

CORN Market



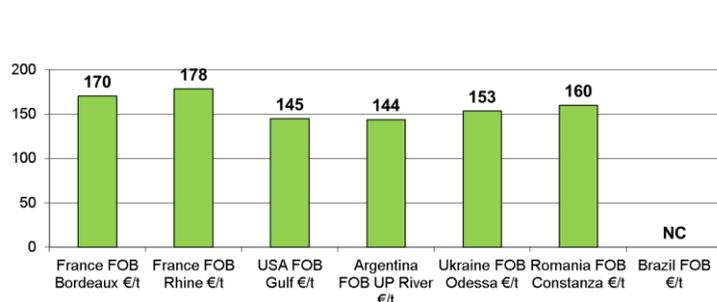
Weekly economic newsletter of the European Confederation of Maize Production

Week 22/2017

N°79

Indicators

FOB price on 26/05/2017 in €/t - April delivery (2016 crop)



	On 26/05	On 19/05
Parity €/€	1.12	1.12
Petrol \$/barrel (NY)	50	50
FOB Bordeaux*(€/t)	170	172
FOB Rhine* (€/t)	178	179

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

WORLD: FIRST HARVESTS IN MATO GROSSO

With 36% of Argentine acreages harvested by 24 May, work has progressed slowly (+3% vs. last week). According to the Bolsa, farmers – especially in the northern part of the agricultural area – expect a drop in maize moisture for the harvest. The recent rainfall has also slowed down work in some areas.

According to the USDA, beneficial rainfall over Brazil's primary maize territories reinforces the strong yield potential for the second Brazilian harvest. According to the IGC, the first harvests have already begun in the north of Mato Grosso and will last until next August.

US sowing advanced to 84% of total acreages by 21 May, are within the average. While these figures have reassured the operators, fears have been raised over the proportion of acreages to be re-sown, which is yet to be determined. According to the IGC, instead of re-sowing maize, some producers might sow other crops, especially soybeans.

Weekly export sales to the US are at 457 Kt, down on the previous 4-week average. However, this remains sufficient to meet USDA targets by the end of the period. Weekly ethanol production remains above one million barrels per day this week. Stocks remain at their highest level in 5 years, though they are down 3% on last week. It should be noted that following China's imposition of duties on ethanol imports, US ethanol exports to China have ceased. At the same time, Chinese ethanol exports increased 10-fold last month (vs. last year), which could be explained by the Chinese government's decision to utilise 20 Mt of reduced-quality maize.

EUROPE: SOWING ADVANCES WELL IN THE EU AND AROUND THE BLACK SEA

The EU has accumulated 10.5 Mt of imports since 1 July 2016, vs. 12.5 Mt at the same time last year. The Commission is forecasting 12.3 Mt in EU imports for the 2016/17 period, meaning that an additional 1.8 Mt is expected to be imported by 1 July 2017...

In its 22 May MARS bulletin the Commission estimated that sowing has almost been completed in the southern EU as well as in Hungary, Romania and Bulgaria. Minor frost damage was reported in Italy, Romania and Hungary. To the EU's north, sowing was delayed by the cold and the rain.

If Chicago prices have remained stable, this has not been the case for Euronext. Maize cost 165 €/t on June 2017 maturity, i.e. a decrease of 1.75 €/t over the week, and of 8.75 €/t over 2 weeks.

Worries have dissipated in Ukraine, as its farmers prove their ability to plant all of the foreseen acreages in spite of the cold wave that has plagued the country. In Russia, some fears have been raised about potential cold damage for already-planted maize.

To be monitored :

- €/€ exchange rate
- End of US sowing
- South American harvest

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