



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT June 17, 2017

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

Other than higher wheat prices on the week the grain and oilseed market look quite boring with not a great deal of market moving news or rumors. From here on in the US grain prices will be driven by what is happening in the weather – every market-report this week has been totally weather related.

With the dry weather in the northern US pushing wheat prices up by as much USD 14 m/t, especially for spring wheat – the other grains and oilseeds may see that they too face higher prices. The market, especially futures, tends to see risk in every grain when one sector, like wheat, moves higher.

While the weather is not good for wheat, it has been great so far for most corn areas, except up in the north central Dakotas area where it has been hot and dry. As shown below the corn crop is 67% good/excellent which is quite acceptable.

Soybeans, like corn, look to be quite good with 65% of the crop in the good/excellent category. So far, the weather, especially the rainfall, has been quite good for the soybean crop.

Reading a few trade reports at the end of the week it was easy to see that the writers were quite hard pressed to find anything to say about the grain export markets. I am in the same position, other than some hot dry weather in the northern US there doesn't look like too much happening this week.

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

	June 11, 2017 %	June 11, 2016 %	Five-year average %		
<b>Planted USA</b>					
Sorghum	71.0	73.0	73.0		
<b>Condition USA</b>	Very poor %	Poor %	Fair %	Good %	Excellent %
Winter wheat	5	11	34	42	8
Corn	2	6	25	57	10
Soybeans	1	5	28	57	9
Sorghum		2	31	62	5
Spring Wheat	7	13	35	38	7
Spring Barley	3	4	21	60	12
<b>Condition France June 12, 2017</b>	Very poor %	Poor %	Fair %	Good %	Excellent %



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Wheat, soft	1.0	6.0	19.0	61.0	13.0
Barley, winter	2.0	11.0	23.0	56.0	9.0
Wheat, hard	0.0	11.0	27.0	55.0	7.0
Barley, spring	0.0	5.0	22.0	69.0	4.0
Corn	0.0	2.0	12.0	76.0	10.0

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13.50/14.00	Down \$0.50	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$21/22.00	Steady	X
US Gulf Israel: 50,000 MT	\$22/23.00	Steady	X
US Gulf to Egypt: Panamax(6,000 disch)	\$21/22.00	Steady	X
US Gulf Turkey: 50,000	\$23/24.00	Steady	X
US Gulf Morocco: 30,000(5,000 disch)	\$24/25.00	Up \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$25/26.00	Up \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$35/36.00	Up \$1.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$27/28.00	Steady	X
US Gulf Japan: Panamax	\$36/37.00	Steady	x
US Gulf China: Panamax	\$35/36.00	Steady	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Up \$1.00	x
US PNW Japan: Panamax	\$18/19.00	Steady	X
US PNW China: Panamax	\$17/18.00	Steady	x
US East Coast Egypt: Panamax	\$47/48.00	Up \$1.00	X
US East Coast Nigeria: Handisize	\$50/51.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$13/14.00	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)	\$21/22.00	Down \$1.00	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$10/11.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$21/22.00	Down \$2.00	X
France/Germany to South Africa: 30,000 m/t	\$32/33.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$47/48.00	Steady	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$23/24.00	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$33/34.00	Up \$1.00	x
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00	Up \$1.00	x
Argentina to Egypt: 50,000 m/t	\$23/24.00	Steady	x
Argentina to Europe: 50/60,000 m/t	\$20/21.00	Steady	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$20/21.00	Steady	x
Argentina to Saudi Arabia: 25/30,000 m/t	\$40/41.00	Steady	x
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$28/29.00	Up \$1.00	x
Argentina to Spain: 30,000 m/t	\$21/22.00	Steady	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$23/24.00	Steady	x
Argentina to US Gulf: 25/35,000 m/t	\$16/17.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$24/25.00	Steady	x
Brazil to China: 55,000 m/t	\$24/25.00	Steady	x
Brazil to Japan: 55,000 m/t	\$25/26.00	Steady	x
Brazil to Europe: 30,000 m/t	\$27/28.00	Steady	x
Brazil to Morocco: 25/30,000 m/t	\$23/24.00	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$36/37.00	Steady	x



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Brazil to Turkey/Egypt: 50,000 m/t	\$22/23.00	Up \$1.00	x
Australia to China: 40-55,000 m/t – round trip	\$19/19.50	Steady	x
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	Steady	x
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Steady	x
Ukraine to China: 50,000 m/t	\$26/27.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$13/14.00	Down \$1.00	X
Ukraine to East Med: coaster (1,000 disch)	\$25/27.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$13/14.00	Down \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 disch)	\$14/15.00	Down \$1.00	x
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/27.00	Steady	x
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$30/32.00	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)	\$12/13.00	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)	\$20/21.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$20/21.00	Down \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$35/36.00	Down \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$14/15.00	Steady	X
		Change since last report	
Baltic Dry Index	851	Up 21	x
Baltic Capesize Index	1213	Down 161	x
Baltic Panamax Index	964	Up 172	X
Baltic Supramax Index	701	Up 27	X
Baltic Handisize Index	435	Down 11	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 June 2017/August 2017

Wheat, USA Soft Red Winter, NOLA	USD 193/201	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 254/258 high protein premium	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 172/177	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 178/183	x
Wheat, Romania 12.5 pro	USD 178/183	x
Wheat, Superior, France, Rouen	USD 183/186	x
Wheat, milling, 12.0%, Argentina, upriver	USD 182/187 new crop	x
Wheat, feed, Black Sea	USD 170/174	x
Barley, France, Rouen port	USD 164/167	x
Barley, feed, Argentina	USD 159/163	x
Barley, feed, Black Sea, 30,000+	USD 157/160	x
Barley, feed, USA Pacific Northwest	USD 195/200	x



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Corn, FOB NOLA USA	USD 163/166	x
Corn, FOB USA Pacific northwest	USD 171/175	x
Corn, FOB Argentina port, upriver	USD 156/162 Aug/Sep	x
Corn, FOB Brazil port	USD 156/161 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 166/170	x
Corn, FOB France	USD 195/199	x
Corn, FOB Romania	USD 178/181	x
Corn, FOB Russia	USD 172/175	x
Sorghum, FOB Texas	USD 186/189	x
Sorghum, FOB Argentina port	USD 143/149	x
Soymeal, 48% protein, FOB NOLA	USD 332/336	x
Soymeal, 48% protein, USA, Rotterdam	USD 357/361	X
Soymeal, Argentina, Rotterdam	USD 335/339	x
Soymeal, 47% pro, FOB Argentina	USD 307/312	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 331/336	x
Soymeal, 48% protein, FOB Brazil	USD 302/307	x
Soymeal, 48% protein, FOB India	USD 339/345	x
Soybeans, FOB NOLA	USD 361/366	X
Soybeans, Argentina, FOB	USD 358/363	x
Soybeans, Brazil, FOB	USD 360/366	x
Soybeans, Black Sea	USD 367/372	x
Corn Gluten Meal, USA FOB NOLA	USD 595/600 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 126/130 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 162/169 m/t	x

According to the USDA there was very little change in the US domestic prices for corn gluten feed and corn gluten meal while DDGS price were seen to be a little higher in some US areas.

On the export side of things all corn by-product prices moved higher on increased export business and falling summer production. Prices have been very attractive for the past few weeks and buyers now seem to be deciding not to let the low prices get away.

Export prices are up a little more than one would think based on domestic prices and this is due the very tight loading logistics for the next couple of months. The trade reports that it is very difficult to find any available container loading until late July. There was also the mention in the Jacobsen report this week that tightness on old crop corn supply has been said to be a factor in higher prices – but not all agree.

There doesn't seem to be much reason for prices to continue to move higher – the market may just be in a trading range of plus/minus USD 10 m/t or so with this week being an up week.

### Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50% protein	USD 430/440 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 420/430 m/t CNF Asia
Australian MBM 45% protein	USD 460/470 m/t CNF Asia



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Australian MBM 50% protein	USD 510/530 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 550/560 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/810 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 520/530 m/t CNF Asia
USA Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
USA Poultry Meal, feed grade	USD 640/650 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 860/880 m/t CNF Asia

Another quiet week in the export animal protein business as the major buyer in Indonesia are still out of the market due to Ramadan. Ramadan ends on about June 24<sup>th</sup> but is followed by the Eid celebrations which will keep buyers out of the market for a few days longer. Business will probably not be back to normal levels until early July.

The trade seems to feel that prices are a little weaker for all origins – only because there is very little business out there. Exporters are also saying that price do have the room to move a little lower in the near term as exporters/producers try to entice some buyer into the market.

Domestic prices in the US were mainly steady except for poultry meal which was weaker in most domestic US markets. High summer poultry demand in the US is pushing poultry production and resulting feed grade poultry meal – so, for now, it is a case of a little too much supply pushing prices lower.

With soymeal also being a little lower on the week there was little reason to expect any rally in animal protein prices.

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

Fishing in Peru has slacked off a little but the north was still able to reach just under 1,964,000 m/t of catch so far – getting closer to the 2.8 million m/t quota. Bad weather has caused the fishing to be more difficult and resulted in smaller daily landings. It is reported in the trade that some fishing groups have reached their specific quota level and are looking at moving to the Southern Peru fishing region.

There has been no change in quoted fishmeal prices this week and new business is reported to be very small. Trade reports that sales on the books are now in excess of 500,000 m/t of fishmeal which will leave a maximum of 150,000 m/t to sell if the full quota is landed.

And then – in Europe – the authorization for the use of ethoxyquin has been suspended – so no more ethoxyquin treated feed ingredients after September 2019. With ethoxyquin being the main antioxidant used in fishmeal, this is a concern for producers doing fishmeal business into the EU. There may still not be a ban on ethoxyquin as part of the reason for the suspension was that “there was a lack of data to fully assess the safety of the product”. Needless to say, the fishmeal industry, through IFFO, is working hard on supplying additional information to EU authorities.

One problem for the fishmeal/fishoil industry is that there are limited alternatives to ethoxyquin – at least now that have been thoroughly tested as replacements.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,400



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Danish fishmeal	64% protein	1,320
Peru fishmeal	64% protein	1,300
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,400

## 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	1000/1020 m/t	
65/66 protein	1070/1090 m/t	
67% protein standard steam	1100/1120 m/t	
67% protein 150 TVN	1230/1250 m/t	1290/1310
67% protein 120 TVN	1300/1320 m/t	1310/1330
67% protein 1000 hist, 120 TVN	1350/1370 m/t	1350/1370
68% protein 500 hist, 120 TVN	1400/1420 m/t	1400/1420
Fish oil, crude bulk	1200/1250	1100/1150
Fish oil, crude drums	1300/1350	
Fish oil, flexi tank	1400/1450	
Fish oil, Omega 3: 28%EPA/DHA	1600/1700	

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

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