

CORN Market



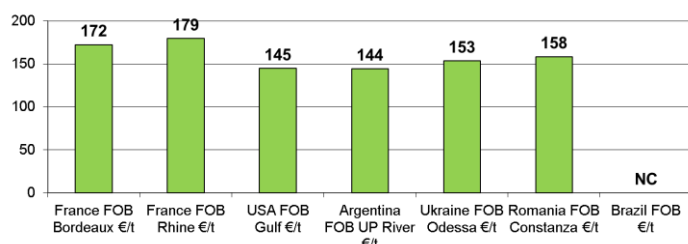
Weekly economic newsletter of the European Confederation of Maize Production

Week 21/2017

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Indicators

FOB price on 19/05/2017 in €/t- April delivery (2016 crop)



	On 19/05	On 12/05
Parity €/ \$	1.12	1.09
Petrol \$/barrel (NY)	50	48
FOB Bordeaux* (€/t)	172	177
FOB Rhine* (€/t)	179	181

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

WORLD: BRAZILIAN MAIZE GAINS COMPETITIVENESS

With almost a quarter of acreages sown in a week, US farmers are catching up on their previous delays. Indeed, as of 14 May, 71% of the areas were sown, vs. 73% at the same time last year and the 5 year average of 70%.

In Argentina, harvesting has stalled. As of 18 May, 14.6 Mt of maize was harvested, representing 33% of the nation's acreage. This is just 1 point ahead of the previous week. The Bolsa de Cereales maintains its yield estimate at 8.8 t/ha, vs. 8.3 t/ha for the USDA.

In Brazil, the fall of the real against the dollar (-8%), as a result of the presidential corruption scandal, has bolstered maize sales by farmers. This situation reinforces the competitiveness of the country's maize on the international marketplace. With Argentine maize at equally competitive FOB prices, South American maize is expected to compete evermore with US exports.

After reaching its lowest level last week, US weekly export sales rebounded. As of this week, they remain within market expectations, with 700 Kt sold. Weekly ethanol production has resumed at a strong pace, at 1,027 million barrels per day. However, the stock level of 23.4 M barrels, the highest for 5 years should be noted...

Without any large and unexpected news hitting their market, Chicago prices remain relatively stable week to week, quoting approximately \$ 147/t on July 2017 maturity. The funds are generally stable, remaining net sellers.

EUROPE: DECLINE IN EURONEXT RATES

According to UkrAgroConsult, Ukrainian sowing is at 94% as of 19 May. The Russian Ministry of Agriculture announced that 76% of its maize sowing had been completed.

Strategy Grains estimates stable maize acreages in the EU for the 2017/18 period. EU maize imports remain down from last year. On 16 May, the EU imported 10.2 Mt vs. 12.1 Mt at the same time last year.

The sharp rise in the €/ \$ exchange rate has resulted in a loss in EU maize competitiveness abroad. This situation, coupled with the return of rainfall to the EU, has pushed the Euronext down, losing € 7/t on June maturity since last week.

To be monitored:

- Real/dollar parity
- End of US sowing
- South American harvesting

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