

CORN Market



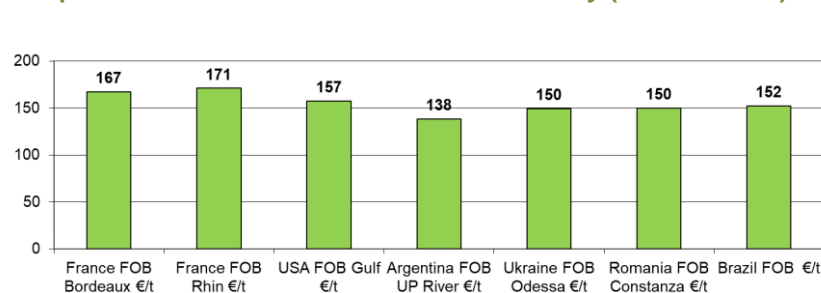
Weekly economic newsletter of the European Confederation of Maize Production

Week 43/2019

N°191

Indicators

FOB price 18/10/2019 in €/t – November delivery (2019 harvest)



	18/10	11/10
Parity €/€	1,11	1,10
Petrol \$/barrel (NY)	53,8	54,7
FOB Bordeaux*(€/t)	167	166
FOB Rhine*(€/t)	171	168

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Harvesting difficulties in the United States

From 11/10 to 18/10, Chicago lost \$ 2.6 / T on the December deadline, to stand at \$ 154 / T. This is due to disappointing weekly export figures. Similarly, ethanol production is largely down due to negative margins. From 1st September to 17 October, only 14.5 Mt of maize was used, vs 18.3 Mt during the same period in 2018. Finally, the announcement by D.Trump of an agreement between China and the US does not support prices. Operators are suspicious and still awaiting more details on the contents of the agreement. There are, however, a lot of Chinese purchases of pork and soybeans.

Harvesting difficulties could support prices to a certain extent. As of 13/10, 73% of maize had reached maturity vs 96% at the same date in 2018. Similarly, only 22% of maize had been harvested on 13/10, compared to 38% in 2018. The latest maize to mature, in particular in the northwestern Corn Belt, will have difficulties reaching full maturity with the generalization of freezing temperatures. In addition, current and future rainfall, on areas that are already very wet, will slow down harvesting activities. It can also be noted that the USDA will conduct a new survey for its November report, to re-assess areas harvested in North Dakota and Minnesota after the 12/10 storm.

In Brazil, Congress is discussing repealing a tax exemption on the transportation of agricultural raw materials, which industry representatives are opposing. Rains are announced in the country this week which should improve the sowing rate of soybeans.

In Argentina, in the final stretch before the presidential elections at the end of the week, President Macri, in the event of re-election, announced the complete elimination of taxes on maize exports by 2021. Rainfall is announced in the center of the country, which has been suffering from drought. 29% of maize had been sown on 16/10 according to reports. At this date, 34% of maize is in "good to excellent" conditions, 2 points higher than last week and 5 points higher than at the same date in 2018.

EUROPE: EU import forecast down

Prices on the November deadline are relatively stable on Euronext. They gained € 0.5 / T between the 11/10 and the 18/10, to reach € 165.75/ T.

The € / \$ parity is at its highest level in a month and a half, at \$ 1.11 because of the new Brexit agreement. It must now be validated by the British Parliament before 31/10.

On 13/10, European imports reached 5.7 Mt vs 3.5 Mt on average at the same date in the past three years. However, Strategie Grain, in its October report, lowers its imports forecast for the 2019/20 crop year from 17.7 Mt last month to 16.8 Mt. Indeed, Romanian and Bulgarian maize have become more competitive, especially against Ukrainian maize, by not following the rise in world prices since September.

To be monitored:

- Black Sea Production
- Elections in Argentina