



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT February 04, 2017

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

Soybeans and soymeal had an exciting week this week with both moving lower. Soybeans dropped by USD 8 to 10 m/t while soymeal was closer to USD 11 m/t lower. Market reports say that anticipation of wheat next week's USDA WASDE report has to say caused the weakness. There were some private estimates of soybean production in Brazil and Argentina that suggested that production will not be dropping at all.

Trade report also say that the soybean harvest in Brazil is moving along very quickly with little or nothing seen in rain delays. Of course in Brazil there is always the possibility of trucking delays and then there is the load ports and their history of delays.

While the soybean harvest in Brazil is racing along there are reports that the corn harvest in both Argentina and Brazil could see some rain delays – but this didn't seem to get the corn market excited at all.

Overall, the corn market was not exciting for the week except perhaps on Wednesday when the USDA cattle on feed report got corn buyers a little excited and then the grain crushing report showed US corn based ethanol production at near record levels.

But, the little bit of bullish news was not enough to push corn prices higher.

Looking at corn export prices, if you notice in the prices below the nearby corn prices are higher than this out a couple of months and this mainly due to the lack of loading positions in export ports. Everyone seems to be fully booked for export slots over the next few weeks. So that anyone wanting nearby shipment has to pay a significant price premium to get any grain.

And a quick mention of winter wheat prices in the US that are higher on the week due to strong export demand and a weaker US dollar. The US Wheat report this week says that the amount of time it takes to get wheat to export ports has increased from 15 to 30 days due to internal US transportation logistic. The extra days certainly add to the export prices.

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$14.50/15.00	Down \$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	Steady	x
US Gulf to Egypt: Panamax(6,000 disch)	\$22/23.00	Steady	x
US Gulf Turkey: 50,000	\$24/25.00	Steady	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)	\$27/28.00	Up \$1.00	x
US Gulf Japan: Panamax	\$35/36.00	Steady	x



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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
US East Coast Nigeria: Handisize	\$53/54.00	Steady	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$21/22.00	Down \$1.00	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Down \$1.00	x
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$34/35.00	Down \$1.00	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$26/27.00	Down \$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	\$50/51.00	Down \$1.00	x
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$28/29.00	Down \$2.00	X
Argentina to China: 50,000 m/t, with top-off	\$29/30.00	Down \$1.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$30/31.00	Down \$1.00	x
Argentina to Egypt: 50,000 m/t	\$24/25.00	Down \$1.00	X
Argentina to Europe: 50/60,000 m/t	\$22/23.00	Down \$1.00	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$25/26.00	Down \$2.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$44/45.00	Down \$1.00	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$28/29.00	Down \$2.00	X
Argentina to Spain: 30,000 m/t	\$24/25.00	Down \$1.00	X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$28/29.00	Down \$2.00	X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$29/30.00	Down \$2.00	X
Brazil to China: 55,000 m/t	\$24/25.00	Steady	X
Brazil to Japan: 55,000 m/t	\$26/27.00	Steady	X
Brazil to Europe: 30,000 m/t	\$29/30.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Down \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$39/40.00	Down \$1.00	X
Brazil to Turkey/Egypt: 50,000 m/t	\$23/24.00	Down \$1.00	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	Steady	X
Ukraine to China: 50,000 m/t	\$25/26.00	Steady	x
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$16/17.00	Down \$1.00	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	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00	Steady	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	Steady	x
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00	Down \$1.00	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	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$23/24.00	Steady	X
Black Sea to South Africa – 30,000 m//t	\$34/35.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$19/20.00	Steady	X
Baltic Dry Index	752	Down 75	x



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Baltic Capesize Index	981	Down 258	x
Baltic Panamax Index	922	Down 46	x
Baltic Supramax Index	667	Down 25	X
Baltic Handisize Index	382	Down 37	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 February 2017/April 2017

Wheat, USA Soft Red Winter, NOLA	USD 189>>185	x
Wheat, USA Hard Red Winter 12 protein	USD 213>>205	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/184	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 184/187	x
Wheat, Romania 12.5 pro	USD 186/189	x
Wheat, Superior, France, Rouen	USD 190/192	x
Wheat, milling, 12.0%, Argentina, upriver	USD 181/184	x
Wheat, feed, Black Sea	USD 171/175	x
Barley, France, Rouen port	USD 162/164	x
Barley, feed, Argentina	USD 155/160	x
Barley, feed, Black Sea, 30,000+	USD 166/169	x
Barley, feed, USA Pacific Northwest	USD 190/195	x
Corn, FOB NOLA USA	USD 168>>164	x
Corn, FOB USA Pacific northwest	USD 170>>164	x
Corn, FOB Argentina port, upriver	USD 178>>173	x
Corn, FOB Brazil port	USD 183/186	x
Corn, FOB Black Sea, 30,000+ m/t	USD 167/174	x
Corn, FOB France	USD 188/190	x
Corn, FOB Romania	USD 174/177	x
Sorghum, FOB Texas	USD 166/169	x
Sorghum, FOB Argentina port	USD 160/163	x
Soymeal, 48% protein, FOB NOLA	USD 382/387	x
Soymeal, 48% protein, USA, Rotterdam	USD 407/411	x
Soymeal, Argentina, Rotterdam	USD 381/386	x
Soymeal, 47% pro, FOB Argentina	USD 352/357	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 377/382	x
Soymeal, 48% protein, FOB Brazil	USD 342/347	x
Soybeans, FOB NOLA	USD 397/402	x
Soybeans, Argentina, FOB	USD 395/400	x
Soybeans, Brazil, FOB	USD 398/402	x
Soybeans, Black Sea	USD 397/402	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 151/155 m/t	x



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It is interesting to note that the US Grains Council Market Perspectives report this week points out that DDGS export prices have rallied by close to USD 15 m/t in the last month as export buyer have been taking advantage of the China related weakness in DDGS export prices. However, with USA domestic prices for DDGS weakening we could see some of this effect flow into export prices.

The USDA price report for the week had DDGS prices steady while corn gluten feed was up by only USD 1 m/t or so and while corn gluten meal was down by about USD 6 m/t.

One small problem with exports over the next while is that the shipment positions of filled for the next few weeks and it is almost impossible to buy anything for prompt shipment -- or if it can be bought there is a significant price premium to be paid.

The USDA issued their "grain crushing" report this week and it shows that monthly DDGS production was up by 100,000 m/t in December to 2.1 million m/t with corn gluten feed up by 40,000 m/t to 349,000 m/t and monthly corn gluten meal production up by 5,000 m/t to 89,000 m/t.

## 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 560/590 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 800/830 m/t CNF Asia

Due to the Chinese New Year holidays this week, the animal protein export business has been quite limited with only a little business from Indonesia seen in the market. About the only price that changed this week was a reported drop in export pet food grade poultry meal but this may just be a one-week anomaly in the market prices.

In the US domestic market, many of the major animal protein people were in Atlanta for the International Poultry Products Expo which helped make the market seem quite quiet. According to the Jacobsen report there were limited trades with price ranges seeming to be very wide -- but that always happens when sales are few and there is no good market average price.

We should have a better idea on export markets for animal proteins after all the major Chinese buyers get back to work. Of course, when I say Chinese buyers I don't just mean buyers in China, as some readers of this report thought, but Chinese buyers in Asia in general.

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

It looks like the final number for the Northern quota will stand at about 1.957 million m/t, just a hair higher than the number reported here last week. Of course, not everyone agrees with this number and some say the total catch was closer to 1.96 mm/t – big deal, just a couple of thousand tons.

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The catch in the south, against the 500,000 m/t quota, is reported to be just a shade over 28,000 m/t but there are only 40 to 50 vessels active in the south.

According to reports from Peru, they are experiencing a "costal El Nino" that has pushed water surface temperatures up by 5 or 6 C over normal sea temperatures. However, experts say that this "El Nino" should be over by April so should not affect the next fishing season.

The long New Year holiday is coming to an end in China so we may see more buyer activity in the market next week. Although, some in the trade say that there is very little physical fishmeal left to buy. MSI Ceres said this week that there may be more activity in May/June fishmeal futures.

With the strong finish to the Northern fishing the mood for the next season and for the current Southern season is very positive --- all it takes is some good fishing to make everyone very happy and very enthusiastic about the future.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,520
Danish fishmeal	64% protein	1,390
Peru fishmeal	64% protein	1,370
Chile fishmeal	67% protein	1,450
Iceland fishmeal	70% protein	1,510

## **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	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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