



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

Corporate Head Office: Suite 200B, Centre of Commerce, One Bay Street,
 PO Box N-3944, Nassau, Bahamas. Email: tradegroup@hammersmith.biz
 WWW: hammersmithltd.blogspot.com SKYPE: bacon39a

Representative Office: +33.9.7044.4881 Mobile: +33.6.8068.4564 Fax: +33.4.5774.7575
 1 Traverse Du Cheval Blanc, St Remy de Provence, 13210 France

WEEKLY FEED GRAIN AND PROTEIN REPORT May 06, 2017

SECTION 1: US FEED GRAINS and VEGETABLE AND ANIMAL PROTEIN

It looks like the big news in the US this week was that surprise snowfall in winter wheat country and the flooding in corn and soybean regions. So now the winter wheat crop may be in question while the farmers can't get into the fields to plan corn and beans.

Corn planting is still quite a bit behind last year but is on the average and the weather is said to be drying out and hopefully farmers will be back out planting. All the rain and the flooding has caused serious logistics problems in the US for internal grain shipments and is pushing up grain transport costs.

According to trade reports this week, experts say that any planting of corn after May 15 can result in lower crop yields ---- so we have 10 days to get all the planning done --- come on sunshine.

Soybeans were up by about USD 6 m/t on the week, pushed higher by possible delays to planting and the problems in shipping down the Illinois river, caused by all the rainfall and flooding. Much of the rally was just in soybeans and not in soymeal as transport logistics problems have a much greater effect on soybeans than they do on the soymeal that is manufactured somewhere else, assuming that the beans can get there for crushing.

Most everything was up in prices a little --- soybeans by USD 9 m/t, winter wheat by USD 4 to 6 m/t and corn by perhaps USD 2 m/t.

The USDA WASDE report comes out next week so we are all waiting to see if there will be any May surprises.

Crop progress and condition --- USA and France

	April 30, 2017 %	April 30, 2016 %	Five year average %		
Planted USA					
Corn	34.0	43.0	34.0		
Sorghum	27.0	23.0	26.0		
Soybeans	10.0	7.0	7.0		
Spring wheat	31.0	52.0	46.0		
Spring Barley	32.0	55.0	53.0		
Condition USA	Very poor %	Poor %	Fair %	Good %	Excellent %
Winter wheat	3	10	33	45	9
Planted France	May 01,	May 01,			



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	2017 %	2016 %			
Corn	76.0	24.0			
Condition France	Very poor %	Poor %	Fair %	Good %	Excellent %
Wheat, soft	0.0	5.0	19.0	61.0	14.0
Barley, winter	1.0	9.0	23.0	56.0	12.0
Wheat, hard	1.0	9.0	28.0	55.0	7.0
Barley, spring	0.0	4.0	18.0	68.0	10.0

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

US Gulf to Europe: 60/70,000 (10,000 disch)	\$14.00/15.00	Down \$0.50	X
US Gulf to Spain: 30,000 m/t (5,000 disch)	\$23/24.00	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)	\$24/25.00	Down \$1.00	X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$25/26.00	Down \$1.00	X
US Gulf Nigeria: 30,000 m/t	\$37/38.00	adjusted	X
US Gulf other Med: 30,000 MT(5,000 disch)	\$30/31.00	Down \$1.00	X
US Gulf Japan: Panamax	\$38/39.00	Down \$1.00	X
US Gulf China: Panamax	\$37/38.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$36/37.00	Steady	X
US PNW Japan: Panamax	\$20/21.00	Down \$1.00	X
US PNW China: Panamax	\$19/20.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$44/45.00	Steady	X
US East Coast Nigeria: Handisize	\$51/52.00	Down \$1.00	X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$15/16.00	Steady	X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$15/16.00	Steady	X
France/Germany to Jordan: 35/45,000 m/t (4,000 disch)	\$27/28.00	Steady	X
France/Germany to Morocco: 30,000 m/t (3,000 disch)	\$12/13.00	Steady	X
France/Germany to Saudi Arabia: 50/60,000	\$32/33.00	Steady	X
France/Germany to South Africa: 30,000 m/t	\$36/37.00	Steady	X
France/Germany to Yemen: 30,000 m/t	\$49/50.00	Down \$1.00	X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$26/27.00	Down \$1.00	X
Argentina to China: 50,000 m/t, with top-off	\$38/39.00	Down \$2.00	X
Argentina to Japan: 50,000 m/t, with top-off	\$39/40.00	Down \$2.00	X
Argentina to Egypt: 50,000 m/t	\$25/26.00	Steady	X
Argentina to Europe: 50/60,000 m/t	\$19/20.00	Steady	X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$23/24.00	Down \$1.00	X
Argentina to Saudi Arabia: 25/30,000 m/t	\$43/44.00	Steady	X
Argentina to South Africa 25/30,000 m/t (3,000 disch)	\$30/31.00	Steady	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)	\$26/27.00	Down \$1.00	X
Argentina to US Gulf: 25/35,000 m/t	\$17/18.00	Down \$1.00	X



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Brazil to Algeria/Tunisia: 25/30,000 m/t	\$28/29.00	Down \$2.00	X
Brazil to China: 55,000 m/t	\$29/30.00	Down \$2.00	X
Brazil to Japan: 55,000 m/t	\$30/31.00	Down \$2.00	X
Brazil to Europe: 30,000 m/t	\$30/31.00	Down \$1.00	X
Brazil to Morocco: 25/30,000 m/t	\$27/28.00	Down \$2.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$38/39.00	Steady	X
Brazil to Turkey/Egypt: 50,000 m/t	\$19/20.00	Down \$2.00	X
Australia to China: 40-55,000 m/t – round trip	\$19/19.50	Down \$1.00	X
Australia to Japan: 40-55,000 m/t – round trip	\$19.50/20.00	Down \$1.00	X
Australia to Saudi Arabia: 40-55,000 m/t	\$26/27.00	Down \$1.00	X
Ukraine to China: 50,000 m/t	\$28/29.00	Down \$1.00	X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00	Steady	X
Ukraine to East Med: coaster (1,000 disch)	\$28/29.00	Steady	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$20/21.00	Steady	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$21/22.00	Steady	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$28/29.00	Steady	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$32/33.00	Steady	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$16/17.00	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)	\$23/24.00	Steady	X
Black Sea to Saudi Arabia – Jeddah – 50k	\$27/28.00	Steady	X
Black Sea to South Africa – 30,000 m/t	\$37/38.00	Steady	X
Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$15/16.00	Down \$1.00	X
Baltic Dry Index	994	Down 115	x
Baltic Capesize Index	1480	Down 299	x
Baltic Panamax Index	1023	Down 164	x
Baltic Supramax Index	811	Down 50	x
Baltic Handysize Index	523	Down 36	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 June 2017/August 2017

Wheat, USA Soft Red Winter, NOLA	USD 181/188	x
Wheat, USA Hard Red Winter 12 protein	USD 208/212	x
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 182/186	x
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 186/190	X
Wheat, Romania 12.5 pro	USD 187/191	X
Wheat, Superior, France, Rouen	USD 187/189	x
Wheat, milling, 12.0%, Argentina, upriver	USD 188/193	X
Wheat, feed, Black Sea	USD 172/176	x
Barley, France, Rouen port	USD 166/169	x
Barley, feed, Argentina	USD 157/163 May/June	x
Barley, feed, Black Sea, 30,000+	USD 158/162	
Barley, feed, USA Pacific Northwest	USD 205/210	x



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Corn, FOB NOLA USA	USD 160/163	x
Corn, FOB USA Pacific northwest	USD 173/176 June/July	x
Corn, FOB Argentina port, upriver	USD 153/158 Aug/Sep	x
Corn, FOB Brazil port	USD 158/162 Aug/Sep	x
Corn, FOB Ukraine, 30,000+ m/t	USD 169/173	x
Corn, FOB France	USD 195/198	x
Corn, FOB Romania	USD 177/181	X
Corn, FOB Russia	USD 169/173	X
Sorghum, FOB Texas	USD 172/175	x
Sorghum, FOB Argentina port	USD 150/154	x
Soymeal, 48% protein, FOB NOLA	USD 352/355	x
Soymeal, 48% protein, USA, Rotterdam	USD 377/380	x
Soymeal, Argentina, Rotterdam	USD 353/357	x
Soymeal, 47% pro, FOB Argentina	USD 322/326	x
Soymeal, 48% protein, Brazil, Rotterdam	USD 348/351	x
Soymeal, 48% protein, FOB Brazil	USD 327/330	x
Soymeal, 48% protein, FOB India	USD 351/355	x
Soybeans, FOB NOLA	USD 367/373	x
Soybeans, Argentina, FOB	USD 359/362	x
Soybeans, Brazil, FOB	USD 364/369	x
Soybeans, Black Sea	USD 387/391	x
Corn Gluten Meal, USA FOB NOLA	USD 600/605 m/t	x
Corn Gluten Feed, USA FOB NOLA	USD 117/122 m/t	x
DDGS corn, 35 profat, USA FOB NOLA	USD 148/152 m/t	X

There was very little change in price for corn by-products this week – export prices for DDGS tried to move a little higher but there was not the buying interest to help firm up prices. Both DDGS and corn gluten feed still look like great bargains for export buyers but buyers are just sitting back and, I guess, hoping for lower prices. Actually, there has not been a great deal of change in corn by-product prices in recent weeks....perhaps up or down a little but no significant trend in any direction.

The US Grains Council report this week said that DDGS prices will remain stable for the next few weeks or until the next exciting news comes along. This situation will probably also be seen for corn gluten feed. However, there is the chance that corn gluten meal prices could weaken depending on how the fishmeal season progresses in Peru and what happens to fishmeal prices. There is a price point at which feed producers would rather use fishmeal than corn gluten meal in some formulations. We may just reach that point if fishmeal prices weaken.

According to the USDA, domestic US prices for corn gluten feed dropped by about USD 3 m/t with corn gluten meal down by about USD 9 m/t and DDGS down USD 3 m/t.

The latest USDA grain crush report was out this week and it shows DDGS production up in March over February by 5% with corn gluten feed production up by 30% and corn gluten meal up by just under 14%. However, up as March 2017 may be, it is still about the same as March 2016.

USA Corn by-product exports – Jan/Mar 2017 – in m/t – major destinations.



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	Corn Gluten Feed	Corn Gluten Meal	Distillers Dried Grains DDGS
Canada		12,400	173,100
Chile		29,000	6,100
China			199,800
Colombia	19,900	25,000	45,300
Egypt		9,300	28,500
Indonesia		64,800	153,900
Ireland	48,900		109,000
Israel	42,700	5,200	81,500
Japan		1,800	133,800
Malaysia		3,800	21,800
Mexico	2,700	7,400	604,200
Morocco	10,400		54,300
New Zealand			47,800
Philippines			43,500
Portugal	4,900		16,000
Saudi Arabia			25,200
South Korea			233,400
Spain	5,400		120,600
Taiwan		7,900	61,100
Thailand		18,900	195,400
Turkey	50,600		470,700
UK			74,600
Vietnam		2,900	2,000
Total exports	186,000	200,500	3,037,500

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Container shipments, minimum 200 m/t

Argentina Meat & Bone meal, 45/50 protein	USD 435/450 m/t CNF Asia
Argentina poultry meal, 57/60 protein	USD 540/550 m/t CNF Asia
Argentina feathermeal, 78/80 protein	USD 490/500 m/t CNF Asia
Paraguay Meat & Bone meal, 45% protein	USD 430/440 m/t CNF Asia
Australian MBM 45 protein	USD 480/490 m/t CNF Asia
Australian MBM 50 protein	USD 530/540 m/t CNF Asia
Australian Feathermeal, 80 protein	USD 550/560 m/t CNF Asia
Australian Poultry Meal, pet food	USD 790/800 m/t CNF Asia
USA Meat & Bone meal, 50 protein	USD 540/560 m/t CNF Asia
USA Feathermeal, 80 protein	USD 550/570 m/t CNF Asia
USA Poultry Meal, feed grade	USD 670/680 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 875/885 m/t CNF Asia

It is reported in the trade that there is still very good demand for animal proteins in Asia but everyone seems to feel that the demand will drop off shortly and that export prices could drift lower. There has been some comment that the new fishing season in Peru could bring lower fishmeal prices and that some of the animal protein business will go to new season fishmeal from Peru.

Australia and New Zealand prices are said to be steady to a little higher while most US export prices are steady on the week...although there was some upward pressure on poultry meal prices as buyers



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were busy in the export market.

USA domestic prices drifted a little lower on the week which was mainly due to very good available meat and bone meal supplies. However, some are suggesting that feathermeal prices could inch higher while MBM prices inch lower.

USA exports of animal proteins and feathermeal – Jan/Mar 2017 – in m/t – major destinations

	Meat and Bone meal -- includes pork and poultry meal	Feathermeal
Indonesia	43,100	7,400
Mexico	40,600	
Canada	16,400	2,200
Chile		1,700
China	13,000	3,300
Vietnam	7,100	
Germany	3,900	
Ecuador	2,100	
Total exports	135,700	15,100

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SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

Fishing in the northern area of Peru has been coming along very nicely with the catch this week averaging out at about 48,000 m/t per day, which is good for about 12,000 m/t of fishmeal per day. The total catch to May 04 is reported as 527,000 m/t.

Nothing in the way of trade reports this week for fishmeal as most of the senior people were in Europe for a couple of trade related shows/conferences. We won't know until next week if there was a whole pile of fishmeal business booked at the IFFO meeting in Barcelona. Had I gone to Barcelona I probably would have had some news to pass on but these days the minimal amount of fishmeal business that I am doing does not justify the travel and conference expense....ah well, c'est la vie.

There was a news report this week that the fishmeal/fishoil business will grow by an average of 8.5% over the next five years with the total market value reaching USD 22.2 billion in 2022. And then there was the item from the IFFO that say there is about 15 million m/t of "unfulfilled feed potential" for fisheries by-product industry, mainly for fishmeal and fishoil. The IFFO report says that 20 million tons of fish-based raw materials are used/processed every year for fishmeal and fishoil but that the total raw materials that could be used is closer to 35 million m/t. The IFFO feels that there is up to 15 million of currently available raw materials that are not being used or not being used correctly

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,320
Danish fishmeal	64% protein	1,330
Peru fishmeal	64% protein	1,300



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Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,280

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	1100/1120 m/t	
65/66 protein	1170/1190 m/t	
67% protein standard steam	1220/1240 m/t	
67% protein 150 TVN	1370/1390 m/t	1350/1370
67% protein 120 TVN	1420/1440 m/t	1400/1420
67% protein 1000 hist, 120 TVN	1450/1470 m/t	1440/1460
68% protein 500 hist, 120 TVN	1480/1500 m/t	1470/1490
Fish oil, crude bulk	1400/1450	1250/1300
Fish oil, crude drums	1500/1550	
Fish oil, flexi tank	1600/1650	
Fish oil, Omega 3: 28%EPA/DHA	1700/1800	

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

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