

# CORN Market



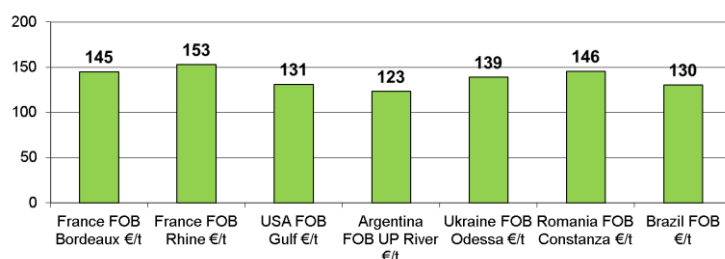
Weekly economic newsletter of the European Confederation of Maize Production

Week 43/2017

N°97

## Indicators

FOB price 20/10/2017 in €/t- November delivery (2017 harvest)



	20/10	13/10
Parity €/€	1.18	1.18
Petrol \$/barrel (NY)	43.5	43.6
FOB Bordeaux*(€/t)	145	152
FOB Rhine* (€/t)	153	162

\*FOB price Bordeaux/Rhine including monthly increase

## WORLD : A DECREASE IN INTERNATIONAL PRICES

With 28% of the acreage sowed, progress in Argentina is slightly delayed compared to last year. As a reminder, the total acreage expected by the grain exchange of Buenos Aires is of 5.4 Mha, showing a 5% increase compared to last year. In Brazil, 1<sup>st</sup>-harvest maize has been sown on 37% of acreage, showing here as well a delay compared to the same period last year.

In the US, 90% of maize had reached maturity level on 15 October. The USDA estimates that 28% of the acreage had been harvested at this date vs an average of 47% over the last 5 years. The weather conditions of last week have enabled the progress of harvests, increasing in the process the pressure on the market.

The US ethanol demand is strengthening and increased by more than 5% compared to last week. It goes hand in hand with a slight decrease of stocks. Weekly export sales are good (1.25 Mt).

In China, the construction of an ethanol production plant is ongoing. It should be followed by the construction of 5 more production plants in the coming years, followed by the announcement of the Chinese government of increasing the usage of ethanol in the country.

Despite the American demand supporting the market and a delay in US harvests, the Chicago market registers a new decrease this week (-3 \$/t approximately for the December deadline). International FOB prices, following CBOT, lost approximately 3\$/t from one week to the next, for both the US and the South American origins.

## EUROPE : EURONEXT UNDER PRESSURE

The rhythm of imports is not decreasing in the EU. With 340 Kt imported over the past week, cumulated imports have reached 4.28 Mt in between 1 July and 17 October, which is more than 1.8 Mt higher than last year over the same period. Spain has imported 1.8 Mt, which amounts to 42% of total EU imports.

Around 40% of total acreage had been harvested last week in Ukraine, whereas more than 45% of the Russian acreage had been harvested.

Euronext, following some technical adaptations and under the pressure of harvests, continues its decrease. The market has lost 4.75 €/t this week for the November 2017 deadline and it has lost 9 €/t over the last two weeks. At 1.18 €/t, the parity is still high and weighs on the competitiveness of EU commodities vs those of third countries.

### To be monitored :

- US harvest
- Ukraine harvest
- Brazilian exports

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