

# CORN Market



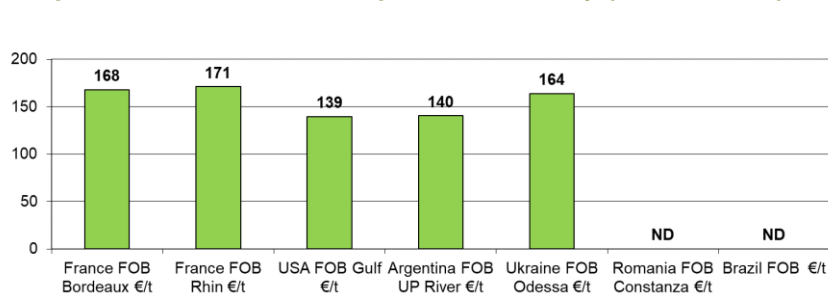
Weekly economic newsletter of the European Confederation of Maize Production

Week 17/2020

N°215

## Indicators

FOB price 17/04/2020 in €/t – April-June delivery (2019 harvest)



	17/04	10/04
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	18,3	22,4
FOB Bordeaux*(€/t)	168	169
FOB Rhine* (€/t)	171	172

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Oil prices fall again

From 13/04 to 17/04, the May delivery in Chicago lost \$4.7/t to reach \$126/t.

The week was marked by a new drop in oil prices, with the barrel is now trading at \$18. The production reduction agreement between the main producing countries is not of sufficient magnitude to cope with the drop in demand, moreover it seems politically very fragile.

Against this backdrop, the US ethanol industry remains in a slump. Forbes announced that more than half of the plants have stopped or reduced their production. On 10/04, production was standing at 570 thousand barrels/day, its lowest level since June 2010. On the same date, stocks reached 27.5 million barrels/day. In addition, some operators now fear a drop in FOB activity due to the progression of the epidemic in the United States. The good level of exports in recent weeks, 907 Kt last week, is relegated to the background.

As of 12/04, 3% of American sowings had been sown, which is in line with the rate of the past 5 years. The end of the cold spell that hit the Corn Belt should allow the real start of sowing work this week.

In Brazil, the weather has been dry over the southern third of the country and should remain so again this week. In Argentina, the harvest is progressing rapidly. 33% of the maize crop has been harvested by 15/04 compared to an average of 24% harvested by the same date over the past 5 years. On the other hand, the level of Paraná remains low, which is disrupting exports.

## EUROPE : Decrease in ethanol production

From 14/04 to 17/04, the June delivery on Euronext gained €0.75/t to stand at €163.75 /t.

On 13/04, the EU had imported 16.3 Mt of maize compared to 19.3 Mt on the same date in the previous crop year. With 9.7 Mt, Ukraine remains the main source of EU imports, although this volume is 19% down compared to the same date in 2019.

Despite a drop in demand for maize, particularly from the ethanol industry, Stratégie Grains in its April report, did not change its import forecast for the current crop year. The Ukrainian origin remains competitive and maize is more attractive than wheat in FOB.

In addition, Romania has suspended its ban on cereal exports to third countries.

### To be monitored:

-Weather conditions Europe

-Conditions of culture Brazil