

CORN Market



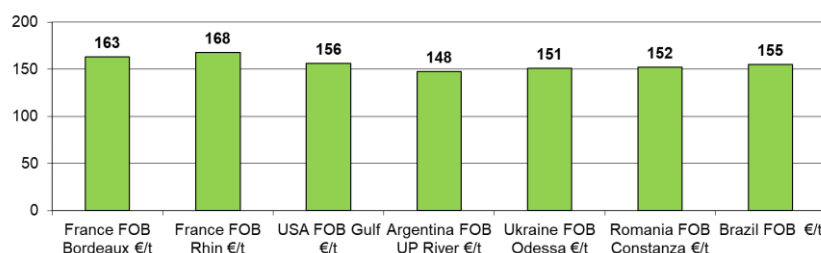
Weekly economic newsletter of the European Confederation of Maize Production

Week 46/2019

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Indicators

FOB price 08/11/2019 in €/t – December delivery (2019 harvest)



	08/11	01/11
Parity €/ \$	1,10	1,11
Petrol \$/barrel (NY)	56,9	56,2
FOB Bordeaux* (€/t)	163	167
FOB Rhine* (€/t)	168	169

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Prices down despite USDA report

From 01/11 to 08/11, the December deadline lost \$ 4.7 / T in Chicago to reach \$ 148.5 / T. This is due to a more lenient weather, favouring harvesting activities, and disappointing demand figures. Daily production of ethanol remains 54K barrels/day below production figures at the same date in 2018, and for exports the month of September was the worst since 1975 with only 2.03 Mt exported. However, the monthly USDA report led to a slight rebound in prices. Indeed, yields projections were revised down to 105 q / ha, which is 1 q / ha lower than the October estimate. Projected US production is down by 3 Mt to 347 Mt and stocks, despite ethanol production and exports decreasing, also lost 6.6 Mt to reach 296 Mt. Despite this rather bullish report, prices will remain under the pressure of the progress of the harvest and dependent on the progress of trade negotiations between China and the United States. In Argentina, on 7/11, 65% of early maize plantings were done, compared to 77% on average over 5 years. The lack of rain outside the central area is still significant. However, 46% of maize is in "good to excellent" conditions compared to 37% at the same time last year.

In Brazil, 46% of soybeans had been sown on 5/11, which is in line with the five-year average. However, the southern states have been experiencing some delays due to lack of sufficient rainfall. This could lead to a smaller sowing window for safrinha maize in these areas. Safrinha maize planting is ending and most acreages are in good growing conditions.

EUROPE: imports continue at a sustained pace

The European Commission's October assessment has been published. It does not bring any major change: the production is set at 66.6 Mt and the exports to third countries figure is revised upwards by 415 kt to reach 3.5 Mt. The imports figure is unchanged at 17 Mt. This is surprising. Indeed, in its October report the CIC revised imports upwards to 20.3 Mt, which is 1.5 Mt higher than in the September report. On the other hand, the pace of imports into the EU remains very strong. On 10/11, 7.2 Mt had been imported compared with 4.8 Mt on the same date on average over the last 3 years. The Ukrainian origin has again taken precedence over the Brazilian origin but this year it happened at a later date. In October Ukraine had exported 1 Mt to the EU vs 1.3 Mt in 2018.

The November USDA report indicates changes in the Black Sea. Due to very good yields, Russian production is revised upwards from 500 Kt to 14Mt. This increase is reflected in exports, which rose from 5.2 to 5.7 Mt. In contrast, in Ukraine, where 85% of the crop had been harvested by 07/11, yields are down by 4% compared to 2018 with 69.6 Cwt / ha. The USDA is reviewing production down by 500Kt to 35.5 Mt. Exports is unchanged at 30 Mt, similar to 2018 figures.

To be monitored:
-US harvest

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