

# CORN Market



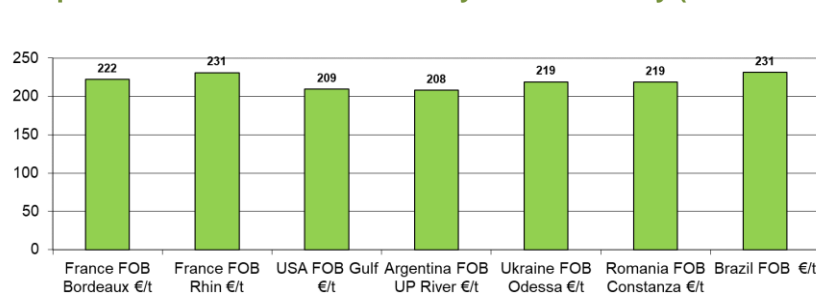
Weekly economic newsletter of the European Confederation of Maize Production

Week 6/2021

N°252

## Indicators

FOB price 05/02/2021 in €/t – February-March delivery (2020 harvest)



	05/02	29/01
Parity €/€	1,20	1,21
Petrol \$/barrel (NY)	56,9	52,2
FOB Bordeaux*(€/t)	222	220
FOB Rhine* (€/t)	231	232

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Uncertainties on Chinese stocks

From 29/01 to 05/02, prices for the March maturity in Chicago remained relatively stable at \$216/t.

The good weekly export figures made it possible to catch up to the ongoing downward trends resulting from the profit-taking of funds at the beginning of the week. Traders are awaiting the release of the USDA's monthly report on 09/02. The report is expected to show an increase in U.S. exports and Chinese imports, due to large Chinese purchases in January. As a result, a further decrease in U.S. carryover stocks is expected.

Indeed, at the end of January and since the beginning of the crop year, the United States has shipped 6.2 Mt to China and the contractualizations for the rest of the crop year are, at this date, of 11.6 Mt. This momentum should continue as a result of the rebuilding of the pig herd and a desire to ensure the country's food security by rebuilding its stocks. In this regard, the FAO has re-evaluated its estimate of Chinese stocks, now estimated at 139 Mt, down 54 Mt from its last estimate and down 52 Mt from the current USDA estimate. However, some operators are concerned about the resurgence of epizootics in China and in particular new cases of African swine fever that could again hit a pig herd whose recovery is expected to end in mid-2021. In addition, part of the contracts could be cancelled in the spring in favor of South American crops.

In Argentina, as of 04/02, the share of maize in "good to excellent" conditions gained 2 points compared to the previous week, at 24%. The Buenos Aires grain exchange now estimates production at 46 Mt, down 1 Mt compared to its previous estimate. In addition, the Argentinean government is again threatening export restrictions, quotas or taxes.

In Brazil, safrinha maize sowings are delayed due to a late soybean harvest and rains that are slowing down construction. In Mato Grosso (the main producing state), 12% of the sowings have been carried out vs 39% at this date in 2020. Areas should increase by 1 Mha (19.5 Mha) compared to 2020 due to very attractive prices. Heavy rains are expected to affect the north of the zone this week and disrupt the harvesting and sowing sites.

## EUROPE: European imports slowed down

Prices on Euronext for the March maturity date rose slightly between 29/01 and 05/02 to €218 /t. For the new harvest, the November 2021 maturity remained stable at €184/t.

As of 08/02, the EU had imported 10 Mt of maize compared to 12.9 Mt on average at this date for the last 3 crop years and 13.7 Mt for the 2019/20 crop year. With 3.6 Mt imported from Ukraine, the volumes of this origin are down 53% compared to 2019. Ukrainian maize is not very competitive compared to European maize and wheat.

Russia is expected to introduce a floating export tax from 1 June. Maize will be taxed from this date when its FOB price exceeds \$185/t.

### To be monitored:

- USDA report
- USA acreage
- Safrinha Brazil acreage

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