



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT April 29, 2017

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

There were some weather-related ups and downs in US grain and oilseed prices this week. Crop planting progress was not as good as the trade had hoped --- corn planting was held back by cold and wet weather. However, knowing the US farmer, give them a little sunshine and they will quickly catch up on the planting. The weather forecasts for the next couple of weeks look much drier and a little warmer, so the farmers will be out planting like mad. With the extremely high level of mechanization and computerization in farming in the US, planting can be done in a wink – or so it seems.

Soybean/soymeal prices don't look to be able to move any higher as everything in South America looks very good --- except that Brazil farmers don't seem to want to sell their soybeans at current price levels. There was also a mention this week in the US that, if corn and spring wheat planting continues to be delayed, farmers may switch more acres to later planting soybeans. More soybeans would certainly be a burden on the market in a year when we will be awash with soybeans.

Winter wheat prices were higher on the week as freezing temperatures and flooding in some areas could cause a drop in the winter wheat crop. The very cold weather could last for as long as ten days which will not be too good for the winter wheat.

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

	April 24, 2017 %	April 24, 2016 %	Five year average %		
<b>Planted USA</b>					
Corn	17.0	28.0	18.0		
Sorghum	24.0	19.0	23.0		
Soybeans	6.0	3.0	3.0		
Spring wheat	22.0	40.0	34.0		
Spring Barley	27.0	43.0	40.0		
<b>Condition USA</b>	Very poor %	Poor %	Fair %	Good %	Excellent %
Winter wheat	3	10	33	45	9
<b>Planted France</b>	April 24, 2017 %	April 24, 2016 %			
Corn	76.0	24.0			
<b>Condition France</b>	Very poor %	Poor %	Fair %	Good %	Excellent %
Wheat, soft	0.0	5.0	18.0	60.0	18.0



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Barley, winter	1.0	7.0	22.0	57.0	14.0
Wheat, hard	1.0	8.0	28.0	56.0	7.0
Barley, spring	0.0	4.0	17.0	69.0	11.0

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$14.50/15.50	Down \$1.00	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)	\$26/27.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$56/57.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$31/32.00	Steady	X
US Gulf Japan: Panamax	\$39/40.00	Down \$1.00	X
US Gulf China: Panamax	\$38/39.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Down \$1.00	X
US PNW Japan: Panamax	\$21/22.00	Down \$1.00	X
US PNW China: Panamax	\$20/21.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$44/45.00	Down \$2.00	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	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$27/28.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$12/13.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$32/33.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$36/37.00	Down \$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)	\$27/28.00	Down \$1.00	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	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Steady	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	Down \$1.00	X
Argentina to Spain: 30,000 m/t	\$25/26.00	Down \$1.00	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	\$18/19.00	Down \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$30/31.00	Down \$2.00	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	\$31/32.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$29/30.00	Down \$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	\$21/22.00	Down \$1.00	X



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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	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$17/18.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$13/14.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$23/24.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	Steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$16/17.00	Down \$1.00	X
Baltic Dry Index	1109	Down 86	x
Baltic Capesize Index	1779	Down 51	x
Baltic Panamax Index	1187	Down 307	x
Baltic Supramax Index	861	Down 34	x
Baltic Handysize Index	559	Down 16	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 179/186	x
Wheat, USA Hard Red Winter 12 protein	USD 203/207	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 177/181	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 184/188	x
Wheat, Romania 12.5 pro	USD 186/191	x
Wheat, Superior, France, Rouen	USD 189/191	x
Wheat, milling, 12.0%, Argentina, upriver	USD 187/192	x
Wheat, feed, Black Sea	USD 172/176	x
Barley, France, Rouen port	USD 164/167	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 158/161	x
Corn, FOB USA Pacific northwest	USD 170/174 June/July	x
Corn, FOB Argentina port, upriver	USD 155/159 Aug/Sep	x
Corn, FOB Brazil port	USD 155/161 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 167/171	x
Corn, FOB France	USD 190/193	x



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Corn, FOB Romania	USD 178/182	X
Corn, FOB Russia	USD 169/173	X
Sorghum, FOB Texas	USD 171/174	X
Sorghum, FOB Argentina port	USD 150/154	X
Soymeal, 48% protein, FOB NOLA	USD 349/353	X
Soymeal, 48% protein, USA, Rotterdam	USD 374/378	X
Soymeal, Argentina, Rotterdam	USD 354/358	X
Soymeal, 47% pro, FOB Argentina	USD 319/323	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 345/349	X
Soymeal, 48% protein, FOB Brazil	USD 324/327	X
Soymeal, 48% protein, FOB India	USD 348/353	X
Soybeans, FOB NOLA	USD 359/364	X
Soybeans, Argentina, FOB	USD 350/34	X
Soybeans, Brazil, FOB	USD 359/363	X
Soybeans, Black Sea	USD 387/391	X
Corn Gluten Meal, USA FOB NOLA	USD 600/605 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 115/120 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 145/148 m/t	X

It has been a quiet week for corn by-product prices with little or no change seen at the export level. Even the USDA average price levels were not too exciting with corn gluten feed prices down a maximum of USD 3 m/t, corn gluten meal down by USD 5 m/t and DDGS varying from USD 2 m/t down to USD 2 m/t up. With very little change in corn and soymeal prices there wasn't too much to push prices one way or another.

There were some stories of increased DDGS export demand and some FOB Nola prices did move up a little but we ended the week with very little in price changes in the export market.

As pointed out by the U.S. Grains Council this week, there have been a couple of recent reports that point out more benefits with DDGS usage in cattle – dairy cattle in particular – where DDGS in the feeds ration can reduce methane production and phosphorus excretion. So, not only is DDGS a good feed item, it is also good for the environment.

## 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 550/570 m/t CNF Asia
USA Poultry Meal, feed grade	USD 660/680 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 870/880 m/t CNF Asia

A steady week for most animal protein prices into the major markets in Asia but some traders say that the nearby supply is quite tight and buyers are having to pay over the market for any prompt



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shipments.

With Ramadan starting late in May 2017, there is a big push to get all shipments to Muslim countries in Asia loaded and shipped. Then, especially for Indonesia, there will be 4 or 5 weeks of very limited business followed by an expected port-Ramadan rush in late June and early July.

Meat and bone meal prices were steady on the week with feathermeal a little lower out of the USA and everyone looking for steady to higher prices for pet food grade poultry meal

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

Fishing in the north of Peru has been quite good with daily catch in the 40,000 m/t range, except for the first couple of days when there were fewer vessels active. The total catch up to Thursday is now just under 175,000 m/t. There are some stories that buyers' bids are moving lower although no one much says that there are any significant buyers' bids.

There is the report that prices in China have dropped as local suppliers are trying to move their existing stock before any new season fishmeal arrives. The drop in prices is not large – only about five percent so far. Of course, there is also the talk that China's fishmeal production will be lower in 2017 which could increase import demand --- and perhaps push up prices.

Also with China, Peru stands as supplier for close to 63 percent of China's fishmeal needs for the first three months of 2017, a total of 210,000 m/t so far.

Sellers in Peru have not been aggressive in offering new season fishmeal for sale as both buyers and sellers are waiting to see how the first couple of weeks of fishing plays out. Perhaps we will see a rush of business next week as all the major fishmeal people will be in Barcelona for an IFFO meeting on the 1<sup>st</sup> to 3<sup>rd</sup> of May. I should probably go to the meeting as Barcelona is only about 4 hours from here and there is easy train service. It would be nice to see some old friends in the fishmeal business.

As to pricing – there has been little or no real change in prices this week as buyers are few and sellers are not too interested yet. Some of the indication prices seen in the market are higher but no one seems to be paying these prices.

## 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	1,300
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,285

## 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



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65% protein	1100/1120 m/t	
65/66 protein	1170/1190 m/t	
67% protein standard steam	1220/1240 m/t	
67% protein 150 TVN	1370/1390 m/t	1350/1370
67% protein 120 TVN	1420/1440 m/t	1400/1420
67% protein 1000 hist, 120 TVN	1450/1470 m/t	1440/1460
68% protein 500 hist, 120 TVN	1480/1500 m/t	1470/1490
Fish oil, crude bulk	1400/1450	1250/1300
Fish oil, crude drums	1500/1550	
Fish oil, flexi tank	1600/1650	
Fish oil, Omega 3: 28%EPA/DHA	1700/1800	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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