

CORN Market



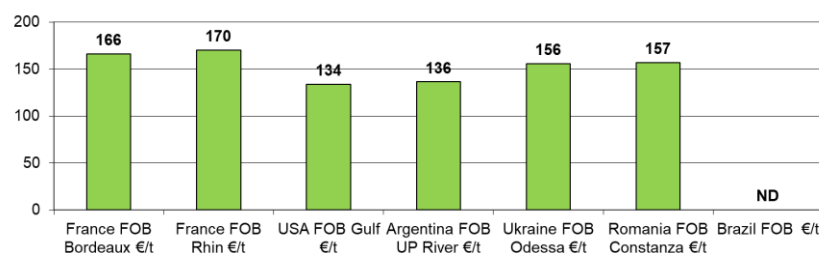
Weekly economic newsletter of the European Confederation of Maize Production

Week 19/2020

N°217

Indicators

FOB price 01/05/2020 in €/t – May-June delivery (2019 harvest)



	01/05	24/04
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	19,8	16,9
FOB Bordeaux*(€/t)	166	167
FOB Rhine* (€/t)	170	171

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Global stock build-up

From 24/04 to 01/05, the Chicago July delivery price dropped \$1.7/t to reach \$125/t.

Despite a rebound linked to oil prices and the drop in ethanol stocks (-1.4 million barrels last week), US prices fell again at the end of the week. This is due to the good sowing conditions, 27% of acreage having been sown compared to 20% at this date on average over the last 5 years, but also to fears about relations with China as D.Trump accuses this country of being responsible for the coronavirus pandemic. In addition, operators now fear a drop in the use of maize in animal feed. Slaughtering of pigs and cattle are in sharp decline due to the closure of slaughterhouses for lack of coronavirus-free workers.

In its April report, compared to March and at the global level, the IGC revised the consumption of maize for ethanol down by 5 Mt and the 2019/20 end-of-season stocks up by 7 Mt to 297 Mt in total. For the 2020/21 crop year, at the global level, the IGC projects a production of 1158 Mt, a 4% increase compared to 2019/20, consumption at 1173 Mt (+2%) and final stocks at 281 Mt (-5%), their lowest level in 7 years. However, due to the expected increases in surface area, the stocks of the main exporters (Ukraine, USA, Brazil, Argentina) are projected to increase by 20% compared to 2019/20 to reach 78 Mt. This should weigh on prices during the next crop year.

In Brazil, the south of the country should receive rains this week after several weeks of drought.

In Argentina, the harvest was slowed down by rains last week but still remains ahead of schedule. 37% of the maize acreage has been harvested compared to an average of 29% at this date over the last five years.

EUROPE : Rains expected in the Black Sea

In its April assessment for the 2019/20 crop year, the European Commission revised its import forecasts downwards by 600 Kt compared to March, to reach a total of 19.4 Mt. Ethanol production was revised downwards by 636 Kt. As a result of resource adjustments, final stocks are estimated at 24.7 Mt, down 800 Kt compared to March. For the 2020/21 crop year, imports are projected at 16.6 Mt and final stocks at 24.1 Mt.

Russia announced the suspension of its cereal exports on 01/07, Ukraine has renounced such a measure for maize due to the absence of tensions for domestic supply.

The MARCH report of April shows a water deficit in an area from the north-eastern quarter of France to the south of Poland as well as in an area from Austria to the east of Romania.

After rains in the central area of Ukraine last week, heavy rains are expected throughout the Black Sea basin this week which should alleviate the water deficit.

To be monitored:
- EU imports

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