

CORN Market



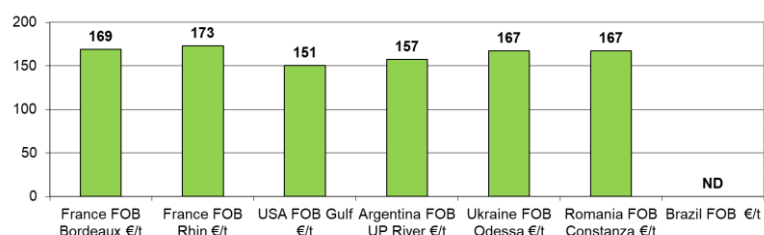
Weekly economic newsletter of the European Confederation of Maize Production

Week 15/2020

N°213

Indicators

FOB price 03/04/2020 in €/t – April-June delivery (2019 harvest)



	03/04	27/03
Parity €/€	1,08	1,10
Petrol \$/barrel (NY)	28,3	21,5
FOB Bordeaux*(€/t)	169	170
FOB Rhine* (€/t)	173	173

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Strong planting intentions in the United States

From 27 March to 3rd April, prices for the May maturity fell by \$6/t to reach \$130/t. In spite of an increase in export competitiveness, good weekly export figures (1.1 Mt) and the announcement of a new maize sale to China (567 Kt including 63 Kt in 2019/20), American prices fell sharply again last week. Indeed, the economic crisis in the United States is worsening due to the progression of the coronavirus epidemic. In addition, the ethanol situation remains unfavourable. Production has dropped by 165,000 barrels/day to reach 865,000 barrels/day and stocks have reached record levels, at 25.7 million barrels, with a weekly increase of 1.6 million barrels. Although oil prices have rebounded on rumors of a Russian-Saudi agreement to cut production, demand for fuel is down sharply due to the slowdown in activity. In addition, the USDA has released U.S. producers' planting intentions. For maize in 2020, these would reach 39.3 Mha, their highest level since 2012, and a higher level than operators' expectations and the USDA's already high projections from February. This can be explained in particular by the return to production of areas subject to "prevented planting" in 2019. However, the USDA survey was conducted in early March, before the massive difficulties in ethanol production. Since then, the price ratio has favoured soybeans, which could lead to a marginal readjustment in the crop rotation of producers.

In Brazil, safrinha maize suffers from dry conditions in the south of the country, while in Mato Grosso, the leading producer state, growing conditions are favourable.

In Argentina, 22% of maize has been harvested. It is mainly early maize, with good yields. Maize growing conditions are stable from one week to the next, with 32% of maize, mainly late maize, in "good to excellent" condition.

Truck freight in both countries is severely disrupted by the coronavirus outbreak. Local authorities are seeking to limit flows while federal governments are seeking to preserve export activity.

EUROPE: EU carry-over stocks fall

From 27 March to 3rd April, price on Euronext's June maturity fell by €2.25 /t to reach €165.5 /t.

In its March balance sheet, compared to February, the European Commission reviewed European imports up by 400 Kt to 19.4 Mt. Exports to third countries are revised upwards by 1.5 Mt to 5.7 Mt. Consequently, carryover stocks for the 2019/20 crop year are revised downwards by 1.1 Mt to 26.1 Mt.

In Ukraine, maize sowing is starting even though many producers are waiting for the rains to return before starting work. Supply difficulties are noted for some European inputs due to rising prices (depreciation of the hryvnia) and logistical difficulties.

To be monitored:

- Report USDA
- OPEC-Russia meeting
- Sowings United States