

CORN Market



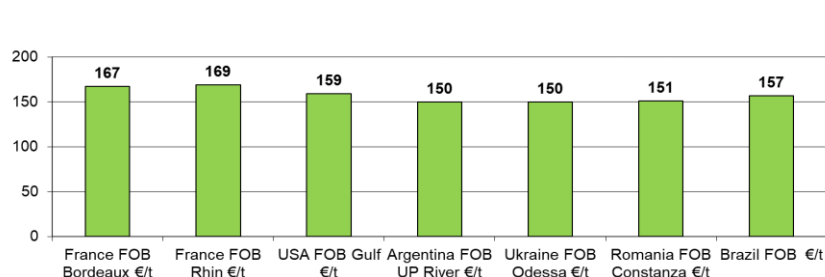
Weekly economic newsletter of the European Confederation of Maize Production

Week 45/2019

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Indicators

FOB price 01/11/2019 in €/t – November delivery (2019 harvest)



	01/11	25/10
Parity €/€	1,11	1,11
Petrol \$/barrel (NY)	56,2	56,7
FOB Bordeaux*(€/t)	167	169
FOB Rhine* (€/t)	169	171

*Fob price Bordeaux/Rhine including monthly increases

WORLD : weather slows US harvest

From 25 October to 1st November, the December deadline in Chicago gained \$ 4.6 / t to reach \$ 153 / t. This increase was caused by weather conditions. A new cold wave hit the latest maize, while rain and snow delayed harvests this weekend. As of 27/10, 41% of US maize had been harvested compared to 61% on average over 5 years. At the same date, in the northwestern states, 20 to 25% of maize had not yet reached maturity. A cold and dry weather is expected this week, which should make harvesting easier. In addition, American maize regained competitiveness against Brazilian maize due to the appreciation of the real vs the dollar and the decrease in availability in Brazil. Finally, on 25/10, the daily ethanol production again crossed the 1 million barrels per day threshold, which had not happened for 5 weeks.

The USDA forecasts maize planting intentions at 38.2 Mha in 2020, 5% higher than in 2019, mainly to the detriment of wheat.

China-US talks seem to be in trouble. The Chinese could refuse to commit to a fixed amount of agricultural purchases and the planned meeting in Chile between D.Trump and Xi Jinping is cancelled. The US president is under pressure because of the beginning of the presidential campaign.

In Brazil, 35 Mt of maize had been exported from the Northern harbours. These volumes are constantly increasing due to investments in logistics. They have been multiplied by more than 5 since 2009. On 30/10, 34% of soybeans had been sown, a pace consistent with the average over 5 years. However, some areas in the south of the country are experiencing delays due to persistent drought. As of 30/10 in Argentina, 66% of early maize had been sown as opposed to 75% on average over 5 years. The rains of recent weeks have accelerated the rate of sowing but the south of the country remains dry. 44% of maize is in "good to excellent" conditions compared to 38% last week.

EUROPE: difficulties in autumn sowing

From 25 October to 1 November, the November deadline on Euronext lost € 3.25 / t to reach € 161 / t. This decline is due to the pressure of the harvest and of Ukrainian exports.

In the November MARS report, the Commission estimates maize yields for the EU at 75.7 Cwt / ha, a drop of 0.6 Cwt / ha compared to the October figures, and a 9.3% decline compared to last year. The same report mentions widespread difficulties, due to weather conditions, for the sowing of fall crops. These areas could, in part, revert to spring crops if these sowings difficulties persisted.

As of 1 November, 77% of the Ukrainian crop had been harvested. Yield to date is 68.5 Cwt / ha, which is 2 Cwt / ha lower than in 2018. The steady pace of wheat and maize exports is limiting freight train traffic.

In Russia, on 30 October, 68% of the harvest had been done. Yields at this date reached 59.6 Cwt / ha, which is 11.3 Cwt / ha higher than in 2018 (a year during which there was a drought).

To be monitored:

-USDA November figures

-EU imports