

# CORN Market



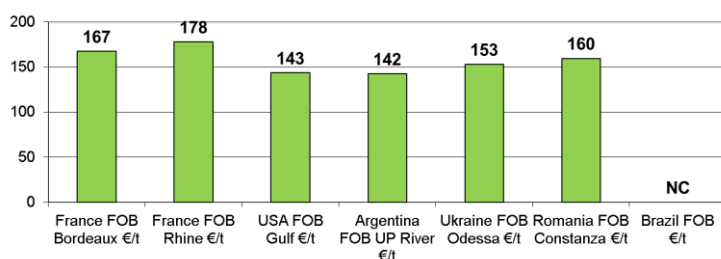
Weekly economic newsletter of the European Confederation of Maize Production

Week 23/2017

N°80

## Indicators

FOB price on 02/06/2017 in €/t – April delivery (2016 crop)



	On 02/06	On 26/05
Parity €/€	1.12	1.12
Petrol \$/barrel (NY)	47	50
FOB Bordeaux*(€/t)	167	170
FOB Rhine* (€/t)	178	178

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

## WORLD: US HARVEST CONDITIONS LESS FAVORABLE THAN LAST YEAR

According to the USDA, this week's dry weather has allowed harvesting to advance in Argentina, especially in the central region. The Bolsa de Cereales thus estimates the harvested areas at 38.5%, with an increase of 2.5 points over this week.

The main corn-producing regions in Brazil, Mato Grosso and Parana, reportedly harvested about 1% of their second maize crop by 1 June. Brazilian prices declined according to the US Grains Council, and are 64% lower than prices at the same time last year, encouraging farmers to hold on to their produce. However, with soy-filled silos, and given the expected incoming maize volumes, storage problems could lead to accelerating sales.

As of June 4, 96% of maize has been sown in the US, compared with 97% at the same time last year and the 5-year average of 97%. Despite having caught up a "delay" in sowing, the USDA's crop condition score has darkened the picture, stating that 68% of maize is in good to excellent condition, compared with 75% at the same time last year. It is, of course, too early to draw conclusions about the production potential.

Weekly export sales are down from last week at 412 Kt, due to competitive prices in South America. Ethanol production remains at a very good pace, with an average of 1.02 million barrels produced per day for the week of May 26th. Stocks climbed very slightly compared to the previous week...

On a weekly basis, CBOT prices are down slightly. Inflationary potential in the US is offset by the advance and expected clout of South American harvests. The funds remain net sellers.

## EUROPE: THE EUROPEAN UNION SPEEDS UP ITS IMPORTS

The Commission has updated its EU balance sheets for maize. For the 2016/17 period, production is revised upwards from 240 Kt to 60.6 Mt, while imports have decreased by 0.6 Mt, to 11.7 Mt. Final stocks have also decreased by 350 Kt, to 11.3 Mt. With a volume of 440 Kt imported this week, giving a total of 11 Mt since the start of the current period. Euronext prices declined again this week, while the euro remains stable against the dollar.

In Ukraine, crop conditions are generally good for maize, but the lack of rainfall is being closely monitored by operators.

To be monitored:

- USDA report on 9 June
- Irrigation restrictions
- Harvesting in South America

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