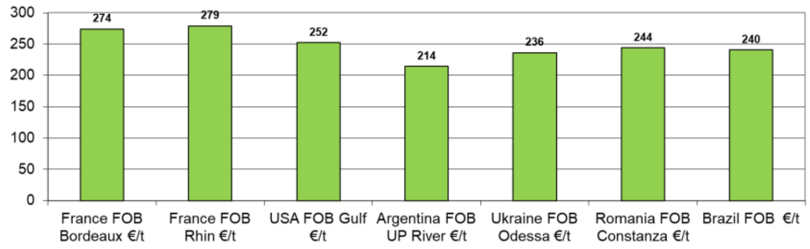
CORN Market
CEPM maiz'EUROP'
Weekly economic newsletter of the European Confederation of Maize Production

Week 22/2021 **N°268**

Indicators

FOB price 28/05/2021 in €/t – May-June delivery (2020 harvest)



	28/05	21/05
Parity €/$	**1,21**	1,22
Petrol $/barrel (NY)	**66,3**	66,1
FOB Bordeaux*(€/t)	**274**	265
FOB Rhine* (€/t)	**279**	280

**Fob price Bordeaux/Rhine including monthly increases*

WORLD : High volatility

From 21/05 to 28/05, prices for the July delivery in Chicago fell by $1/t to reach $259/t. For the new crop, prices for the December delivery also fell very slightly to $215/t. However, this apparent stability over the week masks very high price volatility. The July contract touched the daily lower limit on Tuesday before touching the daily higher limit on Thursday. Rumours of Chinese purchase cancellations, unverified to date, have agitated the market. This Monday, the Chicago market is closed for Memorial Day.

In the US, the week was marked by a frost episode in the northwestern Corn Belt. As the maize is emerging, damage is expected to be minimal. The week should be marked by warmer temperatures and no rainfall, except in the eastern Corn Belt.

In Brazil, the past week was marked by localized rainfall in the south-central part of the country, but the drought persists. This week is expected to be dry. In its May report, compared to April, the IGC revised its projection of Brazilian production downwards by 6.3 Mt for the current crop year. The projection is now 98.5 Mt. Many analysts estimate at this time that Brazilian maize production could be 90-95 Mt compared to 102 Mt in 2019/20.

In the same report, the IGC revised Argentinan maize production for the crop year slightly upwards due to better yields on late maize which benefited from the rains in the first quarter of 2021. As of 27/05, 31% of maize had been harvested, compared with an average of 38% at that date (2015-2020). The situation is improving for Argentine exporters with the end of the port strike on the Paraná and an agreement between Paraguay and Brazil to support the river level via the Itaipu dam.

According to the IGC's May report, world maize production should reach a new record with 1194 Mt (+2 Mt compared to April), and consumption should also be at a high level with 1200 Mt. While stocks of the four main maize exporters are expected to increase compared to the current crop year, world stocks are expected to reach their lowest levels of nine years at 261 Mt. China is expected to import 18.5 Mt of maize in 2021/22, compared with 27 Mt for the current crop year.

EUROPE: Further decline in imports

In its May report, compared to April, the European Commission lowered again the import forecast for the current crop year to 15 Mt (-1 Mt). Similarly, the import projection for the 2021/22 crop year is revised downwards by 1 Mt to 15 Mt.

As of 28/05, 96% of maize sowing had been completed in Ukraine. A little more than 200 Kha remain to be sown according to the projections of the Ukrainian authorities. After a late start due to persistent cold weather, sowing should be completed at the usual time.

To be monitored:

-Cultivation conditions USA
-EU imports
-Export tax Russia

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