

CORN Market



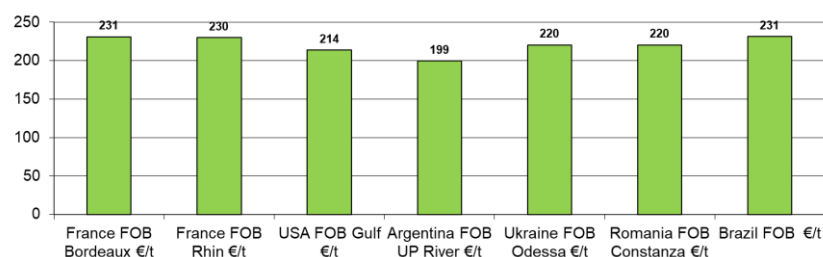
Weekly economic newsletter of the European Confederation of Maize Production

Week 10/2021

N°256

Indicators

FOB price 05/03/2021 in €/t – April-June delivery (2020 harvest)



	05/03	26/02
Parity €/€	1,19	1,21
Petrol \$/barrel (NY)	66,1	61,5
FOB Bordeaux*(€/t)	231	231
FOB Rhine* (€/t)	230	235

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Problematic weather in South America

From 26/02 to 05/03, the May expiry price in Chicago fell by \$1/t to \$215/t. The week was once again marked by significant volatility.

Traders are worried about the lack of new export sales in recent weeks. Contractualizations seem to follow the same dynamic as the American origin is now a little less competitive than Argentinean maize while early Argentinean maize is being harvested. Similarly, the dollar is rising against other currencies, with markets anticipating a rise in the rates of the American central bank, which could hamper the US export if it persists. However, if the pace of contractualization slows down, physical deliveries will remain dynamic. They should continue at a sustained pace in the second half of the crop year. To date, the United States has shipped 38% of the total maize contracted by China (around 17 Mt).

Prices are nevertheless supported by the situation in South America. In Argentina, weather models predict another week of scattered rainfall and heat above normal seasonal levels. The rains could only return in 10 days. As of 04/03, maize growing conditions had deteriorated by 5 points compared to the previous week, with 25% of the maize crop in "good to excellent" conditions. Late maize is suffering, much like the early varieties earlier in the crops year, at a crucial stage when they are in the flowering phase, and for the more advanced ones, grain filling. Harvesting of the early maize is starting, which should provide an indicator of the impact of the drought phase of the past few months in the coming weeks. In Brazil, the rains in the center of the country continue to slow down soybean harvesting and safrinhas maize sowing despite recent progress. As of 03/03, 39% of safrinhas maize had been sown compared to 67% at the same date last year. The first harvests of safra maize (full season) reveal disappointing yields due to drought.

Traders will be attentive to the release of the USDA's monthly report tomorrow. They expect a downward revision of U.S. and world stocks and a downward revision of South American production.

The CIC is expecting a new world record for acreage for the 2021/22 crop year with 199.2 Mha (+0.7%) mainly due to an increase in the United States with 34.2 Mha (+2.5%). Global stocks are expected to remain low due to dynamic consumption.

EUROPE: Which acreage for 2021/22?

From 26/02 to 05/03, prices on Euronext for the November 2021 expiration date rose by €1.25 /t to €188.75/t.

For the next crop year, the CIC expects a 2% decrease in acreage in the EU to 8.8 Mha with a carry-over to winter crops. Areas are expected to remain above the five-year average due to the high price context.

In the Black Sea, the CIC expects an increase in acreage of almost 3% in the Ukraine (5.6 Mha) but a decrease of 100 Kha in Russia (2.7 Mha).

To be monitored:

-USDA report

-Weather South America