



# Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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## WEEKLY FEED GRAIN AND PROTEIN REPORT February 11, 2017

The report is a little late this week as my wife and I took advantage of a last minute deal to Cannes and are now enjoying three days on the Med.

Also, I am sending this week's report from my travelling computer and the weekly report mailing list may not be as up to date as my office computer is – so, if you hear complaints that the report was not received the complainer can check our blog for the report: [hammersmithltd.blogspot.com](http://hammersmithltd.blogspot.com)

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

The big news this week was the USDA WASDE report. It is interesting to note that, with what some say was a bearish to neutral report, prices for most everything finished the week higher. Corn price were only up by USD 4 m/t or so while soybeans rallied by USD 12 m/t and soymeal was up by USD 10 to 12 m/t. Wheat too was up on the week with most wheat rallying by close to USD 8 m/t.

There didn't seem to be any good reason for corn priced to increase but as long as everything was moving higher then corn prices just followed along. Other than the overall market strength about the only other reason for corn to rally was possible rain delays to harvests in Brazil and Argentina.

The trade reports this week say that the soybean rally was mainly due to the China market and the need for soybeans. The WASDE report did nothing to push soybean prices higher but China took care of that by reporting soybean purchases up by 35 percent....that is quite a jump. Add to the China numbers the latest USDA announcement of a sale of 140,000 m/t and everyone assumes very strong export sales.

Much of the rally in wheat was weather related rather than WASDE report affect....snow, snow and more snow, shipment delays, avalanches in Montana --- seems like enough to move wheat prices higher.

### **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	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)	\$23/24.00	Up \$1.00	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)	\$28/29.00	Up \$1.00	x
US Gulf Japan: Panamax	\$36/37.00	Up \$1.00	x
US Gulf China: Panamax	\$34/35.00	Up \$1.00	x
US PNW South Africa – 40,000 m/t	\$38/39.00	Up \$1.00	x
US PNW Japan: Panamax	\$19/20.00	Up \$1.00	X
US PNW China: Panamax	\$18/19.00	Up \$1.00	x
US East Coast Egypt: Panamax	\$45/46.00	Steady	x



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US East Coast Nigeria: Handisize	\$52/53.00	Down \$1.00	x
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$20/21.00	Down \$1.00	x
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$14/15.00	Down \$1.00	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$33/34.00	Down \$1.00	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$19/20.00	Down \$1.00	X
France/Germany to Saudi Arabia: 50/60,000	\$25/26.00	Down \$1.00	X
France/Germany to South Africa: 30,000 m/t	\$35/36.00	Down \$1.00	X
France/Germany to Yemen: 30,000 m/t	\$49/50.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$27/28.00	Down \$1.00	x
Argentina to China: 50,000 m/t, with top-off	\$27/28.00	Down \$2.00	x
Argentina to Japan: 50,000 m/t, with top-off	\$28/29.00	Down \$2.00	x
Argentina to Egypt: 50,000 m/t	\$24/25.00	Steady	x
Argentina to Europe: 50/60,000 m/t	\$21/22.00	Down \$1.00	x
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$24/25.00	Down \$1.00	x
Argentina to Saudi Arabia: 25/30,000 m/t	\$42/43.00	Down \$2.00	x
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$21/28.00	Down \$1.00	x
Argentina to Spain: 30,000 m/t	\$24/25.00	Steady	x
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$27/28.00	Down \$1.00	x
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Down \$1.00	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	Steady	x
Brazil to Morocco: 25/30,000 m/t	\$26/27.00	Steady	x
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	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	\$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	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	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	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	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	702	Down 50	x
Baltic Capesize Index	687	Down 294	x
Baltic Panamax Index	943	Up 21	x
Baltic Supramax Index	672	Up 5	x
Baltic Handisize Index	377	Down 5	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 March 2017/May 2017

Wheat, USA Soft Red Winter, NOLA	USD 196>>192	x
Wheat, USA Hard Red Winter 12 protein	USD 221>>212	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 180/184	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 185/188	x
Wheat, Romania 12.5 pro	USD 186/189	x
Wheat, Superior, France, Rouen	USD 191/193	x
Wheat, milling, 12.0%, Argentina, upriver	USD 185/188	x
Wheat, feed, Black Sea	USD 173/177	x
Barley, France, Rouen port	USD 165/167	x
Barley, feed, Argentina	USD 164/166	x
Barley, feed, Black Sea, 30,000+	USD 165/168	x
Barley, feed, USA Pacific Northwest	USD 190/195	x
Corn, FOB NOLA USA	USD 171>>167	x
Corn, FOB USA Pacific northwest	USD 182>>177	x
Corn, FOB Argentina port, upriver	USD 170/174	x
Corn, FOB Brazil port	USD 186/188	x
Corn, FOB Black Sea, 30,000+ m/t	USD 166/173	x
Corn, FOB France	USD 190/192	x
Corn, FOB Romania	USD 174/177	x
Sorghum, FOB Texas	USD 167/169	x
Sorghum, FOB Argentina port	USD 160/163	x
Soymeal, 48% protein, FOB NOLA	USD 390/395	x
Soymeal, 48% protein, USA, Rotterdam	USD 415/420	x
Soymeal, Argentina, Rotterdam	USD 388/393	x
Soymeal, 47% pro, FOB Argentina	USD 362/367	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 382/387	x
Soymeal, 48% protein, FOB Brazil	USD 352/357	x
Soybeans, FOB NOLA	USD 410/414	x
Soybeans, Argentina, FOB	USD 404/408	x
Soybeans, Brazil, FOB	USD 409/413	x
Soybeans, Black Sea	USD 397/402	x
Corn Gluten Meal, USA FOB NOLA	USD 590/600 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 145/150 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 159/165 m/t	x

## **USA total 2016 corn by product exports –in m/t – major destinations**

	Distillers Dried Grains - DDGS	Corn Gluten Feed	Corn Gluten Meal
Canada	514,700	29,600	69,600



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China	2,373,400		
Columbia	181,800	54,300	89,100
Egypt	141,400		115,100
Germany		29,400	
Holland		19,100	
Indonesia	357,200		208,600
Ireland	256,000	306,400	
Israel	176,900	203,600	
Japan	317,600		17,100
Malaysia			18,400
Mexico	1,909,800		27,800
Morocco	165,800	74,600	
Philippines	166,000		
Portugal	17,600	63,200	
South Korea	932,700	32,600	
Spain	195,100		
Taiwan	232,900		33,100
Thailand	781,200		32,100
Turkey	789,600	237,000	
Vietnam	1,196,800		14,900
UK	162,300	53,200	
Total all US exports	11,480,300	1,130,700	757,900

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According to the USDA, DDGS prices were up about USD 5 m/t on the week but export prices have moved up more than that as export prices in the US Gulf were up quite strongly – mainly due to a jump in export demand and a shortage of available loading positions. There is a concern that there could be a shortage of DDGS available at export ports, although there is no shortage in the domestic market but domestic demand is pulling supply away from export.

The USDA says that domestic corn gluten feed prices were down by about USD 5 m/t on the week while they report that corn gluten meal was up by USD 15 m/t. The drop in CGF has been seen in the export prices but so far there has been no sudden increase in CGM, perhaps next week.

## 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 460/480 m/t CNF Asia
USA Feathermeal, 80 protein	USD 530/540 m/t CNF Asia
USA Poultry Meal, feed grade	USD 620/630 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 750/780 m/t CNF Asia

According to trade reports the prices to Asia have moved up by about USD 10 m/t, at least to China. With all the buyers back from the holidays there is more activity in the Asia market but buyers seem to be looking for lower prices in late March and April. Most exporters in the US, Australia and New Zealand were not at all interested in lower buyer's bids.



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USA export priced were a little higher on the week with MBM up by about USD 10 m/t. Poultry meal export prices seem to be all over the place with some trade reports saying higher while others are saying lower, perhaps by next week it will have settled down.

US domestic prices for MBM are up a little while feathermeal prices moved lower – Jacobsen Report says as much as USD 55 m/t down.

With some up and some down it is tough to see any actual trend in market prices this week.

## **USA 2016 total Animal Protein exports – in m/t – major destinations**

	Meat and bone meal, incl pork and poultry meal	Feathermeal
Indonesia	131,000	27,700
Mexico	82,500	
Chile		10,000
Canada	64,300	16,900
China	53,600	7,400
Vietnam	28,400	1,400
Germany	16,900	
Holland	12,200	
Honduras	10,700	
Ecuador	9,600	
Philippines	9,000	
Total all US exports	435,900	63,900

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

Fishing has stopped in the southern region of Peru due to a high level of juveniles and current levels of spawning --- IMARPE will announce when fishing can begin again. Fishing experts have said that the ban could last three weeks or so. The catch to date is about 29,000 m/t from the total quota of 515,000, so we have a long way to go.

New sales seem to be reasonably busy in Peru but much of it is for the next fishing season as there is little left available from the last season and ban on fishing in the south will keep any new fishmeal from appearing. It has been reported that the business in fishmeal futures is increasing as producers have to sell something and buyers need to know that at least something is covered.

The market is back to speculating on the size of the quota for the next northern fishing season – could 2.5 million m/t to 3.0 mm/t or more be possible? If we do get a nice big fishing quota for the next season then what will happen to prices and should buyers be waiting or should they get some futures booked. It is all a matter of how you judge your risk.

On the prices, it looks like they have dropped by about USD 30 m/t in Peru but with nothing to sell from stock these are all new season prices.

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

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,470
Danish fishmeal	64% protein	1,350
Peru fishmeal	64% protein	1,355
Chile fishmeal	67% protein	1,410
Iceland fishmeal	70% protein	1,450

## **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	1150/1180 m/t	
65/66 protein	1280/1310 m/t	
67% protein standard steam	1320/1340 m/t	1350/1370
67% protein 150 TVN	1350/1380 m/t	1400/1440
67% protein 120 TVN	1400/1420 m/t	1450/1470
67% protein 1000 hist, 120 TVN	1450/1480 m/t	1500/1520
68% protein 500 hist, 120 TVN	1500/1530 m/t	1540/1560
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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