



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT July 08, 2017

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

Well, that was quite an exciting week for prices – soybeans up by at least USD 20 m/t, soymeal up by 22 to 24 m/t and corn, not quite so strong, up by about USD 5 m/t. The rally in spring wheat prices slowed to a crawl but winter wheat was up by USD 5 or 6 m/t.

The USDA planting report was the force behind the strong rally in soybeans with the lower expected planting acreage pushing prices higher. There was also a small drop in the overall soybean condition in the crop quality report and then there are also reports of expected hot, dry weather that could affect the crop ----- all very good factors for pushing soybean prices higher. According to the weekend trade reports, other than acreage it is all weather, weather, weather for soybeans.

While corn prices were higher, they didn't have the same strength as soybeans. Prices moved up on hot, dry US weather and the expectation of a drop in crop condition in next week's crop quality report. There was also some concern about the corn crop in the Ukraine that some felt could lead to higher world corn prices.

There were also stories in trade reports that US farmers were selling a lot of corn on the small rally and that this farm selling may have limited the rally a little.

Next week is the latest USDA monthly report, so we will see what that does to prices – will the rally continue or will the report be bearish.

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

	Very poor %	Poor %	Fair %	Good %	Excellent %
<b>Condition USA July 05, 2017</b>					
Winter wheat	5	12	35	39	9
Corn	2	6	25	56	13
Soybeans	2	7	27	54	10
Sorghum	0	3	35	57	5
Spring Wheat	13	20	30	30	7
Spring Barley	5	12	31	41	11
<b>Condition France</b>	Very poor %	Poor %	Fair %	Good %	Excellent %



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<b>July 03, 2017</b>					
Wheat, soft	2	9	24	57	9
Barley, winter	2	12	24	53	9
Wheat, hard	1	11	28	53	6
Barley, spring	1	10	24	63	2
Corn	0	3	15	71	10

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$13.00/13.50	Steady	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$22/23.00	Steady	x
US Gulf Israel: 50,000 MT	\$23/24.00	Up \$1.00	X
US Gulf to Egypt: Panamax(6,000 disch)	\$22/23.00	Up \$1.00	X
US Gulf Turkey: 50,000	\$24/25.00	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)	\$26/27.00	Steady	x
US Gulf Nigeria: 30,000 m/t	\$36/37.00	Steady	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$27/28.00	Down \$1.00	x
US Gulf Japan: Panamax	\$37/38.00	Up \$1.00	X
US Gulf China: Panamax	\$36/37.00	Up \$1.00	x
US PNW South Africa – 40,000 m/t	\$36/37.00	Down \$1.00	x
US PNW Japan: Panamax	\$19/20.00	Steady	x
US PNW China: Panamax	\$18/19.00	Steady	x
US East Coast Egypt: Panamax	\$47/48.00	Steady	X
US East Coast Nigeria: Handisize	\$51/52.00	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)	\$16/17.00	Steady	x
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$22/23.00	Steady	x
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$10/11.00	Steady	x
France/Germany to Saudi Arabia: 50/60,000	\$20/21.00	Steady	x
France/Germany to South Africa: 30,000 m/t	\$32/33.00	Steady	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)	\$25/26.00	Steady	x
Argentina to China: 50,000 m/t, with top-off	\$33/34.00	Steady	x
Argentina to Japan: 50,000 m/t, with top-off	\$34/35.00	Steady	x
Argentina to Egypt: 50,000 m/t	\$24/25.00	Steady	x
Argentina to Europe: 50/60,000 m/t	\$20/21.00	Down \$1.00	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$22/23.00	Steady	x
Argentina to Saudi Arabia: 25/30,000 m/t	\$42/43.00	Steady	x
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$31/32.00	Up \$1.00	x
Argentina to Spain: 30,000 m/t	\$22/23.00	Steady	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$25/26.00	Steady	X
Argentina to US Gulf: 25/35,000 m/t	\$17/18.00	Steady	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$25/26.00	Steady	x
Brazil to China: 55,000 m/t	\$24/25.00	Down \$1.00	x
Brazil to Japan: 55,000 m/t	\$25/26.00	Down \$1.00	x
Brazil to Europe: 30,000 m/t	\$28/29.00	Steady	x
Brazil to Morocco: 25/30,000 m/t	\$24/25.00	Steady	X



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Brazil to Saudi Arabia 30/40,000 m/t	\$36/37.00	Down \$1.00	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	\$19.50/20.00	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$20.00/20.50	Steady	X
Australia to Saudi Arabia: 40-55,000 m/t	\$25/26.00	Down \$1.00	x
Ukraine to China: 50,000 m/t	\$27/28.00	Steady	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$13/14.00	Steady	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)	\$14/15.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$15/16.00	Steady	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)	\$35/36.00	Up \$1.00	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$14/15.00	Steady	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$12/13.00	Steady	x
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$19/20.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$19/20.00	Steady	x
Black Sea to South Africa – 30,000 m/t	\$35/36.00	Steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$15/16.00	Steady	x
Baltic Dry Index	822	Down 79	X
Baltic Capesize Index	753	Down 333	x
Baltic Panamax Index	1062	Down 29	X
Baltic Supramax Index	732	Down 22	X
Baltic Handysize Index	471	Up 4	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 July 2017/September 2017

Wheat, USA Soft Red Winter, NOLA	USD 222/231	x
Wheat, USA Hard Red Winter 12 protein -NOLA	USD 267/273 high protein premium	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/183	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 186/190	x
Wheat, Romania 12.5 pro	USD 183/187	x
Wheat, Superior, France, Rouen	USD 197/200	x
Wheat, milling, 12.0%, Argentina, upriver	USD 197/200 new crop	x
Wheat, feed, Black Sea	USD 171/176	x
Barley, France, Rouen port	USD 169/171	x
Barley, feed, Argentina	USD 156/160	x
Barley, feed, Black Sea, 30,000+	USD 157/160	x
Barley, feed, USA Pacific Northwest	USD 210/215	x
Corn, FOB NOLA USA	USD 166/168	X



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Corn, FOB USA Pacific northwest	USD 175/177	X
Corn, FOB Argentina port, upriver	USD 152/155 Aug/Sep	x
Corn, FOB Brazil port	USD 154/157 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 172/175	x
Corn, FOB France	USD 198/206	x
Corn, FOB Romania	USD 170/173	x
Corn, FOB Russia	USD 167/170	x
Sorghum, FOB Texas	USD 197/200	X
Sorghum, FOB Argentina port	USD 143/146	x
Soymeal, 48% protein, FOB NOLA	USD 360/363	X
Soymeal, 48% protein, USA, Rotterdam	USD 385/388	x
Soymeal, Argentina, Rotterdam	USD 348/351	x
Soymeal, 47% pro, FOB Argentina	USD 328/331	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 343/346	X
Soymeal, 48% protein, FOB Brazil	USD 316/319	X
Soymeal, 48% protein, FOB India	USD 360/365	x
Soybeans, FOB NOLA	USD 383/386	x
Soybeans, Argentina, FOB	USD 379/382	x
Soybeans, Brazil, FOB	USD 383/386	x
Soybeans, Black Sea	USD 367/372	x
Corn Gluten Meal, USA FOB NOLA	USD 620/630 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 144/147 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 164/167 m/t	X

It was quite a strong week for corn by product prices with everything moving higher as prices tended to follow what soymeal prices were doing. Domestic US soymeal prices were up by USD 22 m/t or more and this pushed up the asking prices for most corn by products.

According to the USDA, corn gluten feed prices were up by as much as USD 20 m/t in some parts of the US with corn gluten meal up by at least USD 10 m/t and DDGS seen to be USD 10 m/t.

The export prices for all byproducts were also very strong with DDGS said to be up by about USD 10 m/t with similar export price increases seen in CGM and CGF.

Some of the domestic price increases were seen in the export markets at once with all corn byproducts moving higher. Depending on what soymeal prices do in the next week there is probably room for all byproduct prices to move higher as they are now priced a little under the normal relationship against soymeal.

The USDA issued its Grain Crushing report this week and it shows corn use for ethanol is up 3 percent from last month but up 6 percent on the year. DDGS, an ethanol by product, is also up on the month by about 9 percent over last month and 3 percent up on the year – May production for DDGS was at 1.9 million m/t. Corn gluten meal production was about unchanged at 92,000 m/t while corn gluten feed production was down a little at 341,000 m/t for the month. As a comparison, the US soymeal production for feed use was at 3.4 million m/t for May down 2% on 2016 production.

Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50% protein	USD 410/420 m/t CNF Asia
Argentina poultry meal, 57/60% protein	USD 540/550 m/t CNF Asia



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Argentina feathermeal, 78/80% protein	USD 490/500 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 400/410 m/t CNF Asia
Australian MBM 45% protein	USD 440/450 m/t CNF Asia
Australian MBM 50% protein	USD 490/510 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 540/550 m/t CNF Asia
Australian Poultry Meal, pet food	USD 800/810 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 490/500 m/t CNF Asia
USA Feathermeal, 80% protein	USD 510/520 m/t CNF Asia
USA Poultry Meal, feed grade	USD 620/630 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/820 m/t CNF Asia

Animal protein export prices in to major markets in Asia moved lower again this week with meat and bone meal prices said to be down by USD 10 to 20 m/t with buyers bidding even lower. Buyers are convinced that prices should be moving lower. However, recent weakness in both feathermeal and poultry meal prices has brought buyers back to the game and demand is strong.

It is interesting to note that even with US export prices a little lower, the US domestic market for meat and bone meal seems to want to move higher. While prices for spot business are higher there are some bargains to be seen in buying out a few weeks.

US experts on animal proteins feel that the price trend is now up – following soymeal prices.

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

Fishing in Peru is still moving along, the north is now up to about 2.3 million m/t against the 2.8 mm/t quota with the south at 180,000 m/t against a quota of 515,000 m/t. While the numbers do continue to increase, the daily catch levels have been much smaller due to poor fishing weather. The southern quota has ended, as of June 30, with the new quota of 515,000 coming into effect at once. There is not too much to say on prices as business has been slow – with the poor fishing, producers have not been too interested in offering fishmeal and as it is getting more and more likely that the northern quota will not all be landed, no one much wants to go short fishmeal.

As an aside, MSI Ceres reports that a cyberattack in Peru this week knocked out computers at the Maersk container facility in Callao which created a lot of havoc in the container loading. All is expected to be up and operating again shortly but loading and shipping has been delayed somewhat.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,430
Danish fishmeal	64% protein	1,320
Peru fishmeal	64% protein	1,240
Chile fishmeal	67% protein	1,290
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**



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<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65% protein	1000/1020 m/t	
65/66 protein	1050/1060 m/t	
67% protein standard steam	1080/1090 m/t	
67% protein 150 TVN	1210/1220 m/t	1230/1250
67% protein 120 TVN	1270/1280 m/t	1290/1310
67% protein 1000 hist, 120 TVN	1300/1320 m/t	1330/1350
68% protein 500 hist, 120 TVN	1350/1370 m/t	1350/1370
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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