

CORN Market



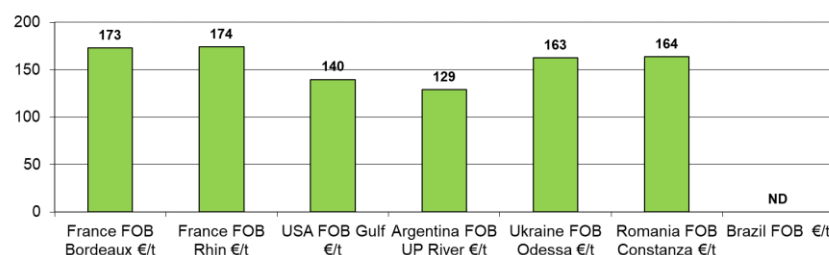
Weekly economic newsletter of the European Confederation of Maize Production

Week 22/2020

N°220

Indicators

FOB price 22/05/2020 in €/t – May-June delivery (2019 harvest)



	22/05	15/05
Parity €/€	1,09	1,08
Petrol \$/barrel (NY)	33,3	29,4
FOB Bordeaux*(€/t)	173	168
FOB Rhine* (€/t)	174	170

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Diplomatic tensions related to the pandemic

From 15/05 to 22/05, prices for the July delivery in Chicago remained relatively stable, losing \$0.5/t to stand at \$125/t. With 663 thousand barrels/day, ethanol production is up by 7% compared to the previous week, for the third consecutive week. It remains 30% below its pre-pandemic level. Stocks are at 22.6 million barrels, down by 2% compared to the previous week (for the 4th consecutive week). Last week, net export sales were 884 Kt. Although the level of weekly US exports has been high since the beginning of the year, it does not make up for the difficulties at the start of the crop year (Brazilian and Ukrainian competition). As a result, the current total of exports, 26.7 Mt, is significantly lower than that of the 2018/19 crop year and than the average of the last 5 crop years at the same date. In spite of the rains on the Corn Belt, American sowings continue to progress at a good pace. 80% have been carried out vs 71% on average over the last 5 crop years at the same date. Favourable conditions are expected this week. The international context has been marked these last few days by renewed tensions due to the Covid-19 pandemic. As the presidential elections approach, D.Trump accuses China of being responsible for the pandemic and announces new aid for farmers. These will be \$13/t for maize up to 50% of the 2019/20 harvest or stocks held in January. For its part, China has threatened trade retaliation against countries calling it to account for its management of the epidemic. Australian barley, for example, is now subject to prohibitive tariffs. In Argentina, 44% of the crop has been harvested, i.e. 10% higher than on the same date in the last five crop years. Agreements with Paraguay and Brazil have led to a reduction in water retention in dams and a rise in the level of the Paraná river, which should facilitate exports. In Brazil, the dry weather in the Central East should not compromise yields as the harvest approaches. Heavy rains in the south of the country are too late to avoid yield losses. This week will be dry across the country.

EUROPE: European yields revised downwards

In the MARS report of May, the European Commission reviews European yields slightly lower than in April (-1 cwt to 79.4 cwt/ha), noting a seasonal water deficit in three areas: one stretching from the eastern half of France to the north of Germany and Poland, one in central Europe (Balkans, Hungary) and one on the Romanian and Ukrainian Black Sea coasts. Eastern France, northern Europe and central Ukraine have received rain recently but Hungary and the Balkans remain relatively dry.

To be monitored:

-IGC Report

-EU balance sheet