

CORN Market

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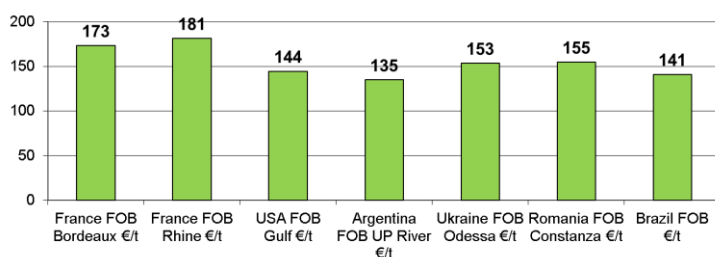
Weekly economic newsletter of the European Confederation of Maize Production

Week 29/2017

N°85

Indicators

FOB price 07/07/2017 in €/t- July delivery (2016 crop)



	On 07/07	On 30/06
Parity €/ \$	1.14	1.14
Petrol \$/barrel (NY)	44	46
FOB Bordeaux* (€/t)	173	176
FOB Rhine* (€/t)	181	180

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

WORLD: CHICAGO PRICES ON THE RISE

Argentinian harvests have progressed to reach 53% of surfaces according to the Bolsa de Cereales, while the dry weather is helping harvest progress in Brazil. According to the USDA, Mato Grosso– the main “safrinha” maize-producing state in Brazil – had harvested 29% of its acreage as of 30 June, slightly ahead of time compared to last year. The lack of storage space, exacerbated by a massive soya harvest, is revealing itself and Mato Grosso has already resorted to external storage.

In the US, 68% of surfaces are judged “good” to “very good” by the USDA, which is 1% more than last week. However, warm weather is forecast for the coming week. Along with concerns about US wheat, the weather contributed to the rise in Chicago maize prices this week.

Weekly export sales are at their lowest this week in the US (140 Kt), with the competition of newly harvested maize from South America. Weekly ethanol production is still going strong, while ethanol stocks are continuing their positive decrease.

While Chicago prices are influenced by US weather, they also remain under strong global pressure from the South American harvesting potential.

EUROPE: EU IMPORTED 8.3 MT OF UKRAINIAN MAIZE IN 2016/2017 CROP YEAR

Euronext is down 3€/t within the August deadline compared to last week, under pressure from competitive import prices and a significant €/ \$ exchange rate. The rate of EU imports has remained high at the end of the crop year, with 383 Kt imports in the last week of June. The 2016/2017 crop year, with quite an atypical rate regarding imports, is now closed with a total of 12.9 Mt maize imported into the EU, which is only 410 Kt less than last year. According to the European Commission, 64% of this volume – close to 8.3 Mt – comes directly from Ukraine.

Ukraine continues to export significant maize volumes from the previous harvest, and the CIC assesses total Ukrainian maize exports for the 2016/2017 crop year at 20 Mt. The current lack of rain in certain Ukrainian regions will be monitored closely in the coming weeks.

To be monitored:

- USDA Report on 12 July
- USA weather forecast

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68