CORN Market

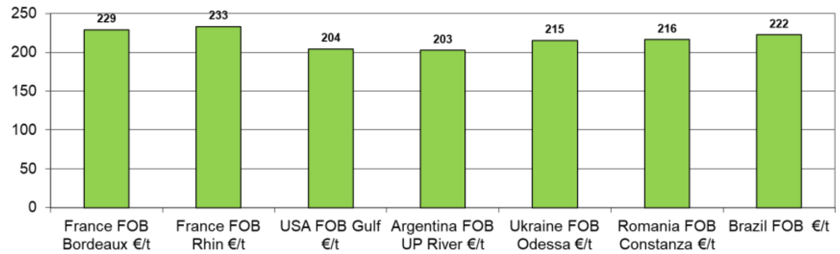
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 8/2021 **N°254**

Indicators

FOB price 19/02/2021 in €/t – February-March delivery (2020 harvest)



	19/02	12/02
Parity €/$	**1,21**	1,21
Petrol $/barrel (NY)	**59,2**	59,5
FOB Bordeaux*(€/t)	**229**	223
FOB Rhine* (€/t)	**233**	233

**Fob price Bordeaux/Rhine including monthly increases*

WORLD : USDA 2021 Outlook for 2021

From 12/02 to 19/02, the March expiry price in Chicago increased by approximately 1.5$/t to reach 215$/t.
The week was marked by the USDA's "Outlook" forum, announcing the outlook for the 2021/22 crop year in the United States. The USDA announced an increase in maize acreage for the next crop year due to the high price environment. At 92 million acres (37.2 Mha), planted acreage would increase by 1.2 million acres compared to 2020/21 (486 Kha). This figure is slightly lower than operators' expectations. Production would gain 25 Mt (385 Mt) and reach its highest level ever. However, USDA also projects high uses due to increased demand for ethanol following the COVID-19 outbreak and exports that would remain high due to continued Chinese demand. Consequently, carryover stocks would increase slightly but would remain at a low level: 39 Mt vs 38 Mt at present for the current crop year. As a result, USDA notes that while prices are expected to decline from the current crop year, they would still remain at high levels. In the coming months, the figure for American acreage will be one of the main factors in the evolution of prices: lower in the case of larger than expected acreage, higher in the opposite case.
In the Americas, the resumption of the La Niña phenomenon is a cause for concern after it subsided in January. It is causing a water deficit in Argentina and the south of the Central-Western region of Brazil (Brazil's main producing region) and a rainfall surplus in the north of this region. In Argentina, dry and hot weather returned in February. On 18/02, 24% of the maize crop was in good to excellent conditions compared to 23% a week earlier. In Brazil, the weather is dry in southern Mato Grosso but remains very wet in Mato Grosso, slowing down the soybean harvest and consequently the sowing of safrinhas maize. At this date, in this state, 36% of the safrinhas maize had been sown vs 80% last year.

EUROPE: Less dynamism of Ukrainian exports

From 12/02 to 19/02, the price of the March expiry date rose by 9 €/t to reach 228 €/t. For the new harvest, the November 2021 expiry price increased by 1 €/t to reach 186 €/t.
This increase in the near future can be explained by the current demand as well as the lack of competitiveness of imports, between high maize prices and rising freight prices. Thus, Ukraine exported only 11.4 Mt on February 1st compared to 12 Mt on average over the last 3 crop years. With 3.9 Mt exported to the EU, Ukrainian maize volumes to this destination remain 50% lower than those of the 2019/20 crop year.
As of 21/02, the EU had imported 10.4 million tons of maize compared to 13.6 million tons on average over the last few years.

To be monitored:
- CIC report
-Ethanol United States
-EU balance sheet

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