

# CORN Market



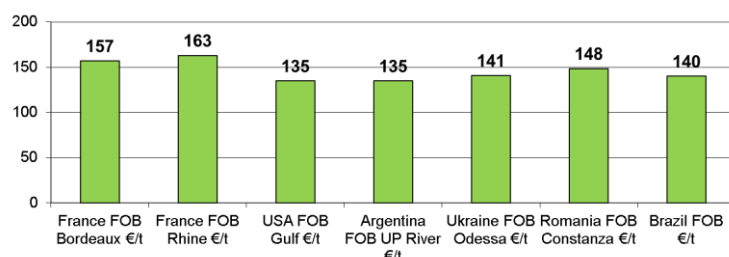
Weekly economic newsletter of the European Confederation of Maize Production

Week 50/2017

N°104

## Indicators

FOB price 08/12/2017 in €/t- December delivery (2017 harvest)



	08/12	01/12
Parity €/ \$	1.17	1.19
Petrol \$/barrel (NY)	57	58
FOB Bordeaux* (€/t)	157	157
FOB Rhine* (€/t)	163	162

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : US EXPORTS DELAYED

The basic figures remained stable this week while operators continue paying close attention to the development of weather conditions in South America and to the possible future development of La Niña.

Sowings are still slowly progressing in Argentina, reaching 40% according to the Bolsa of Buenos Aires.

These concerns are not so far supporting prices, but they are not contributing to pushing international rates downwards either. The South American weather forecast should be cautiously monitored in the coming weeks, even if the conditions should remain dry for the next 15 days.

Competition for exports is still intense between the main exporters. The US continues to lag behind South American producers which are still strong. This has an influence on US maize sales, with 876 kt this week. This represents a 38% delay compared to last year. Is this situation likely to put into question the USDA's export objectives? We will know in the coming week. However, on paper, US maize is the most competitive towards many different destinations.

On the internal market, ethanol production reached a new peak with 1.108 millions barrel/day produced in the last week. Nevertheless, stocks slightly progress and the rates of ethanol are not very promising.

Non commercial funds remain on selling positions and monitor information coming from South America.

## EUROPE: CONFIRMED DECREASE OF UKRAINIAN YIELDS

Harvesting operations are ending in Ukraine with some difficulties. Disappointingly, average yields are down by 15% compared to last year, which is considerably below the usual five-year average. The Ministry of Agriculture published an average yield of 5.37 t/ha. In Russia, harvests are 80% completed, but should be concluded in the coming days with yields closer to the multiannual average.

Ukrainian maize exports have been affected in the past months by competition from South America, particularly from Brazil. Ukrainian maize has to regain competitiveness in order to recover some market shares. The increase of maritime freight costs could also benefit Ukrainian supply as compared to maize from more remote producers.

### To be monitored:

- South American weather forecast
- USDA Report

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