

# CORN Market



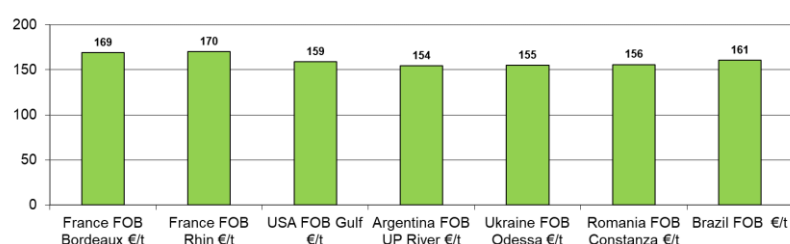
Weekly economic newsletter of the European Confederation of Maize Production

Week 38/2020

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## Indicators

FOB price 11/09/2020 in €/t – September-October delivery (2020 harvest)



	11/09	04/09
Parity €/€	1,19	1,18
Petrol \$/barrel (NY)	37,3	40,3
FOB Bordeaux*(€/t)	169	169,5
FOB Rhine* (€/t)	170	170

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Downward revision of US yields

From September 4 to September 11, Chicago December delivery prices gained \$4 per ton.

Indeed, the USDA in its September report, compared to the previous month, revised its yield projection downwards by 2 CwT/ha. It is now 112 CwT/ha. This is explained by taking into account the drought that affected the Corn Belt in August as well as the damage caused by the Derecho storm in Iowa (a top producing state). As a result, US production has been revised downwards by 10 Mt and is now projected at 378 Mt. On the other hand, the frost that hit North Dakota and damaged crops has not yet been taken into account. Domestic uses have been revised downwards, notably due to the difficulties of ethanol (130 Mt, -3Mt). Brazil has also temporarily backpedaled on the withdrawal of the 750 million litre duty-free quota that the US had previously taken advantage of. This quota is therefore expected to be maintained until the US presidential elections in November, and Brazilian leaders are proposing export facilities for Brazilian sugar to ensure its continuation. On the other hand, exports have been revised up slightly (3 Mt) due to Chinese demand. The USDA thus announced today a new sale of 350 Kt for this country. The extent of Chinese demand is still uncertain. The USDA has not, to the surprise of operators, revised the figure for Chinese imports. This could be maintained over the long term as typhoons have damaged part of the harvest in the north of the country in recent days.

American stocks have been revised downwards by 6.5 Mt (64 Mt) but remain the highest since the 1987/88 crop year.

At the world level, compared to August, the USDA revised production down by 9 Mt (1162 Mt) and world stocks by 10.5 Mt (307 Mt).

In South America, despite some rains in Argentina, dry conditions are still present as the first sowings begin.

## EUROPE: Drop in Ukrainian production

In its September report, compared to the previous month, the USDA revised European maize production down by 1.5 Mt to an estimated 66.3 Mt. The import projection remains unchanged.

In the same report, the USDA revised Ukrainian (-1 Mt to 38.5 Mt) and Russian (-300 Kt to 15 Mt) maize production slightly downwards compared to August. These decreases still seem too limited in view of the forecasts of many analysts and local official estimates. The Ukrainian government thus forecasts a harvest of 33 Mt and Agritel of 33.5 Mt due to the drought that has affected the country. The beginning of the harvest confirms yields that are significantly lower than those of the previous crop year.

### To be monitored:

- Grains Strategy Report