.0	
Spring Barley	13.0	31.0	28.0	
<b>Condition USA</b>	Very poor And poor %	Fair %	Good %	Excellent %
Winter wheat	13	34	46	7
<b>Planted France</b>	April 16, 2017 %	April 16, 2016 %		
Corn	57.0	9.0		
<b>Condition France</b>	Very poor And poor %	Fair %	Good %	Excellent %



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Wheat, soft	3.0	13.0	59.0	26.0
Barley, winter	5.0	16.0	58.0	20.0
Wheat, hard	6.0	19.0	66.0	9.0
Barley, spring	3.0	13.0	72.0	13.0

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15.50/16.50	Steady	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	Steady	x
US Gulf to Egypt: Panamax(6,000 disch)	\$24/25.00	Steady	x
US Gulf Turkey: 50,000	\$26/27.00	Steady	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	Steady	x
US Gulf Nigeria: 30,000 m/t	\$55/56.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Steady	x
US Gulf Japan: Panamax	\$40/41.00	Steady	x
US Gulf China: Panamax	\$39/40.00	Steady	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$22/23.00	Steady	x
US PNW China: Panamax	\$21/22.00	Steady	x
US East Coast Egypt: Panamax	\$46/47.00	down \$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	Steady	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Up \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$27/28.00	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	Steady	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)	\$28/29.00	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$40/41.00	Steady	x
Argentina to Japan: 50,000 m/t, with top-off	\$41/42.00	Steady	x
Argentina to Egypt: 50,000 m/t	\$25/26.00	Steady	x
Argentina to Europe: 50/60,000 m/t	\$19/20.00	Down \$1.00	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)	\$31/32.00	Steady	x
Argentina to Spain: 30,000 m/t	\$26/27.00	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	\$19/20.00	Down \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$32/33.00	Steady	x
Brazil to China: 55,000 m/t	\$31/32.00	Steady	x
Brazil to Japan: 55,000 m/t	\$32/33.00	Steady	x
Brazil to Europe: 30,000 m/t	\$32/33.00	Steady	X
Brazil to Morocco: 25/30,000 m/t	\$30/31.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	Steady	X



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Brazil to Turkey/Egypt: 50,000 m/t	\$22/23.00	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	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)	\$18/19.00	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)	\$20/21.00	Steady	x
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$21/22.00	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)	\$32/33.00	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	Down \$1.00	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Down \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	Down \$1.00	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Steady	x
Baltic Dry Index	1195	Down 101	x
Baltic Capesize Index	1830	Down 419	X
Baltic Panamax Index	1494	Down 118	x
Baltic Supramax Index	895	Down 4	x
Baltic Handysize Index	575	Up 15	x

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 May 2017/July 2017

Wheat, USA Soft Red Winter, NOLA	USD 175/182	x
Wheat, USA Hard Red Winter 12 protein	USD 204/209	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 184/187	x
Wheat, Superior, France, Rouen	USD 182/185	x
Wheat, milling, 12.0%, Argentina, upriver	USD 184/190	x
Wheat, feed, Black Sea	USD 174/177	x
Barley, France, Rouen port	USD 159/161	x
Barley, feed, Argentina	USD 160/163 May/June	x
Barley, feed, Black Sea, 30,000+	USD 158/162	x
Barley, feed, USA Pacific Northwest	USD 200/205	x
Corn, FOB NOLA USA	USD 156/159	x
Corn, FOB USA Pacific northwest	USD 170/174 June/July	x
Corn, FOB Argentina port, upriver	USD 153/158 Aug/Sep	x
Corn, FOB Brazil port	USD 156/162 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 164/168	x



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Corn, FOB France	USD 185/187	x
Corn, FOB Romania	USD 174/177	x
Corn, FOB Russia	USD 170/173	x
Sorghum, FOB Texas	USD 170/173	x
Sorghum, FOB Argentina port	USD 153/157	x
Soymeal, 48% protein, FOB NOLA	USD 345/351	X
Soymeal, 48% protein, USA, Rotterdam	USD 370/376	x
Soymeal, Argentina, Rotterdam	USD 348/352	x
Soymeal, 47% pro, FOB Argentina	USD 317/323	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 341/346	x
Soymeal, 48% protein, FOB Brazil	USD 324/327	x
Soymeal, 48% protein, FOB India	USD 348/353	x
Soybeans, FOB NOLA	USD 360/365	x
Soybeans, Argentina, FOB	USD 347/352	x
Soybeans, Brazil, FOB	USD 355/360	x
Soybeans, Black Sea	USD 383/388	x
Corn Gluten Meal, USA FOB NOLA	USD 595/600 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 115/120 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 144/147 m/t	X

Ethanol production in the US has dropped due to normal yearly facility maintenance which means that DDGS production has also dropped but suppliers say that there are still very good supplies of DDGS and they don't expect to see any increase in prices in the near term. Export prices for DDGS are said to be down by about USD 2 m/t with very good buying interest seen from Asia.

As long as corn prices continue to work lower, there seems to be little reason to expect any rally in corn by-product prices. Even corn gluten meal, which has a habit of doing its own thing, is staying a little weak along with corn prices. Of course, if there is a rally in fishmeal or meat and bone meal that we could see CGM also move higher but a rally does not look too possible today.

These days both DDGS and corn gluten feed are very good export bargains and it looks like DDGS is going to have no trouble in reaching export goals as other markets have stepped up to replace the business lost from China. As usual much of the market is just price, price and price.

The USDA price averages show corn gluten meal down by about USD 1 m/t with corn gluten feed down by USD 2 m/t and DDGS down by USD 3 m/t.

## 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 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 540/560 m/t CNF Asia
USA Feathermeal, 80 protein	USD 560/580 m/t CNF Asia
USA Poultry Meal, feed grade	USD 660/680 m/t CNF Asia



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USA Poultry Meal, pet food grade | USD 870/880 m/t CNF Asia

There was not much excitement this week in the meat and bone meal side of the animal protein business. Things seem to have slowed in Asia as the rush to cover Ramadan needs is over and most buyers are now covered for 60 days or so.

Prices for both feathermeal and poultry meal for export have moved higher again this week as strong demand from China is pushing prices up. Reports in the USA say that very good domestic demand for poultry meal is also a major factor in increasing export prices.

The very good demand for poultry meal should keep that price firm but it is possible that meat and bone meal may be a little weaker as the strong Asian demand falls off.

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

I received a question last week about the fishmeal prices shown in the report. These prices are accumulated from several sources and are expected to show about where market prices could be. The prices do not, to the best of my knowledge, represents any actual trades just where a number of trade people think that the prices stand.

The fishing in the south of Peru is now up to just over 160,000 m/t of fish landed, just under 60,000 m/t of fishmeal production.

The new quota for the north of Peru has been announced at 2.8 million m/t with fishing to begin on April 22, 2017 with an "exploratory" catch – the actual season will begin on April 26 and is expected to end on July 31, although no ending date was given.

The new quota represents 650/700,000 m/t of fishmeal with about 250,000 m/t of production having been presold. With an amount of about 400,000 m/t available for sale, we should see some buying interest coming back into the market.

According to the trade, China has good fishmeal supplies and orders so will probably not be rushing to additional buying.

With a good supply of Peru fishmeal available for shipment in June/July, there is a good chance that prices will weaken a little – perhaps a lot, only time will tell.

So now, let's all go fishing.

## European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,285
Danish fishmeal	64% protein	1,280
Peru fishmeal	64% protein	1,300
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



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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	1100/1120 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	1350/1370 m/t	1350/1370
67% protein 1000 hist, 120 TVN	1400/1420 m/t	1400/1420
68% protein 500 hist, 120 TVN	1430/1450 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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