

# CORN Market



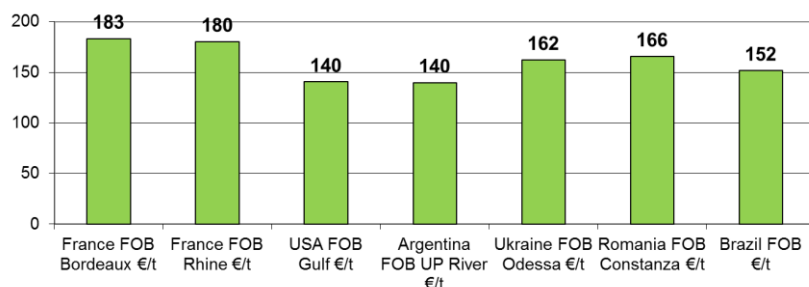
Weekly economic newsletter of the European Confederation of Maize Production

Week 35/2018

N°135

## Indicators

FOB price 24/08/2018 in €/t - October delivery\*\* (2018 harvest)



	24/08	17/08
Parity €/€	1.16	1.14
Petrol \$/barrel (NY)	68.7	65.5
FOB Bordeaux*(€/t)	183	192
FOB Rhine* (€/t)	180	191

\*\*Fob price Bordeaux/Rhine October deadline. Other prices Sept/Oct deadline.

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: US yields confirmed to be high

With 97% of acreages harvested for 30.2 Mt of corn, the estimated production of 31 Mt by the Bolsa de Cereales of Buenos Aires seems to be confirmed. The national production would thus be even lower than the one announced by the USDA at 33 Mt.

Concerning the 2018/19 sowings, the Bolsa de Cereales estimates them at 5.8 Mha, vs 5.4 Mha last year. This increase in acreages would be explained by both agronomic and economic reasons: according to the Bolsa de Cereales, the cultivation of maize would allow for a better crop rotations, as well as a better management of weeding caused by soybean cultivation. Price outlooks are also mentioned as a beneficial factor for maize sowing. On the contrary, the USDA estimates the sowings at 5 Mha, i.e. a 100 Kha decrease compared to last year.

Both Argentinian and Brazilian currencies are weakening compared to the dollar, which gives producers a higher value for maize sales. On the contrary, prices of imported inputs, such as fertilizers, increase.

In Brazil, exports figures for July, at 1.2 Mt, are decreasing compared to last year (2.3 Mt). This decrease can be attributed to transport problems in the country, but also to lower harvests this year.

In the USA, the Pro Farmer plain tour confirms increasing yields compared to last year. The organisation puts forward an estimation slightly lower than the USDA's: 11.1 t/ha vs 11.2 t/ha for the USDA. USDA's ratings are reduced for the third year in a row: 68% of maize acreage is now estimated in good to even very good conditions, which is still 6 % higher than last year's rating.

Concerning demand, US export sales for the 2018/19 crop year are good, with a total reaching almost 10 Mt. They should also continue to benefit from the absence of Brazil and Argentina in the months to come.

Consequently, despite an export demand expected to be significant in the US, yields estimations weigh on markets. The consequences of the China-US meeting theoretically scheduled to take place at the end of August is also expected on markets. The CBOT is decreasing this week.

## EUROPE: Euronext dropping

The CIC estimates a lower than average EU production (60.4 Mt), due to lower yields and transfers of corn towards silage. On the contrary, forecasts for Romania, Bulgaria and Hungary are revised upwards.

Regarding the Black Sea, high temperatures are announced in Ukraine, which could affect yields, which are so far expected to be high. The CIC predicts Russian production at 12 Mt, i.e. a decrease by more than 9% compared to last year.

Euronext is decreasing this week, following Chicago. The November 2018 deadline rates €183.5 /t, i.e. €6.5 /t less than last week.

### To be monitored:

- Yields in the US and Ukraine
- US-China talks
- EU weather forecast

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44  
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68