

CORN Market

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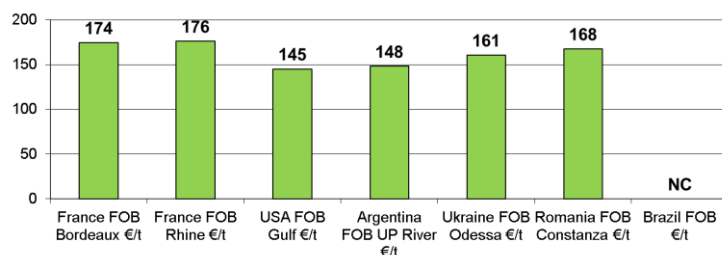
Weekly economic newsletter of the European Confederation of Maize Production

Week 17/2017

N°74

Indicators

FOB price on 21/04/2017 in €/t – April delivery (2016 crop)



| | On 21/04 | On 14/04 |
|-----------------------|----------|----------|
| Parity €/ \$ | 1.07 | 1.06 |
| Petrol \$/barrel (NY) | 50 | 53 |
| FOB Bordeaux* (€/t) | 174 | 174 |
| FOB Rhine* (€/t) | 176 | 176 |

* FOB prices Bordeaux/Rhine take into account monthly increase and correspond to the 2016 crop year.

WORLD: IDEAL CROP CONDITIONS IN BRAZIL, PRODUCING EXCELLENT YIELD FORECASTS

Market developments this week are primarily based on weather conditions in Argentina, Brazil and the US.

In Brazil, crop conditions are very favourable, with light rainfall expected in the main agricultural regions. The US Grains Council has nonetheless highlighted that only 49% of the soybean harvest has been sold by farmers by the end of March as a result of weak market prices. If sales do not pick up over the coming weeks, this could have consequences for the quality of stocks, or on the harvest of the safrinha, which would thus be delayed.

The harvest in Argentina is slightly up on last year despite harsh conditions, with 23% of total acreages harvested by 20 April. The country's FOB prices continued to gain in competitiveness this week.

In the US, sowing delays (3 points behind the five-year average) raise some concerns. Yet, it is still too early to draw any conclusions. The pace of weekly exports remains in line with expectations and rose slightly this week to 756 Kt. Ethanol production is increasing at the same rate. Ethanol stocks, however, remain relatively high compared to the same time last year.

Chicago prices are down this week, driven by Brazilian harvest expectations. The funds have reinforced their net sales positions. A draft trade deal on maize and soybean imports is underway between Mexico and Argentina, and may impact market developments. Mexico hopes to conclude negotiations by the end of 2017 in order to reduce its dependence on US maize imports.

EUROPE: DIFFICULT CONDITIONS FOR UKRAINIAN SOWING

The euro strengthened this week.

Euronext is relatively stable this week, listing €173/t on June 2017 maturity.

Cold weather in Ukraine is delaying the progress of spring sowing compared to last year. This could impact on the total maize acreage sown in this country depending on how the situation develops.

To be monitored:

- US sowing
- Argentinian harvests
- Ukrainian sowing

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