CORN Market

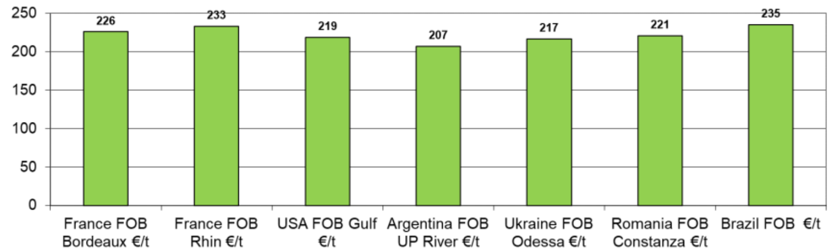
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 16/2021 **N°262**

Indicators

FOB price 16/04/2021 in €/t – April-June delivery (2020 harvest)



	16/04	09/04
Parity €/$	**1,20**	1,19
Petrol $/barrel (NY)	**63,1**	59,3
FOB Bordeaux*(€/t)	**226**	223
FOB Rhine* (€/t)	**233**	233

**Fob price Bordeaux/Rhine including monthly increases*

WORLD : Drought in Brazil

From 9/04 to 16/04, prices of the May 2021 maturity in Chicago gained $3 /t to reach $230 /t. In addition, last week, the price of December 2021 (new harvest) closed for the first time above $200 /t.
This situation illustrates the tense situation on the fundamentals at the end of the crop year, while American stocks are low and concerns persist about the Brazilian harvest which is due to arrive on the market in the summer. This suggests a tense start to the 2021/22 crop year at the global level, while the expected increase in acreage in the United States seems at this time less significant than initially expected.
In the United States, as of 11/04, 4% of maize had been planted. This rate is in line with the average of the past 5 years. At this date, the Southern States are well advanced in their planting while they are just starting in the Corn Belt. The planting pace and development of planted maize is expected to slow down significantly this week as a major cold wave is expected to hit the western half of the United States.
In Brazil, the drought of the past few weeks has already affected the yield of safrinha maize. Thus, the IMEA in Mato Grosso (1st producing state) has revised the state's production down by 1.3 Mt (35 Mt) compared to March. Similarly, in Paraná (2nd producing state) DERAL lowered its production forecast for the state, compared to March, by 600 Kt (13.4 Mt). Rains in the north of Mato Grosso and some states in the south of the country (Goiás...) have stabilized the situation locally. It can be noted that imports of Argentinian maize are increasing to meet the demand of farmers, while their needs are in competition with exports and the production of maize-based ethanol.
In Argentina, as of April 15, 38% of maize was in "good to excellent" conditions, compared to 30% a week earlier. The more regular rains are improving the situation, while the yields of the first maize harvested are disappointing. At this same date, 14% of the maize had been harvested vs 25% on average for the past 5 years. The arrival of the harvest in the ports maintains the pressure on the Argentine FOB price.

EUROPE: Beginning of sowing in Ukraine

In Ukraine, maize sowing has started. As of April 15, 1% of the land had been sown, a pace well below that of last year at the same date. Work should accelerate with the resumption of milder temperatures. With a little more than 5.3 Mha, the Ukrainian surfaces should be slightly lower than the current crop year. Producers prefer sunflower, which is more profitable. In Russia, on the other hand, producers may turn to maize more than expected as the Russian government considers imposing an export tax on sunflower seed and oil.

To be monitored:
-Grain Strategy Report
-Weather Corn Belt
-Ethanol United States

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