

# CORN Market



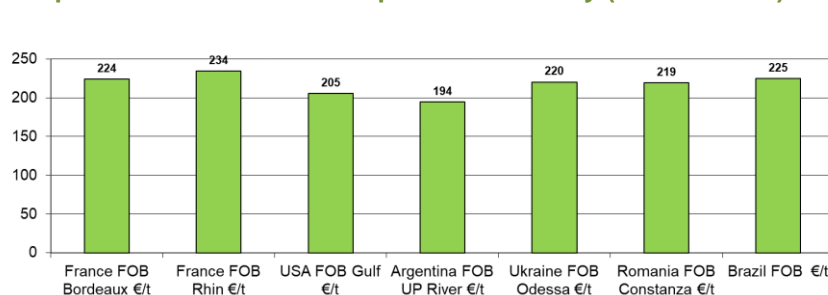
Weekly economic newsletter of the European Confederation of Maize Production

Week 11/2021

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## Indicators

FOB price 12/03/2021 in €/t – April-June delivery (2020 harvest)



	12/03	05/03
Parity €/€	1,19	1,19
Petrol \$/barrel (NY)	65,6	66,1
FOB Bordeaux*(€/t)	224	231
FOB Rhine* (€/t)	234	230

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Production decrease in Ukraine

From 5/03 to 12/03, Chicago May futures fell by \$2.5 /t to reach \$212 /t.

This decline in prices is mainly caused by non-commercial funds' operations, while operators did not react much to the publication of the USDA's March report. The USDA report left the US balance sheet unchanged from February. Traders were expecting a slight downward revision in stocks. The world balance sheet was also largely unchanged, with world stocks up 1.2 MT from February.

The USDA left production levels unchanged in Argentina and Brazil despite weather challenges in both countries. In Argentina, the Buenos Aires Grain Exchange lowered its production projection for the current crop year to 45 Mt (-1 Mt) due to drought affecting late maize and disappointing early yields for early maize. As of 11/03, 17% of maize was in good to excellent conditions compared to 25% the previous week. In Brazil, CONAB has revised its production projection upwards, which seems inconsistent with the delay in planting safrinha maize in Mato Grosso and Parana (1st and 2nd producing states). In this country, the harvest of safrinha maize (full season) is disappointing due to the drought. With 23 Mt, it is projected to be at its lowest level for 30 years, which should put pressure on the domestic market, even though it only corresponds to about 4 months of consumption and the safrinha maize will only be harvested in June/July.

In the United States, in the coming weeks, operators will focus on exports for the 2020/21 crop year and on planting intentions for the 2021/22 crop year. The USDA is forecasting a record export volume for this crop year with 69 Mt. 90% of this volume has been sold (exports + contracting) but the remaining 10% has been struggling to find buyers in recent weeks due to the rise of the dollar, the absence of China's purchases and the arrival of the more competitive Argentinean crop. Similarly, exports will have to remain very strong for the rest of the crop year in order to match the total contracted volumes. Finally, sowing intentions for the next crop year will be published on March 31.

## EUROPE: Drop in acreage in Ukraine

While most analysts were expecting an increase in the acreage in Ukraine for the next crop year due to the price level and the sowing of winter crops, Ukrainian statistics have revised the winter crops acreage upwards very sharply (+ 800 Kha). As a result, the acreage dedicated to spring crops is smaller than expected and sunflower could be preferred to maize due to very high prices, which indicate better margins. Agritel estimates maize acreage in Ukraine for the 2021/22 crop year at 5.3 Mha compared to 5.35 Mha for the current crop year.

### To be monitored:

- Exports USA
- South American weather
- Grain Strategy Report