

# CORN Market

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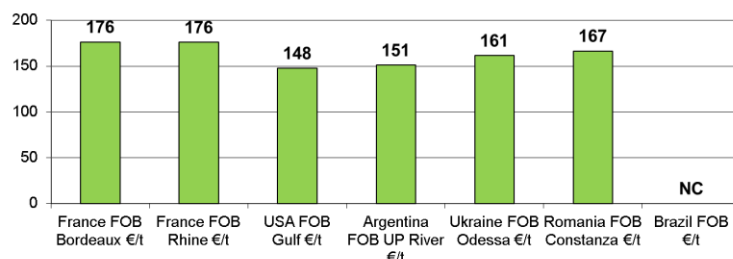
Weekly economic newsletter of the European Confederation of Maize Production

Week 15/2017

N°72

## Indicators

FOB price on 07/04/2017 in €/t – April delivery (2016 crop)



	On 07/04	On 31/03
Parity €/ \$	1.06	1.07
Petrol \$/barrel (NY)	52	50.6
FOB Bordeaux* (€/t)	176	172
FOB Rhine* (€/t)	176	176

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

## WORLD: CHICAGO PRICES IN DECLINE DESPITE INCREASED DEMAND

The FAO is forecasting an increase in worldwide maize production for 2017/18, led by Argentina, Brazil and South Africa. An increase in consumption, especially for feed in Asia and South America should, however, offset this movement, causing a decrease in forecasts of worldwide stocks.

In Argentina, despite rainfall in agricultural regions of the country, harvests rose by 4% this week, bringing the total harvested amount to 15%. The Bolsa de Cereales announced a likely decline in the harvesting rate for maize over the coming weeks, due to the harvests of soybean which are soon to begin.

Conditions in Brazil remain generally favorable according to the USDA. The first maize crops are at the pollination stage, which is crucial in the determination of yields. As a result, the weather will be monitored particularly closely during April and May.

US maize has made its own competitiveness clear, with weekly sales exceeding one million tons. Ethanol production slackened this week but still exceeds a million barrels per day while stocks continue to climb.

Despite positive demand and the decline in US sowing forecasts for the coming crop year, the Chicago market is in decline this week with the CBOT quoting \$141.5/t on the May 2017 maturity. The overall situation remains harsh, with very important upcoming harvests in South America and high global stocks forecasted. The funds remain net sellers and await the next USDA report.

## EUROPE: 4.3 MHA MAIZE POTENTIAL IN UKRAINE

The EU maintains its imports at a level well below that of last year, with 8.3 Mt imported on 4 April vs. 10.9 Mt by the same date last year.

Euronext is also in decline this week, quoting €169/t by June 2017 maturity vs. €172/t a week before.

According to UkraAgroConsult, Ukrainian maize acreage could reach 4.3 Mha during the current crop year 2017, with maize having been one of the most profitable crops for Ukrainian farmers in 2016/17. Sowing is, however, yet to begin as of 6 April, such that it remains to be seen whether conditions will permit these sowing objectives to be reached. Russia has started sowing.

*To be monitored:*

- USDA's 11 April report
- Advancement of sowings in the northern hemisphere
- South American weather

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