

# CORN Market

CEPM  
maiz'EUROP

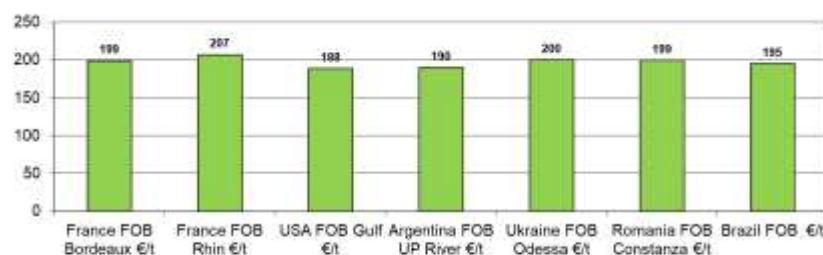
Weekly economic newsletter of the European Confederation of Maize Production

Week 47/2020

N°242

## Indicators

FOB price 13/11/2020 in €/t – November-December delivery (2020 harvest)



	13/11	06/11
Parity €/€	1,18	1,19
Petrol \$/barrel (NY)	40,1	37,1
FOB Bordeaux*(€/t)	199	197
FOB Rhine* (€/t)	207	202

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Further decrease in U.S. carry-over stocks

From November 6 to November 13, the December maturity in Chicago gained \$1.5/t to reach \$161.5/t. However, the week was marked by significant price volatility.

This volatility was primarily due to the market's reaction to the announcement of a Covid vaccine discovery by Pfizer, but was primarily the result of significant profit-taking by non-commercial funds following the release of the USDA November report.

Indeed, in this report and compared to the September figures, the USDA lightened, beyond the expectations of the operators, the U.S. balance sheet with a significant downward revision of the average yield (-2 CwT/ha, 110 CwT/ha) leading to a significant decrease in the production projection (-5.5 Mt, 368.5 Mt). In a more expected way, due to the Chinese activity, exports have been revised upwards (+8 Mt, 67 Mt). Domestic demand items (cattle feed production and ethanol) have not been revised much despite the rise in prices. As a result, carryover stocks were once again revised downwards, beyond operators' expectations, and now stand at 43 Mt (-12 Mt), their lowest level in 7 years.

These changes relate to the world balance sheet: the import projection for China has been raised to 13 Mt (+6 Mt), still underestimated in relation to the country's needs, and the world production figure has been revised downwards (United States, EU, Black Sea) more than consumption. As a result, the world balance sheet is tightening: carryover stocks are estimated at 291 Mt (-9 Mt), the lowest in 6 years, including 55 Mt for the 4 main exporters (-12 Mt).

In Argentina, maize sowing pauses in November (to avoid a dry phase in spring) before resuming in December with late-planted maize, which could, this crop year, gain acreage due to the water deficit observed so far. By November 11, due to the lack of rain, growing conditions were deteriorating. 35% of the maize crop was in "good to excellent" conditions, 3 points less than the previous week. The week is expected to be relatively dry.

## EUROPE: Low exportable availability in Ukraine

From 6 to 13/11, the January maturity on Euronext gained €2.25 /t to €190.75 /t, thus reaching the levels of the November maturity at its expiry.

In its November report, compared to October, the USDA significantly lowered its Black Sea production projections. Thus, Ukrainian production was, as expected, revised downwards to 28.5 Mt (-8 Mt). In fact, with 78% of maize harvested to date, the average yield is slightly over 50 CwT/ha and the collection reaches 21.4 Mt. The exportable availability is also revised with a decrease of 8 Mt to reach 22.5 Mt. The production projection for Russia is now 14 Mt (-1 Mt).

EU production is also revised downwards by 1.9 Mt (64.2 Mt) and imports (in September-August basis) are revised downwards by 4 Mt (20 Mt) due to the lack of availability and the price level in the Black Sea. The adjustment of the EU balance sheet is mainly due to the decrease in cattle feed production consumption.

### To be monitored:

- Grain strategy report
- EU imports

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44  
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68