

# CORN Market



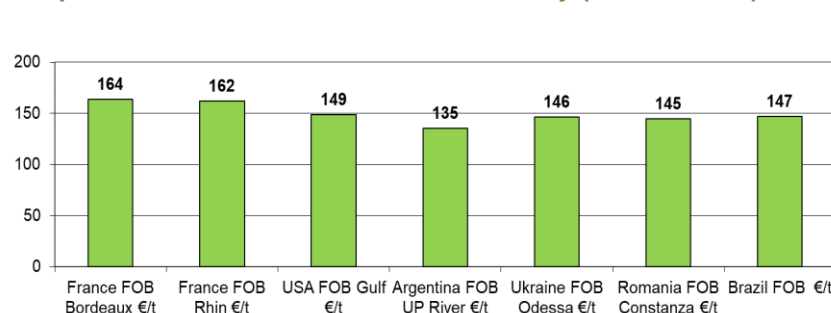
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2019

N°188

## Indicators

FOB price 27/09/2019 in €/t – October delivery (2019 harvest)



	27/09	20/09
Parity €/€	1,09	1,10
Petrol \$/barrel (NY)	55,9	58,1
FOB Bordeaux*(€/t)	164	164
FOB Rhine* (€/t)	162	162

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Uncertainties on South American sowings

From 20 to 27 November, prices remained stable in Chicago. On the December deadline, prices reach \$ 146 / ton. The weather does not concern operators yet. There is a frost risk on both Dakota this weekend, states where around 40% of maize have not reached maturity yet. However, the rest of the Corn Belt, especially the major producing states, should not be affected. The rains of recent weeks are slowing the harvest in the northwestern Corn Belt. They could extend to the rest of the region. Moreover, prices are not supported by the ethanol question. The "big plan" on the subject announced by D.Trump is still waiting as more and more factories are closing in the Corn Belt. The announcement at the occasion of the UN General Assembly of an intermediary trade agreement with Japan did not support prices. It was already expected and only put the United States on par with the other countries in the Transpacific Partnership zone. In addition, Japan is already a major customer of US corn and few market share can be gained in this country. A trade meeting with China is scheduled after 7 October and could provide support for prices should it be successful.

In South America, there are still uncertainties on sowing. In Brazil, rains are slow in most of the country and slow down the sowing of Safrina maize (21% over) but also of soybeans, which will disrupt safrinha maize sowing in January. In Argentina, sowings are also slowed by the drought affecting the center of the country (16% over), but rains are expected this week. Moreover, the political uncertainties that affect the country before the 27 October presidential elections are unfavorable to maize. The Buenos Aires grain exchange estimates the sown acreage at 6.4 Mha vs 6.7 Mha at the beginning of the summer. Despite an increase in the sown acreage compared to last year, production is forecast at the same level, at 50 Mt. This is due to a lower forecast of input use due to the economic crisis affecting the country.

## EUROPE: Investment in logistics in Ukraine

Like in the United States, Euronext prices remained stable from 20 to 27 November. The November deadline gained € 0.5 / T at € 163.75 / T.

In its September report, the European Commission revised its production figures down by 3 Mt to 65.5 Mt (compared to August). Imports are increased by 1.5 Mt to 17 Mt given the high rate of imports since the beginning of the summer.

In Ukraine, 20% of the acreage has been harvested with a yield of 60 Cwt / ha vs 57 Cwt / ha last year. This confirms the good harvest estimates this year for Ukraine. The country is also seeking to improve its logistics, as they are regularly engaged. New investments in harbours are announced. They would increase the monthly loading capacity to 6 Mt. In addition, the Ukrainian government is considering opening rail freight to competition from 2020.

### To be monitored:

-US weather

-EU imports