

CORN Market



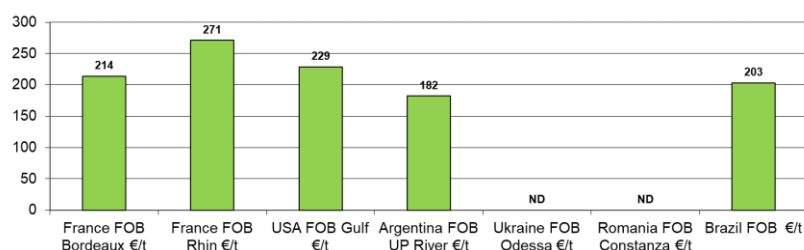
Weekly economic newsletter of the European Confederation of Maize Production

Week 28/2021

N°274

Indicators

FOB price 09/07/2021 in €/t – July-September delivery (2020 harvest)



	09/07	02/07
Parity €/€	1,19	1,18
Petrol \$/barrel (NY)	74,6	75,2
FOB Bordeaux*(€/t)	214	243
FOB Rhine* (€/t)	271	271

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Rainfall resume on the Corn Belt

From 02/07 to 09/07, prices for the December delivery in Chicago fell by \$24.5/t to reach \$203.5/t.

This sharp drop erased the increase following the release of the US acreage report on 30 June. Heavy rains have affected most of the Corn Belt, especially the northwest, which is suffering from a water deficit. The rains are benefiting maize as it enters the critical flowering phase, stabilising maize in the northwestern Corn Belt. As a result, operators are expecting a significant improvement in growing conditions. As of 05/07, 10% of US maize had reached the female flowering stage compared to an average of 14% at that date (2016-2020). At the same date, 64% of US maize was in good to excellent conditions, stable compared to the previous week.

Traders are now waiting for the USDA's July report, which should incorporate the new US acreage figure but should not change the yield forecast. The July report bases its yield forecast on agroclimatic models, with changes usually coming from the August report (based on field surveys). Operators expect carryover stocks for the 2020/21 crop year (already at a low level) to fall by around 500 Kt (27.6 Mt) and carryover stocks for the 2021/22 crop year to rise by 1.1 Mt (35.6 Mt).

Due to the water deficit and the recent frost episode in the Central South, operators will also be watching for continued downward revisions to the Brazilian harvest projection. In June, the USDA estimated it at 92 Mt. CONAB revised it down by 3 Mt (93 Mt). Most analysts estimate Brazilian production to be between 85 and 90 Mt.

As of 08/07, in Argentina, 56% of the harvest had been completed compared to an average of 86% at that date (2015-2020). The waters of the Paraná remain at a low level.

EUROPE: Contrasting weather conditions before flowering

While Western Europe, and France in particular, has not been short of rain since sowing, the same cannot be said for Central Europe and the Balkans. A belt stretching from Poland to Serbia is affected by a marked water deficit. Poland has received rain in the last 2 weeks and Hungary and Serbia should receive rain in the next week, which should improve the situation. In the Black Sea, Bulgaria as well as southern Romania and central Ukraine are not expected to receive any rain this week, and temperatures are expected to remain warm. In this area, these weather conditions have been in place since the beginning of July but the useful reserves received a lot of spring water.

To be monitored:

- USDA report
- Chinese demand
- Stratégie Grains report