

CORN Market



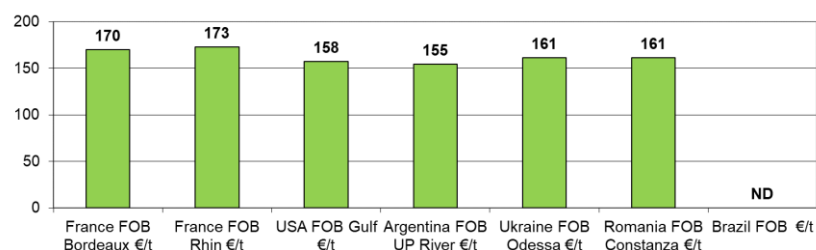
Weekly economic newsletter of the European Confederation of Maize Production

Week 10/2020

N°208

Indicators

FOB price 28/02/2020 in €/t – March-June delivery (2019 harvest)



	28/02	21/02
Parity €/€	1,10	1,08
Petrol \$/barrel (NY)	44,8	53,4
FOB Bordeaux*(€/t)	170	174
FOB Rhine* (€/t)	173	176

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Coronavirus driving prices down

The spread of the coronavirus epidemic outside Asia last week has led to a sharp decline in global markets. Maize prices in Chicago were no exception to this dynamic and fell by \$5/ton between 21/02 and 28/02. The Chicago May deadline is at \$145 per ton. Weekly export sales are adding to this difficult context. They reached 865 Kt last week, at the lower-end of expectations, and operators fear the return of the Argentinean origin in the coming weeks. D.Trump has announced in recent weeks the possibility of a 3rd exceptional payment to American farmers if China does not respect its obligations of the January trade agreement. In addition, this year the US administration has reportedly decided to grant fewer exemption to US refineries from their obligation to incorporate ethanol into fuel production. Compared to January figures, the February CIC report reviewed world production up by 1 Mt (1,112 Mt), world consumption up by 1 Mt (1,151 Mt) and world stocks up by 1 Mt (284 Mt). For the 2020/2021 crop year, world maize acreage is projected at 193 Mha, the highest level for 3 years. With a trend yield, production would be 1156 Mt, i.e. a 4% increase compared to the 2019/2020 campaign. In Argentina, the government could increase export taxes on soybeans. The state of maize has slightly deteriorated with 59% of it in good to excellent conditions vs 61% last week. The harvest is starting and yields are better than expected. As a result, the Buenos Aires grain exchange raised its production estimate by 1 Mt to reach 50 Mt. In Brazil, half of the safrinha maize should be sown after the ideal window due to the delayed soybean harvest. This mainly concerns the south of the country.

EUROPE: Acreage increase in Ukraine

Euronext's March price also fell sharply due to the spread of the coronavirus epidemic. They fell by €4.25 /t last week to reach €165.5 /t. In its February review, the European Commission revised EU production up by 2.3 Mt compared to January. It is now estimated at 70 Mt. EU consumption is slightly revised upwards by 500 Kt to reach 66.5 Mt due to a dynamic consumption with cattle feed producers. Carryover stocks are revised up by 1.8 Mt to reach 26.6 Mt. For the 2020/2021 crop year, the CIC projects a 3.6% increase for the EU-27 to 9.1 Mha, a 2% increase for Russia to 2.5 Mha and a 4% increase for Ukraine to 5.2 Mha.

To be monitored:

- Safrinha maize sowing
- EU imports