

CORN Market

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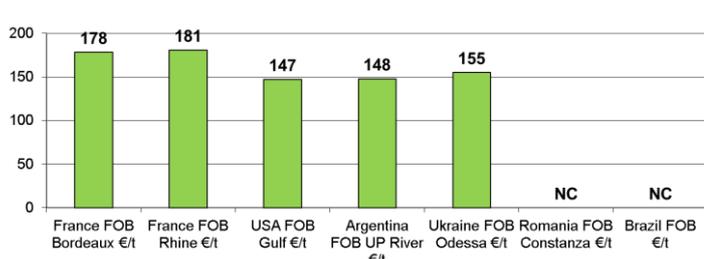
Weekly economic newsletter of the European Confederation of Maize Production

Week 19/2017

N°76

Indicators

FOB price on 05/05/2017 in €/t – April delivery (2016 crop)



	On 05/05	On 28/04
Parity €/€	1.10	1.09
Petrol \$/barrel (NY)	46	49
FOB Bordeaux*(€/t)	178	174
FOB Rhine* (€/t)	181	177

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

WORLD: SOME DELAYS IN US SOWING

Harvesting is progressing in Argentina, with 29% of acreages harvested by 4 May. The Bolsa de Cereales maintains its production estimate at 37 Mt, based on an average yield of 8.8 t/ha across the country.

According to the USDA, as of 24 April, 60% of maize was at the flowering and grain-filling stage in the state of Parana. Brazilian weather conditions will be particularly important to farmers and operators, given that this stage is crucial in the determination of final maize yields.

With 47% of acreages sown by 7 May, conditions have not allowed American farmers to catch up. On the same date last year, 61% of US sowing was complete. Also, the 5-year average is 52%. Thus, weather conditions over the coming weeks will be highly important for American farmers. A few days of good weather are forecast, especially on the western Cornbelt, which should allow sowing to advance and thereby reassure the operators. Weekly export sales, down from last week, remain in line with market expectations. Weekly ethanol production is stable at 986 K barrels per day, and while stocks are still high for the season, they are stagnating.

The rise in Chicago market prices early last week quickly subsided as operators were reassured about weather damage on winter crops in the US. In advance of the upcoming USDA report of 10 May, the funds are relatively stable, maintaining a net selling position this week. Weather conditions in the US and Brazil will be followed closely by the operators over the coming days.

EUROPE: 53% OF UKRAINIAN ACREAGE SOWN AS OF 3 MAY

The European Commission is revising downwards EU imports for the 2016/17 crop year compared to last month, to 12.3 Mt (-0.3 Mt), and stocks by -0.6 Mt to 11.6 Mt. It is forecasting stocks of 13.4 Mt by the end of 2017/18, on the basis of higher production and heightened demand than this year (notably for animal feed and industrial uses). Despite the figures announced by the Commission, as of 2 May, the EU imported 9.7 Mt against 11.7 Mt last year on the same date.

Euronext prices have not followed the changes in Chicago prices, and maize costs 174 €/t on 5 May (June maturity). As of 3 May, 2.4 Mha were sown in Ukraine, out of the 4.5 Mha originally planned by the government.

To be monitored :

- 10 May USDA Report
- Brazilian Weather
- Harvesting in Argentina

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