

# CORN Market



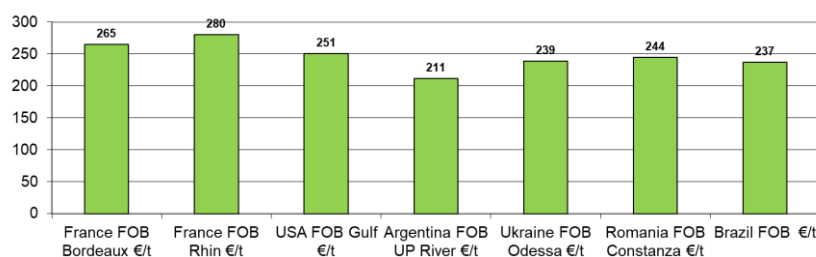
Weekly economic newsletter of the European Confederation of Maize Production

Week 21/2021

N°267

## Indicators

FOB price 21/05/2021 in €/t – May-June delivery (2020 harvest)



	21/05	14/05
Parity €/€	1,22	1,21
Petrol \$/barrel (NY)	66,1	65,4
FOB Bordeaux*(€/t)	265	249
FOB Rhine* (€/t)	280	259

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Chinese new harvest purchases

From 14/05 to 21/05, maize prices in Chicago rose slightly. The July delivery gained \$6/t to reach \$259/t while the December 2021 new delivery gained \$1/t to reach \$215/t.

The past week has seen US prices stabilise after the sharp declines of the first half of May due to hedge fund selling. Hedge funds reduced their net buying position by 82,000 contracts after the publication of the May USDA report. However, their net buying position remains significant after these sales for this time of the crop year.

The week was again marked by major Chinese purchases of new harvest. Nearly 5.6 Mt of US maize was purchased by China last week, bringing purchases for the 2021/22 crop year to 10.7 Mt. In its May report, the first one for the 2021/22 crop year, the USDA projected Chinese imports for the next crop year at 26 Mt. Analysts believe that China needs to replenish its stocks after several years of declining maize acreage and as needs have increased due to the ban on feeding domestic waste to pigs to control the spread of African Swine Fever.

In the US, as of 23 May, 90% of maize had been planted and 64% had emerged compared to an average of 80% and 54% at this date (2016-2020). The past week has seen significant rainfall in parts of the northwestern Corn Belt, which is suffering from a water deficit. Further rains, accompanied by cool weather, are expected to affect the entire Corn Belt this week.

In Brazil, rains have affected parts of the south-central region of the country, which is experiencing severe drought. More rains are expected in this area this week. The less advanced maize should be able to fully benefit from it, but maize at the pollination stage is already seeing its yields affected. Thereby, yields are already expected to be down by 20% to 60 q/ha in the state of Goiás.

In Argentina, as of 20/05, 28% of the maize had been harvested, only 3 points higher than on 13/05, compared to an average of 36% at this date (2015-2020). Argentinean exports are also slowed down by a strike in the ports and by the low waters of the Paraná due to the drought affecting the river basin.

## EUROPE: Rapid sowing in the Black Sea

After a marked delay due to the very late arrival of spring this year in the Black Sea, sowing is accelerating thanks to the milder weather. As of 20 May, 92% of Ukrainian maize had been sown, and around 80% of Russian maize as well. Further rain is expected this week in both countries. Temperatures are expected to remain cool in Eastern Europe over the next few days.

### To be monitored:

- IGC Report
- Brazil Weather
- EU balance