

CORN Market



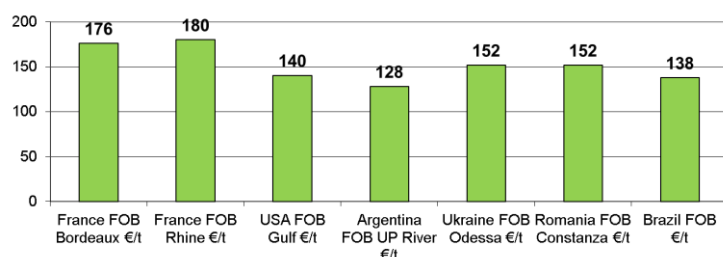
Weekly economic newsletter of the European Confederation of Maize Production

Week 27/2017

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Indicators

FOB price 30/06/2017 in €/t- April delivery (2016 crop)



	On 30/06	On 23/06
Parity €/ \$	1.14	1.12
Petrol \$/barrel (NY)	46	43
FOB Bordeaux* (€/t)	176	178
FOB Rhine* (€/t)	180	182

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

WORLD: A SURPRISE IN THE DEVELOPMENT OF AMERICAN ACREAGES

The publication of last Friday's USDA report on American acreages took observers by surprise. Indeed, operators were expecting a downward revision of US maize acreages due to unfavorable weather conditions in some Corn Belt areas during the sowing period. But this was not the case! On the contrary, the USDA revised its March forecast up by 1%. Acreages were down 3.3% from the previous period, and down from -4% in the spring.

Meanwhile, the USDA reported on the US inventory on 1 June. These figures are above expectations and up significantly on the previous year. They are at their highest level in 30 years!

These publications come in a context of maize prices that were already under pressure, while short-term weather conditions remain favorable for the time being (notwithstanding the high temperatures expected in some areas). 67% of maize is still rated as good to excellent compared to 75% last year. US maize now primarily has to contend with the arrival of South American produce, which, beyond its substantial volume, has a definite competitive advantage in the new harvest.

The weather over the coming weeks will, of course, be a determining factor in America's performance.

EUROPE: COMMISSION REVISES ITS PRODUCTION FORECASTS DOWNWARD

In its communication from last week, the European Commission revised its production forecasts downward for 2017/2018. This would amount to 62 Mt vs. the 64.2 Mt estimated for the previous month, and 60.6 Mt in 2016/2017. Growing conditions are generally satisfactory in the EU despite fears over water resources, particularly in the Iberian Peninsula, Italy and Bulgaria.

EU imports on 27 June amounted to 12.5 Mt from 1 July. Imports will therefore be above the previous five-year average.

During the coming crop year (September/October), highly aggressive pricing is expected on the European market, stemming especially from Brazil and CIF prices of under €160/t.

To be monitored:

- Corn Belt weather
- US wheat results
- EU purchases over the new period

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