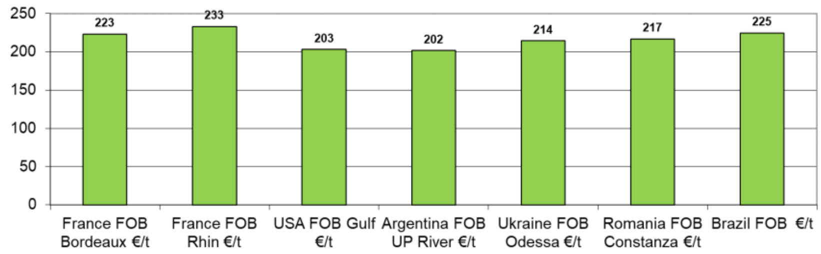
CORN Market
Weekly economic newsletter of the European Confederation of Maize Production
CEPM maiz'EUROP'

Week 7/2021 N°253

Indicators

FOB price 12/02/2021 in €/t – February-March delivery (2020 harvest)



	12/02	05/02
Parity €/$	**1,21**	1,20
Petrol $/barrel (NY)	**59,5**	56,9
FOB Bordeaux*(€/t)	**223**	222
FOB Rhine* (€/t)	**233**	231

**Fob price Bordeaux/Rhine including monthly increases*

WORLD : WORLD: High price volatility

From 5/02 to 12/02, the Chicago March expiry price fell by $4 per tonne to $212 per tonne.
The week was marked by high volatility following the release of the USDA report in February and the cancellation of an export contract at the beginning of the week. Indeed, the USDA made an upward revision of the US export projection for the 2020/21 crop year as well as a downward revision of carryover stocks. However, these developments were below traders' expectations. Exports were revised upwards by 1.3 Mt (66 Mt) and carryover stocks were revised downwards by 1.3 Mt to be projected at 38.2 Mt vs an expectation of 35.3 Mt.
In addition, the USDA revised its projection of Chinese imports upwards by 6.5 Mt (24 Mt) but also the stocks of this country, contrary to the FAO which clearly revalued them downwards. As a result, world stocks were revised up slightly to 286.5 Mt (+2.7 Mt) whereas operators were expecting a decrease (280 Mt). This week, the USDA should give its 1st projections for the American acreage in 2021.
In Brazil, CONAB gave its estimate of the acreage of safrinha maize (second harvest - 75% of production). These are estimated at 14.4 million hectares, up 600,000 hectares from the 2019/20 crop year. As a result, compared to January, production is revised up by 3 Mt (105.5 Mt). As at 09/02, 3.4% of the sowing had been sown vs 23% at the same date last year. Work is slowed down by the rains and a late harvest of soybeans.
In Argentina, 23% of maize is in "good to excellent" conditions compared to 25% the previous week. The earliest and most drought-affected maize is beginning to be harvested. Dry conditions may return after a wet January that improved the situation for late maize. The previous week was dry in the heart of the production area and no significant rain is expected this week as the late maize is entering flowering.

EUROPE: Increase in Black Sea acreage in 2021?

For the 2021/22 crop year, Agritel expects an increase in acreage in Ukraine, at the expense of barley. This is due to the very good price level and the fact that maize is one of the most profitable crops in the country. In Russia, the increase in acreage is expected to be smaller in absolute terms, as maize is competing with sunflower in particular.
In its February report, compared to the previous month, Stratégie Grains revised the European maize acreage for the 2021/22 crop year up slightly, increasing by 130 Kha to 8.75 Mha (8.96 Mha in 2020/21). This increase is due in particular to a revision of the projection of acreage in France, which gains 60 Kha, to the detriment of barley, to stand at 1.51 Mha (1.67 Mha in 2020/21).

To be monitored:
-US Acreage
-Weather South America
-Exports Ukraine

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