

# CORN Market



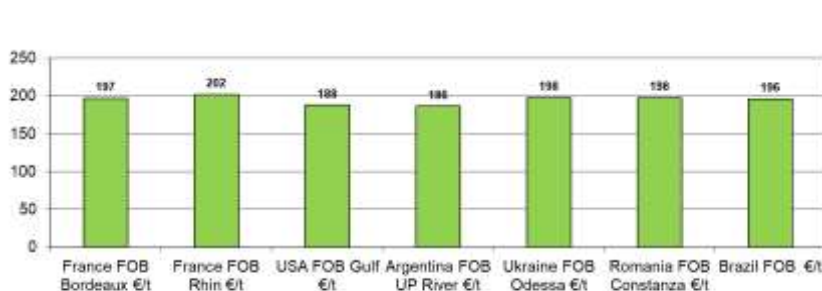
Weekly economic newsletter of the European Confederation of Maize Production

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## Indicators

FOB price 06/11/2020 in €/t – November-December delivery (2020 harvest)



	06/11	30/10
Parity €/€	1,19	1,17
Petrol \$/barrel (NY)	37,1	35,8
FOB Bordeaux*(€/t)	197	193
FOB Rhine* (€/t)	202	199

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Political uncertainties in the United States

From 30/10 to 06/10, the Chicago December delivery market value increased by \$3 per tonne to \$160 per tonne. On 01/11, 82% of the American crop had been harvested compared to an average of 69% over the past 5 crop years at this date. The favourable weather allowed a rapid progress of the harvest in the Corn Belt. Prices were supported by the weekly net export sales figures. At 2.6 Mt last week, they proved to be higher than operators' expectations. On the other hand, the ethanol sector remains depressed with the resumption of the epidemic. Production has been below its average level for several months. Operators are awaiting the release of the USDA's monthly report which could confirm the dynamics of rising imports into China. J.Biden was elected President of the United States, however this country will face many political uncertainties in the short and medium term. In the short term, the transition with the Trump administration, which refuses to admit defeat, could prove delicate by the end of January. In the medium term, the Democrats are not expected to have a majority in the Senate until at least 2022, which could hinder Biden's desire to carry out important reforms: tax increases, ecological transition, but also fiscal stimulus to respond to the economic crisis. On the other hand, he could quickly make American international politics more peaceful and return to multilateral discussions, notably the Paris Climate Agreement. In its October report, compared to September, the IGC revised world production downwards to 1156 Mt (-4 Mt), consumption to 1173 Mt (-3 Mt), carryover stocks to 279 Mt (-6 Mt) including 70 Mt for the main exporters (-9 Mt). In Brazil, full season maize (safra) representing 25% of the production have been suffering from the water deficit in the south of the country. In Argentina, on 04/11, 38% of maize was in "good to excellent" conditions, an increase of 1 point compared to the previous week. Sowing should resume at the beginning of December. In both countries, rain is expected this week.

## EUROPE: Declining imports

In Ukraine, the harvest is progressing and figures remain disappointing. The country could record a harvest of less than 30 Mt. In this context, the local price of maize is rising sharply. Domestic users, particularly in animal feed, are asking the Ukrainian government to set an export quota to guarantee their supply and limit price increases. As of 06/11, the EU had imported 5.9 Mt of maize, a lower figure than that of imports on the same date in the previous crop year (7.3 Mt) and the average of the last 3 crop years (6.2 Mt). The high price of maize, particularly in the Black Sea, is slowing down imports. After the outbreak of African swine fever in Germany, it is now European poultry farmers who could be threatened by the outbreak of bird flu in the north of the EU. If these two epizootics were to develop, they would have an impact on maize consumption by cattle feed producers.

To be monitored:  
 - USDA report  
 - Strategy report