

CORN Market

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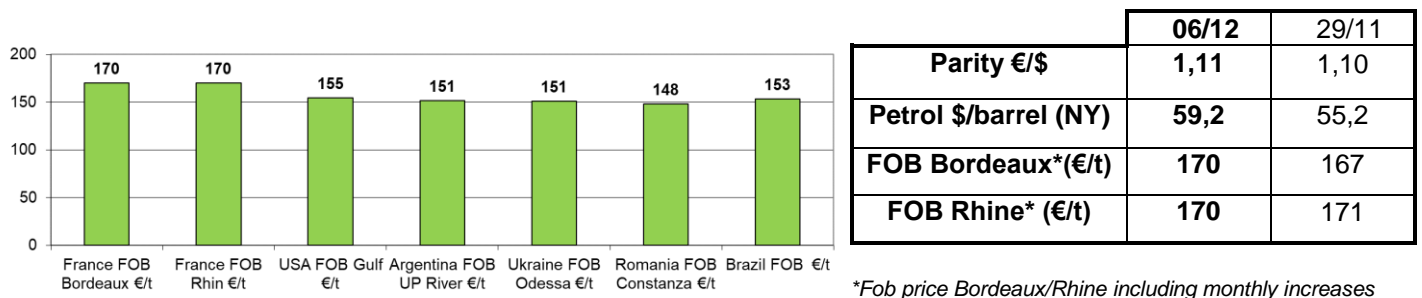
Weekly economic newsletter of the European Confederation of Maize Production

Week 50/2019

N°198

Indicators

FOB price 06/12/2019 in €/t – January delivery (2019 harvest)



WORLD: Further decline in Chicago

From 29/11 to 06/12, the December deadline yielded \$2/T in Chicago to reach \$144/T. Prices are once again suffering from the weekly US demand figures. Ethanol production figures remained stable compared to week 47 with 1.06 million barrels produced per day. In contrast, stocks increased by 2%. For the week of 02/12, export inspections only reached 429 Kt compared to 500 to 700 Kt expected by analysts. The monthly export figure for October is the worst since 2012, with 2.3 Mt only. The US harvest is slowly ending due to the snow that is accumulating in the northern states of Corn Belt. Acreages had been harvested at 89% on 01/12 vs 84% on 24/11.

In Brazil, the high season of maize sowing is coming to an end. Most of the maize is in good growing conditions. The rains of recent weeks have improved soil moisture. In addition, Brazil may have to import maize in the coming months, pending new harvests, despite a record harvest in 2018/19. Indeed, the level of exports has tightened stocks and in some areas (south and north-east of the country), domestic maize may be insufficiently available or too expensive for animal feed and ethanol production.

In Argentina, President A. Fernandez will be invested on 10/12. His Minister of Agriculture L. Bastera is seen rather favourably by the agricultural world, but this could still change. Agricultural stakeholders are still waiting to hear the new government's position on agriculture and in particular on the sensitive topic of export taxes, which could be increased. As of 04/12, 49% of maize had been sown. Late sowings have begun. They may be more exposed to recurrent water shortages in the west and south of the production area than early maize, which are now starting pollination. As of 04/12, 55% of the planted maize was in "good to excellent" conditions, a 2-point increase compared to the previous week.

EUROPE: Strong exports for Ukraine

From 29/11 to 06/12, the January deadline on Euronext lost €1.25/T to reach €164.75/T.

The level of EU imports continues to increase. On 1st December, EU imports reached 8.7 Mt, compared to 5.8 Mt on the same date on average over the past three years. Ukraine exported 3.2 Mt to the EU between 01/07 and 01/12, a 5% increase compared to the same period in the 2018/19 crop year.

In Russia, the good harvest is confirmed. As the crop year draws to a close, 14.4 Mt had been harvested compared to just over 11 Mt in the previous year.

In Ukraine, the government issued a decree to allow greater openness of rail freight to private companies. This way, the government hopes to solve some of the recurring logistical problems.

To be monitored:

- USDA December Report

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