



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

## WEEKLY FEED GRAIN AND PROTEIN REPORT November 26, 2016 --- week 47

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

There is a little less information in the report this week as many of the information sources are US based and didn't work on Thursday or Friday. While the futures market was open on Friday most of the excitement came from earlier in the week.

On the futures side of things, corn prices were up by USD 1.50 to 2.00 m/t while soybeans took a good jump higher and were up by almost USD 20 m/t followed by soymeal at USD 10 m/t higher.

According to the experts, the rally in both beans and meal was partially a computer reaction to the market hitting a computerized buy signal. The very good soybean export report on Friday got prices moving a little then the computers took over and pushed prices higher. According to the USDA, the reported export sales are at the highest level ever recorded this early in crop year and, to-date, export sales and shipments represent 72% of the total USDA annual forecast. Sounds like some good reasons for a soybean price rally. Of course, with many people on holiday it may just be that a few orders pushed prices too high and all may drop down again next week -- we will see.

One interesting thing with soybeans is that the weather in South America looks good for soybeans and the crop forecast just gets bigger and bigger – will these strong soybean prices still be there when Brazil starts to ship.

Corn had a very quiet week. Normally, when you get a big rally, as we saw in soybeans this week, it would pull corn prices higher but not so this week. Brazil's corn crop is expected to be much larger in 2017 than 2016 and this is weighing on the market and the weather in Argentina looks good for the corn planting. However, on the bullish side has been the US corn exports that just keep chugging along as the US, for now, is about the only corn game in town. The Ukraine will start appearing in the corn market much more strongly in the Middle East and Africa in coming weeks which will take away a little from US corn export levels but this was expected and shouldn't have much of an effect on export prices.

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

<b>Condition USA Nov 15, 2016</b>	<b>Very poor</b>	<b>Poor</b>	<b>Fair</b>	<b>Good</b>	<b>Excellent</b>
Winter wheat	2	7	32	49	10
<b><u>Harvested</u></b>	Nov 22 2016	Five year average			
Corn	97%	96%			
Sorghum	94%	92%			
Winter wheat planted	97%	99%			



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<b>Condition France Nov 21, 2016</b>	<b>Very poor</b>	<b>Poor</b>	<b>Fair</b>	<b>Good</b>	<b>Excellent</b>
Corn	7	14	26	45	8
Wheat - soft	0	0	6	67	27
Barley	0	0	7	69	23
<b>Harvested</b>	<u>2016</u>	<u>2015</u>			
Corn	98	98			
<u>Winter crops planted</u>	<u>2016</u>	<u>2015</u>			
Wheat – soft	98%	98%			
Wheat - hard	85%	94%			
Barley	100%	100%			

@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)	\$16/16.50	Down \$1.00	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$24/25.00	Steady	x
US Gulf Israel: 50,000 MT	\$24/25.00	Steady	x
US Gulf to Egypt: Panamax(6,000 disch)	\$23/24.00	Steady	x
US Gulf Turkey: 50,000	\$25/26.00	Steady	x
US Gulf Morocco: 30,000(5,000 disch)	\$32/33.00	Up \$2.00	X
US Gulf Nigeria: 30,000 m/t	\$54/55.00	Up \$2.00	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$34/35.00	Up \$2.00	X
US Gulf Japan: Panamax	\$33/34.00	Steady	X
US Gulf China: Panamax	\$32/33.00	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	\$46/47.00	Up \$2.00	X
US East Coast Nigeria: Handisize	\$52/53.00	Up \$2.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$29/30.00	Steady	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$24/25.00	Down \$2.00	x
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$36/37.00	Up \$1.00	x
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$28/29.00	Steady	x
France/Germany to Saudi Arabia: 50/60,000	\$40/41.00	Steady	x
France/Germany to South Africa: 30,000 m/t	\$38/39.00	Steady	x
France/Germany to Yemen: 30,000 m/t	\$54/55.00	Steady	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$31/32.00	Steady	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	Steady	x
Argentina to Europe: 50/60,000 m/t	\$29/30.00	Steady	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$30/31.00	Steady	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$46/47.00	Steady	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$31/32.00	Up \$1.00	X



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Argentina to Spain: 30,000 m/t	\$30/31.00	Steady	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$31/32.00	Steady	x
Brazil to Algeria: 25/30,000 m/t	\$31/32.00	Up \$1.00	x
Brazil to China: 55,000 m/t	\$23/24.00	Up \$2.00	X
Brazil to Japan: 55,000 m/t	\$25/26.00	Up \$2.00	x
Brazil to Europe: 30,000 m/t	\$29/30.00	Up \$1.00	x
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Up \$1.00	x
Brazil to Saudi Arabia 30/40,000 m/t	\$44/45.00	Up \$1.00	x
Brazil to Turkey/Egypt: 50,000 m/t	\$26/27.00	steady	x
Australia to China: 40-55,000 m/t – round trip	\$19.00/19.50	Up \$0.50	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	Up \$0.50	x
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Up \$2.00	x
Ukraine to China: 50,000 m/t	\$27/28.00	Up \$1.00	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$29/30.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00	Steady	x
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$13/14.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$14/15.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00	Steady	x
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$29/30.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$26/27.00	Down \$1.00	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$15/16.00	Steady	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$21/22.00	Up \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$28/29.00	Up \$1.00	x
Black Sea to South Africa – 30,000 m//t	\$36/37.00	Up \$1.00	x
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$21/22.00	Up \$2.00	x
Baltic Dry Index	1181	Down 76	x
Baltic Capesize Index	2263	Down 489	x
Baltic Panamax Index	1389	Up 1	X
Baltic Supramax Index	908	Up 99	X
Baltic Handisize Index	520	Up 54	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 December 2016/February 2017

Wheat, USA Soft Red Winter, NOLA	USD 182/185	x
Wheat, USA Hard Red Winter 12 protein	USD 201/204	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/183	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 182/184	x
Wheat, Romania 12.5 pro	USD 182/185	x
Wheat, Superior, France, Rouen	USD 187/189	x
Wheat, Medium, France, Rouen	No prices	x
Wheat, milling, 12.0%, Argentina, upriver	USD 170/173 Jan 2017	X
Wheat, feed, Black Sea	USD 170/172	X



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Barley, France, Rouen port	USD 156/158	x
Barley, feed, Argentina	USD 161/164 new crop	x
Barley, feed, Black Sea, 30,000+	USD 160/164	X
Barley, feed, USA Pacific Northwest	USD 177/180	x
Corn, FOB NOLA USA	USD 164/167	X
Corn, FOB USA Pacific northwest	USD 169/172	x
Corn, FOB Argentina port, upriver	USD 182/185	X
Corn, FOB Brazil port	USD 185/188	x
Corn, FOB Black Sea, 30,000+ m/t	USD 167/170	x
Corn, FOB France	USD 181/183	x
Corn, FOB Romania	USD 170/173	x
Sorghum, FOB Texas	USD 170/174	X
Sorghum, FOB Argentina port	USD 165/168	x
Soymeal, 48% protein, FOB NOLA	USD 367/370	x
Soymeal, 48% protein, USA, Rotterdam	USD 392/395	X
Soymeal, Argentina, Rotterdam	USD 374/377	X
Soymeal, 47% pro, FOB Argentina	USD 346/349	X
Soymeal, 48% protein, Brazil, Rotterdam	USD 364/367	X
Soymeal, 48% protein, FOB Brazil	USD 338/341	x
Soybeans, FOB NOLA	USD 405/408	x
Soybeans, Argentina, FOB	USD 413/415	x
Soybeans, Brazil, FOB	USD 420/424	X
Soybeans, Black Sea	USD 393/397	X
Corn Gluten Meal, USA FOB NOLA	USD 580/590 m/t	X
Corn Gluten Meal, CNF Egypt	USD 660/670 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 155/160 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 173/176 m/t	x

As with everything else, the short work week in the US has reduced the market activity and information available this week. According to the USDA domestic price list, corn gluten meal was up by USD 7 to 10 m/t on average with corn gluten feed up by USD 6 m/t and DDGS up by USD 3 to 5 m/t.

### Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 410/430 m/t CNF Asia
Argentina poultry meal, 57/60 protein	USD 530/540 m/t CNF Asia
Argentina feathermeal, 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 Feathermeal, 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 480/500 m/t CNF Asia
USA Feathermeal, 80 protein	USD 500/510 m/t CNF Asia
USA Poultry Meal, feed grade	USD 580/600 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 750/770 m/t CNF Asia



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According to this week' Jacobsen Report, there is quite a bit of downward pressure on animal protein prices. Supplies of meat and bone meal are reported to be very good in the USA and, although prices were a little higher in Asia, no one seems to be expecting a sudden rush to higher prices.

According to USDA domestic prices it looks like MBM prices are a little lower most everywhere while US feathermeal prices look to be about USD 10 m/t higher.

The Thanksgiving holiday in the US reduced their trading days to just three for the week – so not too much happened. But the rally in soybeans and soymeal may just give some strength to animal protein prices next week.

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

Fishing continues in Peru with more than ten percent of the quota landed so far. Also, according to trade reports the level of juvenile fish in the catch is dropping and in most areas now sees the percentage close to or below the maximum level allowed.

New sales are quite slow at present with buyers waiting for lower prices while sellers are busy making fishmeal and covering the orders already on the books. No one seems to be in too much of a hurry to do a scad of new fishmeal business.

According to at least one trade report this week, it seems unlikely that the full quota will be landed. At the current average daily catch level of 20,000 m/t there needs to be 90 days left to catch the quota and we don't have 90 days.

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

Type	Protein %	Price per m/t USD	Cost per protein unit
Herring fishmeal	72% protein	1,640	22.78
Danish fishmeal	64% protein	1,430	22.34
Peru fishmeal	64% protein	1,525	23.83
Chile fishmeal	67% protein	1,650	24.62
Iceland fishmeal	70% protein	1,670	23.86

### 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
	<u>New crop prices for the Peru November fishing quota</u>	
65% protein	1300/1310 m/t	
65/66 protein	1350/1360 m/t	



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67% protein standard steam	1380/1400 m/t	1430/1450
67% protein 150 TVN	1400/1420 m/t	1450/1470
67% protein 120 TVN	1450/1470 m/t	1500/1520
67% protein 1000 hist, 120 TVN	1500/1520 m/t	1550/1570
68% protein 500 hist, 120 TVN	1550/1570 m/t	1600/1620
Fish oil, crude bulk	1950/2000	1650/1700
Fish oil, crude drums	2050/2100	
Fish oil, flexi tank	2150/2200	
Fish oil, Omega 3: 28%EPA/DHA	2700/2800	

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

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