

# CORN Market



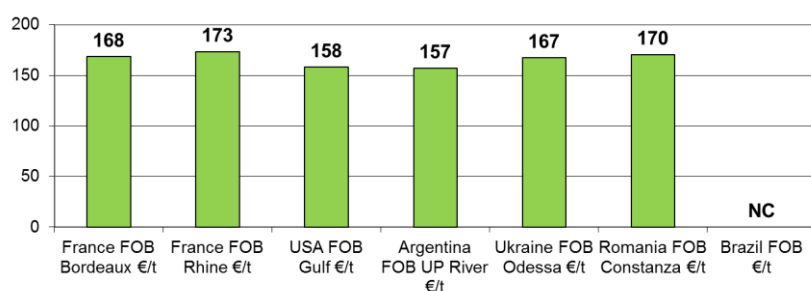
Weekly economic newsletter of the European Confederation of Maize Production

Week 16/2018

N°120

## Indicators

FOB price 13/04/2018 in €/t - April delivery (2017 harvest)



	13/04	06/04
Parity €/ \$	1.23	1.22
Petrol \$/barrel (NY)	67.5	62
FOB Bordeaux* (€/t)	168	170
FOB Rhine* (€/t)	173	173

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: a rather neutral USDA report

The USDA report is announcing a decrease in global production compared to last month (-5.7 Mt), mainly from Argentina and Brazil. For the former, disappointing yields, as well as the transfer of corn towards silage for cattle, drive assessments down to 33 Mt. For the latter, the decrease in safrinha acreage drives production figures down to 92 Mt. In total, a 14.5 Mt decrease in production compared to 2016/17 is thus expected for these two countries. This could benefit to US exports at the beginning of the next crop year ... Finally, global stocks decreased by 1.4 Mt compared to last month. They are now estimated at 198 Mt, i.e. -33Mt compared to 2016/17.

Concerning South-American production, 25% of acreages in Argentina have been harvested. Furthermore, recent rains in the country could benefit to the latest varieties of maize. In Brazil, the Conab announces a 4.6% decrease in safrinha acreage compared to last year, for a total harvest of 63 Mt. This would be added to the 26 Mt harvested in first crop, for a total forecast of 89 Mt, lower than the USDA's forecast.

Concerning US production, sowings had progressed by 2% on 8 April, still within the five-year average. Regarding demand, the weekly export sales are down this week, but the total since the beginning of the crop year remains comfortable. Uses for ethanol production are also down this week, but stocks have come down to lower levels than last year, which has rarely been seen on this crop year.

Finally, the USDA report is not revolutionary, and includes South American production decreases that had already been integrated by the markets. The CBOT is slightly down this week, and funds were holding long positions on 10 April (publication date of the USDA report).

## EUROPE : Ukrainian exports delayed

EU imports have totalled 13.4 Mt since July, which is more than the past two crop years. What figures will be obtained at the end of the 12 weeks still separating us from the end of the ongoing crop year? Will the 15 Mt figure announced by the European Commission be reached? Or exceeded?

With 11.8 Mt exported between July and March, Ukrainian exports are still delayed compared to previous crop years. In Russia, export levels are close to the levels of last year, with 4 Mt exported. Euronext loses €2/t on the June 2018 deadline, rating €165.5/t.

### To be monitored :

- Brazil weather forecast
- Northern Hemisphere sowing
- EU imports

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