

# CORN Market



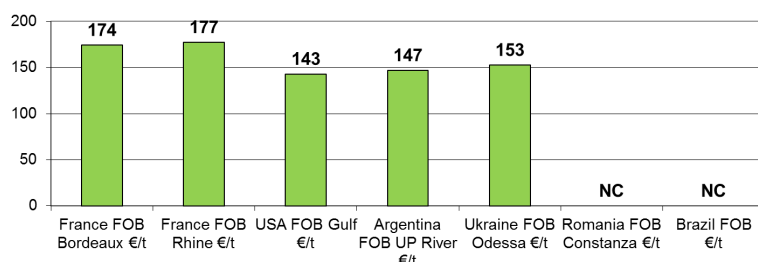
Lettre économique hebdomadaire de la Confédération Européenne de la Production de Maïs

Week 18/2017

N°75

## Indicators

FOB price on 28/04/2017 in €/t – April delivery (2016 crop)



	On 28/03	On 21/03
Parity €/ \$	1.09	1.07
Petrol \$/barrel (NY)	49	50
FOB Bordeaux* (€/t)	174	174
FOB Rhine* (€/t)	177	176

\* Prix FOB Bordeaux/Rhin majorations mensuelles incluses (récolte 2016)

## WORLD: RISE IN CHICAGO PRICES FOLLOWING US WEATHER PATTERNS OVER THE WEEKEND

Despite high demand, the latest IGC report estimates global stocks for 2016/17 at 227 Mt, the highest level ever recorded. Production for the new 2017/18 crop year is expected to be below that of this year, though it is nonetheless expected to surpass a billion tonnes (1026 Mt). Consumption is expected to increase (1046 Mt), potentially producing a decrease in global stocks compared to 2016/17, around the order of -9%.

In Argentina, and despite heavy rainfall, production prospects remain favourable. Indeed, even if harvesting is delayed, the rain remains beneficial to the later growing maize. According to the Bolsa de Cereales, 26% of total acreages have been harvested as of 27 April, with producers prioritising the soybean harvest.

This week, moderate summer rainfall in Brazil benefited safrinha maize. Brazilian maize is gaining in competitiveness over the month of August, according to the IGC.

As of April 30, sowing advanced to 34% of US acreage. Though well behind last year (where the figure stood at 43%), these figures are comparable to the five-year average. As for US demand, weekly export sales of 988 Kt represent an increase on last week. Ethanol production is down slightly this week, while stocks – already at a high level for the season – continue to increase.

It is primarily American wheat that worries operators at the beginning of this week. US weather patterns have recently deteriorated considerably, and if they threaten the progress in spring sowing, the operators mainly worry for the consequences to wheat crops. Under such pressure, Chicago maize prices registered a striking increase, from \$141/t on Friday 28 to over \$ 145/t this Monday, May 1 (May 2017 maturity). As of April 25, the funds continue to strengthen their sales positions.

## EUROPE: SOWING CONDITIONS GENERALLY FAVOURABLE IN THE EU

The European Commission's report shows maize sowing taking place earlier than usual across many European regions as a result of favourable weather conditions. Nonetheless, the cold weather front that is affecting northern and easterly European countries may delay sowing in these areas. This publication gives an initial estimate of 2017/18 EU maize yields at 7.13 t/ha vs. 7.19 t/ha for 2016/17.

Ukrainian sowing has not caught up from its delayed position. According to Ukragroconsult, 30% of acreages were sown by 27 April, vs. 53% at the same time last year.

*To be monitored:*

- US weather
- Ukraine sowing
- Argentine harvest