

# CORN Market



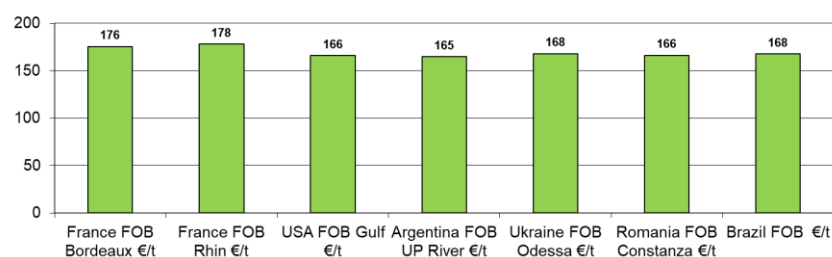
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2020

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## Indicators

FOB price 25/09/2020 in €/t – October-December delivery (2020 harvest)



	25/09	18/09
Parity €/€	1,16	1,18
Petrol \$/barrel (NY)	40,3	41,1
FOB Bordeaux*(€/t)	175,5	173
FOB Rhine* (€/t)	178	173

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Lower prices in Chicago

From 18/09 to 25/09, the Chicago December delivery price fell by \$5/t to \$144/t.

This decline in price follows the broader dynamics of the commodity and securities markets across the Atlantic, driven by fears of a second wave of the epidemic. Maize is also being penalised by the strengthening of the dollar and the harvest pressure. As of 20/09, 8% of US maize had been harvested compared to 10% on average over the last five crop years. Dry weather is expected to continue this week, which will help harvesting progress. The good net export sales figure (2.1 Mt last week) and the announcement of a sale of 140 Kt of maize to China have not helped to stop this decline. In the run-up to the US elections on 3<sup>rd</sup> November, the volatility of US markets could increase. This week, traders will remain attentive to the release of the USDA's quarterly stocks data.

In its September report, the IGC makes adjustments to world production due to various production accidents. It loses 6 Mt compared to August and is projected at 1.16 billion tonnes.

In Argentina, the Buenos Aires cereal exchange announces 6.2 Mha acreage (-100 Kha compared to 2019/20) and a production of 47 Mt (-3 Mt). These declines can be explained both by the country's economic situation and by government measures that make maize less profitable in some areas, as well as by the drought caused by the La Niña climate phenomenon. At this date, 11% of maize has been sown, mainly in the east of the country, which has received rainfall. Next week the weather should remain dry.

In Brazil, while the south of the country has been affected by rains, the Central-Western part of the country, where most of the maize and soya production is concentrated, has remained dry so far. No rain is expected next week.

## EUROPE: Rising Imports

From 18/09 to 25/09, the price of the November delivery on Euronext remained stable at €170/t.

Coceral has revised its crop projection downwards; it is now 62.8 Mt compared with 64.6 Mt in July. This can be explained by the drought that affected certain producer countries, including France and Romania.

As of 20/09, the EU had imported 3.8mt of maize compared to 2.8mt on the same date in the last three crop years. Brazilian origin is the main source, accounting for 75% of imports.

In Ukraine, as of 24/09, 9% of maize has been harvested with yields significantly lower than the previous crop years. Most analysts expect production to be 32-35 million tonnes, compared to nearly 36 million tonnes in the previous year, despite a significant increase in acreage.

### To be monitored:

- American Stocks
- South American Weather
- EU Balance sheet