



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT January 28, 2017

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

It was a down week for US grain and oilseed prices this week --- not a major down week but just a nice slide lower – especially for soybeans which were lower by about USD 6 m/t followed by soymeal at about USD 5 m/t lower. Corn and wheat prices were also down on the week but not really enough to get excited about with both being down by no more than about USD 2 m/t.

According to trade reports, the grain business has gone very quiet – at least for the week. There has been some good news from Brazil in that all the corn crop has been planted with little or no problem – no serious trouble due to flooding and the Brazil weather now looks good for starting the new crop off. One question that has surfaced about corn is the relationship of the US with Mexico now that Donald Trump is the man --- will Mexico still be the major export destination for US corn. Of course, a bad relationship with Mexico could also affect US soybean and sorghum exports. It will be interesting to see what develops as Mexico does need the grain and the US is right next door.

On soybeans, the flooding in Argentina has had an effect on the projected crop with the government showing soybean crop forecasts that are about 6 percent lower than the recent USDA soybean crop estimates. While soybeans and soymeal were both down on the week many experts are saying that almost any small event could start a rally in soybean prices --- so watch for negative weather events in Argentina.

There was the comment in a couple of trade reports that the verbal sparring between the US and Mexico may not be as bad as the news reports would have us believe and that both countries need each other's business, no matter what is said about immigration. Perhaps NAFTA will survive all of this rhetoric.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$15.00/15.50	Up \$0.50	x
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$24/25.00	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)	\$22/23.00	Steady	X
US Gul Algeria/Tunisia: 30,000 (3,000 disch)	\$24/25.00	Steady	X
US Gulf Nigeria: 30,000 m/t	\$52/53.00	Steady	x
US Gulf other Med: 30,000 MT(5,000 disch)	\$26/27.00	Steady	x
US Gulf Japan: Panamax	\$35/36.00	Steady	x
US Gulf China: Panamax	\$33/34.00	Steady	x
US PNW South Africa – 40,000 m/t	\$37/38.00	Steady	x
US PNW Japan: Panamax	\$18/19.00	Steady	x
US PNW China: Panamax	\$17/18.00	Steady	x
US East Coast Egypt: Panamax	\$45/46.00	Steady	x



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US East Coast Nigeria: Handisize	\$53/54.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$22/23.00	Down \$1.00	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)	\$35/36.00	Steady	x
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Down \$1.00	x
France/Germany to Saudi Arabia: 50/60,000	\$27/28.00	Steady	x
France/Germany to South Africa: 30,000 m/t	\$36/37.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$51/52.00	Down \$1.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$30/31.00	Up \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$30/31.00	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	\$25/26.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$23/24.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00	Down \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$45/46.00	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	Up \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$30/31.00	Up \$1.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$31/32.00	Down \$1.00	X
Brazil to China: 55,000 m/t	\$24/25.00	Up \$1.00	X
Brazil to Japan: 55,000 m/t	\$26/27.00	Up \$1.00	x
Brazil to Europe: 30,000 m/t	\$30/31.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$28/29.00	Steady	X
Brazil to Saudi Arabia 30/40,000 m/t	\$40/41.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$24/25.00	Steady	X
Australia to China: 40-55,000 m/t – round trip	\$18.00/18.50	Steady	X
Australia to Japan: 40-55,000 m/t – round trip	\$18.50/19.00	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	\$25/26.00	Down \$1.00	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$17/18.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$27/28.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$17/18.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$27/28.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$25/26.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$21/22.00	Steady	X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$13/14.00	Steady	X
Black Sea to Jordan: 50,000 m/t (4,000 disch)	\$20/21.00	Down \$1.00	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$23/24.00	Down \$1.00	X
Black Sea to South Africa – 30,000 m/t	\$34/35.00	Down \$1.00	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	Steady	x
Baltic Dry Index	827	Down 98	x
Baltic Capesize Index	1239	Down 371	x
Baltic Panamax Index	968	Down 2	x
Baltic Supramax Index	692	Down 26	x
Baltic Handisize Index	419	Down 22	x



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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 February 2017/April 2017

Wheat, USA Soft Red Winter, NOLA	USD 186>>182	x
Wheat, USA Hard Red Winter 12 protein	USD 204>>201	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/184	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 183/186	x
Wheat, Romania 12.5 pro	USD 184/188	x
Wheat, Superior, France, Rouen	USD 191/193	x
Wheat, milling, 12.0%, Argentina, upriver	USD 179/182	x
Wheat, feed, Black Sea	USD 171/175	x
Barley, France, Rouen port	USD 162/164	x
Barley, feed, Argentina	USD 153/158	x
Barley, feed, Black Sea, 30,000+	USD 169/171	x
Barley, feed, USA Pacific Northwest	USD 185/195	x
Corn, FOB NOLA USA	USD 168>>164	x
Corn, FOB USA Pacific northwest	USD 182>>175	x
Corn, FOB Argentina port, upriver	USD 170/176	x
Corn, FOB Brazil port	USD 181/184	x
Corn, FOB Black Sea, 30,000+ m/t	USD 167/172	x
Corn, FOB France	USD 188/190	x
Corn, FOB Romania	USD 172/175	x
Sorghum, FOB Texas	USD 168/172	x
Sorghum, FOB Argentina port	USD 158/162	x
Soymeal, 48% protein, FOB NOLA	USD 395/400	x
Soymeal, 48% protein, USA, Rotterdam	USD 420/425	x
Soymeal, Argentina, Rotterdam	USD 390/395	x
Soymeal, 47% pro, FOB Argentina	USD 366/370	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 380/385	x
Soymeal, 48% protein, FOB Brazil	USD 348/353	x
Soybeans, FOB NOLA	USD 400/405	x
Soybeans, Argentina, FOB	USD 400/405	x
Soybeans, Brazil, FOB	USD 403/408	x
Soybeans, Black Sea	USD 400/405	x
Corn Gluten Meal, USA FOB NOLA	USD 610/620 m/t	x
Corn Gluten Meal, CNF Egypt	USD 690/700 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 145/150 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 153/157 m/t	x

There haven't been any major changes in corn by-product prices this week – corn gluten meal was up a little from some exporters with DDGS prices also a little higher in export markets --- although the domestic prices for DDGS in the US seemed to be a little lower.



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The US Grains Council's weekly Market Perspectives report was saying the DDGS prices in export ports were up by about USD 8 m/t but this seems just a little higher than trade reports would suggest.

Soymeal prices were a little lower this week but this did not seem to have any effect on corn by-product prices but then soymeal was only down by about USD 5 m/t. However, if the price of soymeal drifts lower then DDGS and corn gluten meal should follow.

Also, for corn gluten meal, with fishmeal prices moving a little lower this could affect the export demand for CGM and may cause CGM prices to drop.

## Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 420/430 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 420/430 m/t CNF Asia
Australian MBM 45 protein	USD 460/470 m/t CNF Asia
Australian MBM 50 protein	USD 510/520 m/t CNF Asia
Australian Feathermeal, 80 protein	USD 530/540 m/t CNF Asia
Australian Poultry Meal, pet food	USD 770/790 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 450/470 m/t CNF Asia
USA Feathermeal, 80 protein	USD 530/540 m/t CNF Asia
USA Poultry Meal, feed grade	USD 570/590 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 820/840 m/t CNF Asia

Animal protein business from Asia is expected to fall off over the next few days as the Chinese New Year holidays take effect in many countries. There was a little flurry of demand just prior to the holidays but not enough to change market prices much. Business from both Australia and New Zealand was quiet into the main Asian markets.

There was little or no change in the export prices for any animal protein items this week. However, in the US domestic market, feathermeal moved a little higher while, according to the Jacobsen report, meat and bone meal prices were feeling a little soft.

There doesn't seem to be much of a price trend in the animal protein market at present – it is just up a little then down a little and tends to follow soymeal price changes reasonably closely.

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

Well how is that for a great finish to the quota – the last numbers that I have are up to the 26<sup>th</sup> and show 1.95 million m/t (just over 450,000 m/t of fishmeal) landed which is certainly much better than anyone had expected. Final adjustments to the catch numbers may raise the total a little but no one at all should be unhappy with the catch to date.

The Southern Peru fishing is coming along a little but will now probably pick up as some vessels are expected to move south – total catch in the south is at about 13,000 m/t.

Prices in Peru have dropped a little this week from some exporters and this may be due to the Chinese being out of the market due to the New Year holiday. The MSI Ceres report this week say that they feel there is only about 50,000 m/t of fishmeal that is unsold – not much to cover from now

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to the next fishing season. MSI Ceres also says that there could be about 20,000 m/t in futures sales which may have to come out of the current balance or could be from the next season.

On the export side of things, China represents just a little over 70 percent of Peruvian fishmeal exports for 2016 with Germany being another 10 percent and if you add in Vietnam, Japan and Taiwan that covers about 90 percent of Peru's fishmeal exports.

Looking at China's imports (courtesy of MSI Ceres) – total fishmeal imports were 1.04 million m/t with 42% coming from Peru, 12% from Vietnam and 10% from the USA – the balance of imports came from 17 countries.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,520
Danish fishmeal	64% protein	1,380
Peru fishmeal	64% protein	1,370
Chile fishmeal	67% protein	1,450
Iceland fishmeal	70% protein	1,500

## **PERU "INDICATION" FISHMEAL PRICES:**

**ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS**  
**Minimum shipment of 200 m/t for fishmeal**

<u>Specification</u>	<u>Price per m/t FOB vessel Peru port</u>	<u>Price per m/t Chile port</u>
65% protein	1240/1250 m/t	
65/66 protein	1270/1280 m/t	
67% protein standard steam	1300/1310 m/t	1350/1370
67% protein 150 TVN	1380/1400 m/t	1400/1440
67% protein 120 TVN	1430/1450 m/t	1450/1470
67% protein 1000 hist, 120 TVN	1480/1500 m/t	1500/1520
68% protein 500 hist, 120 TVN	1530/1550 m/t	1580/1600
Fish oil, crude bulk	1550/1600	1500/1550
Fish oil, crude drums	1650/1700	
Fish oil, flexi tank	1800/1850	
Fish oil, Omega 3: 28%EPA/DHA	2000/2300	

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

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