

# CORN Market



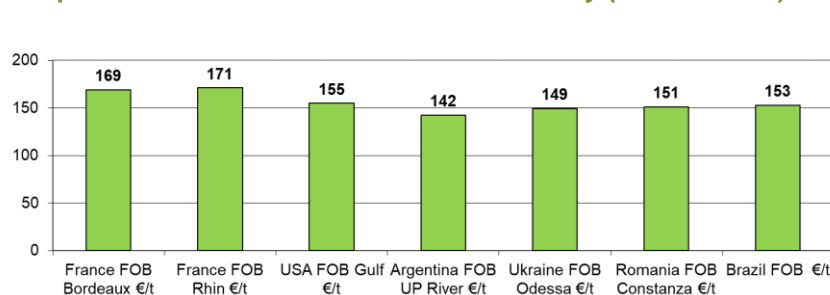
Weekly economic newsletter of the European Confederation of Maize Production

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## Indicators

FOB price 25/10/2019 in €/t – November delivery (2019 harvest)



	25/10	18/10
Parity €/€	1,11	1,11
Petrol \$/barrel (NY)	56,7	53,8
FOB Bordeaux*(€/t)	169	167
FOB Rhine* (€/t)	171	171

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Political change in Argentina

From 18/10 to 25/10, Chicago prices for the December deadline have lost \$ 1.7 / t to reach \$ 152 / t. Weekly exports and ethanol production figures are disappointing. Indeed, ethanol production, while it is increasing, remains under the million barrels per day threshold for the 5th week in a row. Exports, which reach 492 Kt this week, are at the lower end of the range of analysts' estimates. In addition, talks on a China-US agreement are still not supporting prices. D. Trump is optimistic about phase 1 of the agreement (the agricultural part) but nothing is official yet. The Chinese authorities pledged to make \$ 20 billion worth of agricultural imports in year 1 of the agreement, a level equivalent to 2017, the last year before the trade war. In exchange, they would ask for the lifting of part of the tariffs. In parallel with these negotiations, China has introduced a duty free import quota of 10 Mt of US soybeans for private importers.

In its October report, IGC revised world production figures downwards to 1098 Mt, down by 3% from 2018/19. This new figure takes into account end-of-cycle conditions for northern hemisphere crops. Final stocks, at 278 Mt, are at their lowest level in 6 years. They are down by 13% compared to 2018/19 mainly due to a decline in Chinese and US stocks.

In Argentina, A. Fernandez was elected president in the first round of the elections. Argentinian producers are worried about increased export controls and taxes and may, as a result, decrease sowing and the use of inputs in a context of economic crisis. Rains have allowed progress in sowings, 56% of the early maize had been sown on 24/10. 38% of the acreage are in "good to excellent" conditions compared to 30% at the same date last year. In Brazil, rains hit western Mato Grosso allowing soybean sowing. As of 22/10, 21% of soybean had been sown, a figure within the five-year average. However, other areas remain dry and little rain is expected.

## EUROPE: production figures drop in Ukraine

From 18/10 to 25/10, the November maturity on Euronext lost € 1.5 / t to stand at € 164.25 / t. The € / \$ parity has slightly decreased this week, with the prospects of a 31/10 Brexit being postponed, for the moment, to the end of the year.

On 22/10, the EU had imported 6.1 Mt. The pace of imports remains strong.

In Russia, where 64% of the crop has been harvested, yields are better than expected. Ikar increased its production figure to 14.1 Mt vs 13.5 Mt for the USDA. By contrast, in Ukraine, where 66% of the crop has been harvested, yields are lower than in 2018. Most analysts are reviewing their production projections downward with an average of 34 Mt. The Ukrainian Ministry of Agriculture announced 32.8 Mt of production and the USDA has maintained its projection of 36 Mt in early October. The pace of Ukrainian exports at the beginning of the crop year is quite intensive.

### To be monitored:

-US weather

-EU balance sheet