



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

## WEEKLY FEED GRAIN AND PROTEIN REPORT October 29, 2016 --- week 43

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This week from Mumbai after a great time at a four-day wedding in Ahmedabad. It is now Diwali in India – the Hindu festival of lights – a great time to be here. Back in the office for next week's report.

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

In the US, things were quite quiet on the corn front with export prices moving up a little due to logistic problems but not much happening in the futures and cash markets. The US corn harvest is moving along quickly and some areas in the US are all but completed their harvest. This weekend will see a strong push toward finishing the corn harvest in much of the US.

There are some experts in the US who feel that corn prices have now seen their seasonal low and that it will be onward and upward from now on and this looks quite sensible according to past year's harvest history.

Soybeans had a strong week with soybean prices up by US 8 to 10 m/t and soymeal up by USD 10 to 12 m/t. While soybeans and soymeal did have a strong up week on the futures market they did both have a down day on Friday due somewhat to the expected strong finish to the soybean harvest over this weekend. Come Monday there will be very little left to harvest and elevators will be bulging with soybeans. The upward push in soybeans this week was said to be pushed by rainy weather in Argentina that is slowing their planting progress.

Some exports are looking for soybean prices to slowly move higher as good export demand continues to keep the trend to higher prices looking good. We will have to see if the weight of a big harvest can push prices lower or if the strong export sales can keep them steady to higher --- most seem to feel that overall the trend will be steady and "perhaps" higher.

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

<b><u>Condition</u></b> <b><u>USA</u></b> <b><u>Oct 25, 2016</u></b>	<b><u>Very</u></b> <b><u>poor</u></b>	<b><u>Poor</u></b>	<b><u>Fair</u></b>	<b><u>Good</u></b>	<b><u>Excellent</u></b>
Winter wheat	1	6	34	48	11
<b><u>Harvested</u></b>	Oct 25 2016	Five year average			
Corn	70%	62%			
Soybeans	84%	76%			
Sorghum	68%	58%			
Winter wheat planted	81%	82%			
<b><u>Condition</u></b> <b><u>France</u></b> <b><u>Oct 24, 2016</u></b>	<b><u>Very</u></b> <b><u>poor</u></b>	<b><u>Poor</u></b>	<b><u>Fair</u></b>	<b><u>Good</u></b>	<b><u>Excellent</u></b>
Corn	7	14	26	45	8

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<b>Harvested</b>	<u>2016</u>	<u>2015</u>			
Corn	60%	69%			
<u>Winter crops planted</u>	<u>2016</u>	<u>2015</u>			
Wheat – soft	60%	72%			
Wheat - hard	6%	25%			
Barley	74%	88%			

@USDA and France AgriMer

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15.50/16.00	Down \$1.00	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$23/24.00	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)	\$28/29.00	steady	x
US Gulf Nigeria: 30,000 m/t	\$51/52.00	steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$29/30.00	steady	x
US Gulf Japan: Panamax	\$31/32.00	Steady	x
US Gulf China: Panamax	\$30/31.00	Steady	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$17/18.00	steady	x
US PNW China: Panamax	\$16/17.00	steady	x
US East Coast Egypt: Panamax	\$43/44.00	Steady	x
US East Coast Nigeria: Handisize	\$49/50.00	Up \$1.00	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$28/29.00	Up \$1.00	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$28/29.00	Up \$1.00	x
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$34/35.00	steady	x
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$27/28.00	Up \$1.00	x
France/Germany to Saudi Arabia: 50/60,000	\$39/40.00	Up \$1.00	x
France/Germany to South Africa: 30,000 m/t	\$36/37.00	Steady	x
France/Germany to Yemen: 30,000 m/t	\$53/54.00	Up \$1.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$31/32.00	Up \$1.00	x
Argentina to China: 50,000 m/t, with top-off	\$29/30.00	Up \$1.00	x
Argentina to Japan: 50,000 m/t, with top-off	\$31/32.00	Up \$1.00	x
Argentina to Egypt: 50,000 m/t	\$26/27.00	Up \$1.00	x
Argentina to Europe: 50/60,000 m/t	\$28/29.00	Up \$1.00	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$30/31.00	Up \$1.00	x
Argentina to Saudi Arabia: 25/30,000 m/t	\$45/46.00	Up \$1.00	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	\$31/32.00	Up \$1.00	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$31/32.00	Up \$1.00	x
Brazil to Algeria: 25/30,000 m/t	\$31/32.00	steady	x
Brazil to China: 55,000 m/t	\$22/23.00	Steady	x
Brazil to Japan: 55,000 m/t	\$24/25.00	Steady	x

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Brazil to Europe: 30,000 m/t	\$27/28.00	Up \$1.00	x
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$41/42.00	Up \$1.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$24/25.00	steady	x
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	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	\$23/24.00	Steady	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)	\$28/29.00	Up \$1.00	x
Ukraine to East Med: coaster (1,000 disch)	\$23/24.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$11/12.00	Steady	x
Black Sea to Egypt: 30,000 m/t (8,000 disch)	\$11/12.00	Steady	x
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$23/24.00	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$27/28.00	Steady	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$25/26.00	Steady	x
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$12/13.00	Down \$1.00	x
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$18/19.00	Steady	x
Black Sea to Saudi Arabia – Jeddah – 50k	\$25/26.00	Steady	x
Black Sea to South Africa – 30,000 m/t	\$33/34.00	steady	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$17/18.00	Steady	x
Baltic Dry Index	834	Down 8	x
Baltic Capesize Index	1417	Down 158	x
Baltic Panamax Index	913	Down 2	x
Baltic Supramax Index	722	Up 22	x
Baltic Handisize Index	433	Up 6	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 November 2016/January 2017

Wheat, USA Soft Red Winter, NOLA	USD 187/189	x
Wheat, USA Hard Red Winter 12 protein	USD 197/200	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 172/175	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 175/178	x
Wheat, Romania 12.5 pro	USD 175/178	x
Wheat, Superior, France, Rouen	USD 186/188	x
Wheat, milling, 12.0%, Argentina, upriver	USD 166/170 Jan 2017	x
Wheat, feed, Black Sea	USD 164/167	x
Barley, France, Rouen port	USD 155/157	x
Barley, feed, Argentina	USD 149/152	x
Barley, feed, Black Sea, 30,000+	USD 158/162	x
Barley, feed, USA Pacific Northwest	USD 176/179	x
Corn, FOB NOLA USA	USD 169/172	x

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Corn, FOB USA Pacific northwest	USD 179/181	x
Corn, FOB Argentina port, upriver	USD 179/182	x
Corn, FOB Brazil port	USD 191/194	x
Corn, FOB Black Sea, 30,000+ m/t	USD 166/170	x
Corn, FOB France	USD 188/191	x
Corn, FOB Romania	USD 173/176	x
Sorghum, FOB Texas	USD 172/175	x
Sorghum, FOB Argentina port	USD 164/168	x
Soymeal, 48% protein, FOB NOLA	USD 379/382	x
Soymeal, 48% protein, USA, Rotterdam	USD 404/407	x
Soymeal, Argentina, Rotterdam	USD 383/386	x
Soymeal, 47% pro, FOB Argentina	USD 355/358	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 375/378	x
Soymeal, FOB Brazil	USD 355/358	x
Soymeal, 48% protein, India FAQ	USD 540/545	x
Soybeans, FOB NOLA	USD 400/404	x
Soybeans, Argentina, FOB	USD 405/408	x
Soybeans, Brazil, FOB	USD 415/418	x
Soybeans, Black Sea	USD 410/415	x
Corn Gluten Meal, USA FOB NOLA	USD 570/580 m/t	x
Corn Gluten Meal, CNF Egypt	USD 640/650 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 160/165 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 174/178 m/t	x

Corn by-product prices in the US were largely unchanged this week or perhaps down just a little for corn gluten meal and corn gluten feed exports. DDGS exporters are saying that their prices are moving higher as there has been some decent buying demand from Asia. Perhaps the US Grains Council's Export Exchange conference in Detroit this week got some of the 400 attending export buyers placing new orders – I hear that it was a great event.

On the export side of things, the increasing cost of transport logistics in the US will probably push up the price of corn by-products for export, as the harvest demand for domestic transport is making logistic costs creep higher. Some reports show export prices for DDGS up by close to USD 10 m/t due to higher transportation costs. This tight logistics situation could last for several weeks or perhaps longer – depending entirely on grain the harvest.

### Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 420/440 m/t CNF Asia
Argentina poultry meal, 57/60 protein	USD 530/540 m/t CNF Asia
Argentina feather meal, 78/80 protein	USD 460/470 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 410/420 m/t CNF Asia
Australian MBM 45 protein	USD 440/450 m/t CNF Asia
Australian MBM 50 protein	USD 490/500 m/t CNF Asia
Australian Feather meal, 80 protein	USD 520/530 m/t CNF Asia
Australian Poultry Meal, pet food	USD 790/810 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 460/480 m/t CNF Asia
USA Feather meal, 80 protein	USD 460/480 m/t CNF Asia
USA Poultry Meal, feed grade	USD 560/580 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 740/760 m/t CNF Asia

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Meat and bone meal export business is reported to have been quite slow this week as buyers didn't seem to be too interested in new purchases and OZ/NZ sellers weren't aggressive in their new sales efforts. However, there were some reports that a little new business had been done in Asia at slightly higher prices.

USA export prices for animal proteins seemed to be quite steady in a slow sales week but there are reports that MBM export prices may be just a little lower from some exporters – due to very good domestic supply in the US.

Experts are saying that MBM prices will be steady to lower for the next couple of weeks but that feathermeal and poultry meal could trend higher – at least for US product.

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

The IFFO Conference in Bangkok finished on Wednesday and all the attendees are making their way back home. So far there are few stories or rumors about new business being done at the conference but I am sure that this information will filter out over the next few days. Looking at the details of the program and the speakers, it certainly looks like there was a great deal of very good industry info available.

Next week will should be able to report on any exciting developments in Bangkok.

In the USA, the government has increased the Atlantic quota on landings for menhaden to 200,000 m/t, up from about 187,000 m/t. Omega Protein is the largest producer of fishmeal from the US Atlantic and is very pleased with the increase and expects to land about 150,000 m/t of the quota. Omegas has also said that research indicates that the quota could have been higher but they feel that the level set is very good for maintaining safe fish stocks.

In the EU the decision has been approved for the use of wild starfish for the manufacture of fishmeal for poultry and pig use. However the use will be limited to areas where the starfish population is multiplying and is seen as a threat to aquaculture production. Starfish have been a problem for mussel producers in the EU and this will allow them to better control the starfish population while finding a valuable use for the starfish. According to industry experts, starfish were never purposely not allowed for fishmeal production, their use was just never included in the list of approved fishmeal sources – seems that no one thought much about starfish.

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

Type	Protein %	Price per m/t USD	Cost per protein unit
Herring fishmeal	72% protein	1,790	24.86
Danish fishmeal	64% protein	1,490	23.28
Peru fishmeal	64% protein	1,580	24.70
Chile fishmeal	67% protein	1,680	25.07
Iceland fishmeal	70% protein	1,845	26.36

### PERU "INDICATION" FISHMEAL PRICES:

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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
	<u>New crop prices for the Peru November fishing quota</u>	
65% protein	1330/1340 m/t	
65/66 protein	1360/1370 m/t	1300/1320
67% protein standard steam	1400/1410 m/t	1350/1370
67% protein 150 TVN	1440/1450 m/t	1380/1400
67% protein 120 TVN	1480/1490 m/t	1450/1470
67% protein 1000 hist, 120 TVN	1550/1560 m/t	1500/1520
68% protein 500 hist, 120 TVN	1560/1570 m/t	1550/1570
Fish oil, crude bulk	2150/2200	1700/1750
Fish oil, crude drums	2250/2300	
Fish oil, flexi tank	2400/2450	
Fish oil, Omega 3: 28%EPA/DHA	2800/3000	

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

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