CORN Market

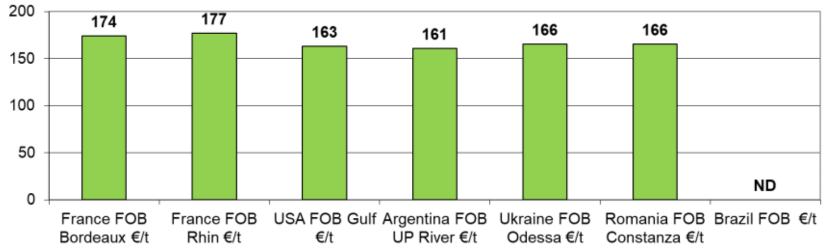
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 08/2020 N°206

Indicators

FOB price 14/02/2020 in €/t – February-April delivery (2019 harvest)



	14/02	07/02
Parity €/$	**1,08**	1,10
Petrol $/barrel (NY)	**52,1**	50,3
FOB Bordeaux*(€/t)	**174**	170
FOB Rhine* (€/t)	**177**	177

**Fob price Bordeaux/Rhine including monthly increases*

WORLD : Towards a high level of South American production

From 07/02 to 14/02, the March deadline lost $2.3 /t in Chicago due to the lack of support from the February USDA report and weekly export figures falling below 1 Mt. The American balance sheet remained unchanged, with the USDA lowering its export estimate by 1.3 Mt and increasing the use projection for ethanol by 1.3 Mt. At the global level, compared to January, the USDA announced an increase in production of 750 Kt to reach 1112 Mt, and an increase in consumption of 1.8 Mt to reach 1135 Mt. As a result, carryover stocks decreased by 970 Kt to reach 297 Mt.

As the China-US trade agreement officially entered into force on 15/02, China bought between 200 and 500 Kt of Ukrainian maize during the week, giving analysts reason to believe that it will favour te market conditions over the respect of the agreement.

In Argentina, rains in the southern part of the production zone improved the maize growing conditions. They gain 3 points compared to the week with 69% of maize in "good to excellent" conditions. The harvest of the earliest maize begins. Production is expected to reach 50 Mt.

In Brazil, the CONAB announced a maize acreage (safra and safrinha) of 18 Mha, which is 2.8% higher than in the 2018/19 crop year. The estimated production is 100.5 Mt compared to 100 Mt in 2018/19, with the increase in acreage offseting the impact of the drought on safra maize production.With the Brazilian real close to its lowest levels against the dollar, Brazilian producers should once again benefit from a very good level of export competitiveness from the safrinha maize harvest in June. The projections to date for these two countries point to a harvest of 151 Mt, very close to the record of 152 Mt for the 2018/19 crop year.

EUROPE: Increase in acreage in Russia

European maize imports continue to slow down with 13.4 Mt on 10/02 compared to 14.7 Mt at the same date in 2018/19, a decrease of 9%.

In its February report, Stratégie Grains increased its acreage forecast for the EU-28 by 30 Kha compared to the previous month. The maize acreage is now estimated at 9 Mha vs 8.69 Mha in 2018/19.

In Russia, the first maize acreage forecasts for 2020 reach 2.73 Mha, an increase of 6% compared to the previous crop year. In Ukraine, the USDA report revises production up by 300 Kt to reach 35.8 Mt, and exports up by 500 Kt to reach 31 Mt.

To be monitored:
-Brazil sowings
-USDA outlook

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION
23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68