

# CORN Market



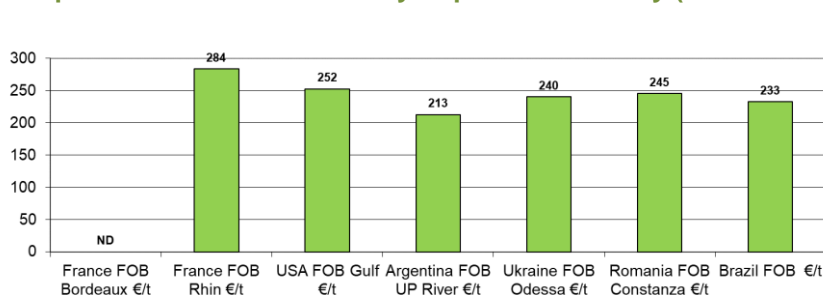
Weekly economic newsletter of the European Confederation of Maize Production

Week 24/2021

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## Indicators

FOB price 11/06/2021 in €/t – July-September delivery (2020 harvest)



	11/06	04/06
Parity €/€	1,21	1,21
Petrol \$/barrel (NY)	70,9	69,6
FOB Bordeaux*(€/t)	ND	260
FOB Rhine* (€/t)	283,5	280

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Rainy outlook for the Corn Belt

From June 4 to June 11, the Chicago July delivery prices gained \$1/t to reach \$269/t. For the new harvest, the December delivery rates gained \$7/t to reach \$240/t. The week was once again marked by very high volatility. Indeed, while the fundamentals are still tense for the end of the 2020/21 crop year and for the 2021/22 crop year, the market is also dominated by the weather elements in the United States.

In its June report, compared to May, the USDA revised upwards the use of maize for ethanol and for exports for the 2020/21 crop year. As a result, carryover stocks have been revised down by 3.8 Mt to below 30 Mt (28.1 Mt), which is their lowest level since 2012/13. The stock-to-use ratio, at 7.4%, is at its lowest level in 25 years. Carryover stocks for the 2021/22 crop year are also revised downwards by 3.8 Mt (34.5 Mt). Despite the 20 Mt increase forecast for the 2021/22 crop year (380 Mt), US stocks would therefore only be partially replenished due to a demand that remains dynamic.

Despite these tense fundamentals, the market was dominated at the end of the week by the prospect of a resumption of rain and the end of the heat wave which has affected the Corn Belt since the beginning of June and which has accentuated the water deficit in the north of this area. As of 6 June, 72% of US maize was in 'good to excellent' condition compared to 76% a week earlier.

In Brazil, conditions remain very dry for safrinha maize. The USDA has revised its production projection downwards by 3.5 Mt this month (98.5 Mt) but is still optimistic in the face of private analysts' projections (90-92 Mt).

In Argentina, the Buenos Aires Grain stock exchange revised its production projection upwards by 2 Mt (48 Mt). This follows the start of the late maize harvest, which, having benefited from rain in the first quarter, has a better yield than early maize. As of 9 June, 65% of maize had been harvested compared to an average of 72% (2015-2020). Despite the recent dam releases, the level of the Paraná River remains low, which is affecting Argentinean exports.

## EUROPE: High availability of straw cereals

In its June report, Stratégies Grains confirms that the availability of straw cereals, barley and wheat, should be significant in the EU with the start of the harvest, particularly in France. Thus, EU-27 wheat production is expected to reach 131 Mt compared to 119 Mt in the previous crop year. Barley production is expected to reach 54 Mt compared to 55.5 Mt. As a result, due to the price differential, wheat should regain weight in incorporations by cattle feed producers, which will contribute to limit maize imports. In the Black Sea, wheat harvests are also projected at a good level: about 80 Mt for Russia and about 25 Mt for Ukraine.

### To be monitored:

- Weather USA
- EU growing conditions