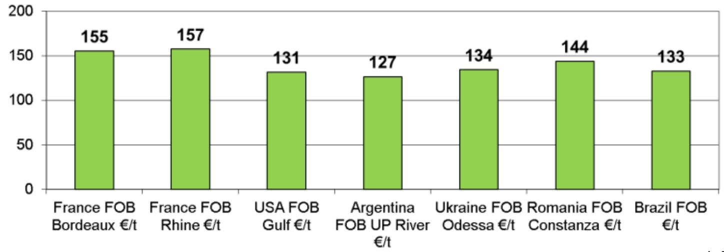
CORN Market
Weekly economic newsletter of the European Confederation of Maize Production
CEPM maiz'EUROP'

Week 41/2017 **N°95**

Indicators

FOB Price 06/10/2017 in €/t- October delivery (2017 harvest)



	06/10	29/09
Parity €/$	**1.17**	1.18
Petrol $/barrel (NY)	**42.1**	51.7
FOB Bordeaux*(€/t)	**152**	153
FOB Rhine* (€/t)	**156**	158

** Price FOB Bordeaux/Rhine including monthly increase (2016 harvest)*

WORLD: DROP IN CBOT

In the months of August and September 2017, Brazil sold more than 11 Mt for export, which is on average more than twice the amount of maize exported in the past year. First harvest maize sowings are progressing in the state of Parana and once again we are seeing a decrease in safra maize acreage, benefiting soybean.
In Argentina, out of the total acreage estimated at 5.4 Mha by BAGE (Bolsa de Cereales of Buenos Aires), 900 Kha were sown as of4 October.
U.S. harvests have begun quite slowly, with only 17% of acreage harvested compared to an average of 26% in the past 5 years. Weekly export sales are higher this week than was anticipated by operators (800 Kt), however the total exports remain well below last year's level (around -40%). Ethanol production has increased by 1.4 % compared to last week, but at the same time stocks are increasing by 3.9%.
The Chicago market is losing 2.5 $/t from one week to the next. Operators are waiting for the USDA report on Thursday which could cause movement on the market. Estimated harvest in the United States and in the Black Sea will be closely monitored. Funds are still net sellers.

EUROPE: DECREASING FIRST YIELDS IN THE BLACK SEA

The European Commission is predicting a production of 59.1 Mt in the EU-28 compared to 60.8 Mt last year. Compared to 2016/17, imports are expected to increase (15 Mt), just like animal feed use (55 Mt).
Since 1 July, 1.5 Mt and 1.2 Mt have been exported from Brazil and Ukraine respectively to the EU. Hence, since the beginning of this year, with a total of 3.5 Mt, EU imports are up by 56% compared to last year and by 98% compared to 2015/16!
In Russia, on 2 October, 32% of surfaces have been harvested and the expected dry weather should favour further harvesting. The first cuts suggest that results will be less positive than last year.
In Ukraine, harvests were delayed due to rainy and cold weather (17.5% of surfaces have been harvested as of the beginning of October). The first yields are confirmed to be lower than in previous years, also reflecting the water shortage of the past summer. Future harvesting in the coming weeks will shed more light on the exact level of yields. Nevertheless, given these initial results, will the estimates of exports decrease compared to 2016/17?
Euronext, in line with Chicago, lost more than 1 €/t over the past week on the November 2017 deadline.

To be monitored:
- USDA report 12 October
- US harvest
- South American sowing

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