

CORN Market



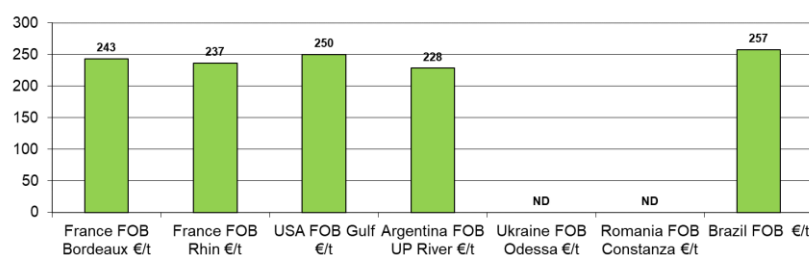
Weekly economic newsletter of the European Confederation of Maize Production

Week 18/2021

N°264

Indicators

FOB price 30/04/2021 in €/t – May-June delivery (2020 harvest)



	30/04	23/04
Parity €/€	1,21	1,21
Petrol \$/barrel (NY)	63,6	62,1
FOB Bordeaux*(€/t)	243	234
FOB Rhine* (€/t)	236,5	241

*Fob price Bordeaux/Rhine including monthly increases

WORLD : The drought in Brazil strenghtening itself

From 23/04 to 30/04, prices for the July delivery in Chicago rose from \$16/T to \$265/T. Over the same period, prices for the December 2021 contract, for the new harvest, gained \$5/T to stand at \$222/T.

In the US, despite the rains, maize plantings in the Corn Belt are progressing. As of 25/04, 17% of maize had been planted and 3% emerged compared to an average of 20% and 4% respectively (2016-2020). Heavy rains are expected this week in the central Corn Belt, accompanied by cool temperatures.

Despite some profit taking by funds, Chicago prices continued their upward momentum this week. This is due to a continued deterioration in the safrinha maize situation in Brazil. The Centre-South region, and the state of Paraná in particular, are affected by a significant water deficit. The drought is expected to worsen due to the lack of rain this week. Some analysts now see Brazilian production at around 100MT compared to the USDA's 109MT in March.

In Argentina, the harvest continues at a slow pace due to the delay of sowing in the autumn and the rains. As of 29/04, 19.5% of the maize had been harvested compared to an average of 30.5% (2015-2020). The first late maize, which have benefited from more rainfall, are beginning to be harvested.

In its April report, for the 2021/22 crop year, the IGC projects US maize acreage at 33.9mha, down 0.3mha from its March projection. However, the maize/soybean price ratio is now more favourable to maize, which could encourage US producers to plant more maize than expected in March. Furthermore, the IGC sees Chinese imports for 2021/22 falling sharply to 18.5MT (from 28MT for this crop year at this time). This would be the result of increased acreage in China due to attractive prices and government incentives to substitute maize by other crops. In addition, the price increase in April makes maize less competitive in Asia. It is now quoted at \$305-310/T C&F compared to \$290/T for Australian feed wheat or Black Sea origin.

EUROPE:

In its April MARS report, compared to March, the European Commission has revised its EU maize yield projection for the 2021/22 crop year slightly downwards to 78.1 q/ha (-0.4 q/ha). This is still slightly higher than the 2016-2020 average (77.5 q/ha). The report confirms a generally cold April in the EU and the Black Sea. On the other hand, while the west and centre of the EU experienced a significant water deficit, Ukraine and the Balkans endured more rain. However, the cool weather in Ukraine delayed maize planting. By 29/04, only 20% of maize had been sown.

In its April balance sheet, for the current crop year and compared to March, the Commission revised downwards its import projection by 500 Kt (16 MT). Carryover stocks are revised downwards by 3.4 MT (18.2 MT). As of 26/04, 12.2 MT of maize had been imported. In its first balance sheet for the 2021/22 crop year, the Commission projects imports at 16 MT.

To be monitored:

- Brazil weather forecast
- US weather forecast
- Ethanol USA

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