

CORN Market



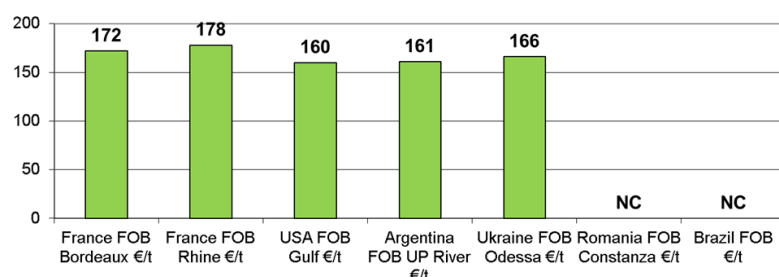
Weekly economic newsletter of the European Confederation of Maize Production

Week 21/2018

N°124

Indicators

FOB price 18/05/2018 in €/t - May delivery (2017 harvest)



	Au 18/05	Au 11/05
Parity €/ \$	1.18	1.19
Petrol \$/barrel (NY)	72.2	70.7
FOB Bordeaux*(€/t)	172	168
FOB Rhine* (€/t)	178	176

*Fob price Bordeaux/Rhine including monthly increases

WORLD: removal of Chinese duties on US sorghum

The week ended with the Chinese authorities' decision to remove antidumping duties that were applied on imports of US sorghum, pushed by the fear of higher prices for animal feed for breeders. This announcement supported US maize prices on Friday, thus ending the week upwards.

Market operators closely monitor weather conditions. Despite the rainfalls in southern Brazil and several Argentinian areas, the situation is still difficult in South America. It should be reminded that Argentinian and Brazilian harvests are exposed to a severe drought; which should drive the USDA to review its latest yields estimates downwards. Harvests in Argentina have progressed by only 1% this week again (4th week in a row). In this context, internal prices in Argentina and Brazil have been significantly progressing.

In the United States, maize sowings have significantly progressed, with 20% of acreages sown over the last week, driving total sowing to 81% (vs 82% last year and 81% on a five-year average).

The export performances and good ethanol production (along with a decrease in stocks) have also somewhat supported the market.

Doubts remain on the accuracy of the sowing figures in the USA. The final figures will be sent by the USDA by the end of June.

EUROPE : sharp increase of US sorghum imports

The removal of the Chinese antidumping measures on US sorghum should lift the existing pressure of US sorghum on the EU market. Indeed, significant volumes, initially intended for the US, have found themselves on the market looking for outlets. On Week 46 alone, US sorghum imports were at 116 kt, bringing the total to 285 kt since 1st July. Spain is particularly concerned. Simultaneously, maize imports have remained limited at 73 kt, due in particular to the significant flows of sorghum. In Ukraine, sowings are almost completed. Some weather forecasts warn of a risk of summer drought on the Black Sea.

This point will have to be carefully monitored in the coming months, the worldwide balance sheet depending on the productions of the Northern hemisphere in the light of the production decrease expected in Brazil and Argentina.

To be monitored :

- South American weather forecast
- End of US sowings
- Black Sea weather forecast

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