

CORN Market



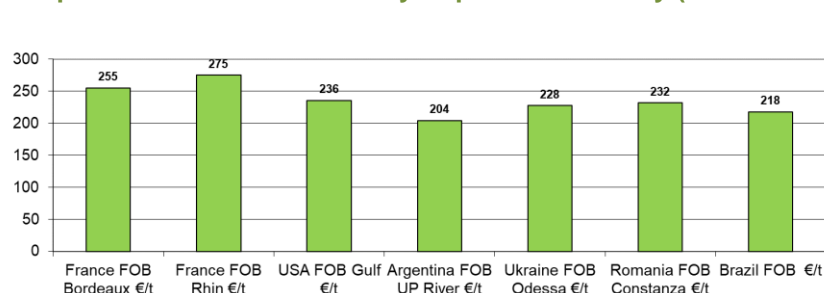
Weekly economic newsletter of the European Confederation of Maize Production

Week 29/2021

N°275

Indicators

FOB price 16/07/2021 in €/t – July-September delivery (2020 harvest)



	16/07	09/07
Parity €/€	1,18	1,19
Petrol \$/barrel (NY)	71,8	74,6
FOB Bordeaux*(€/t)	255	214
FOB Rhine* (€/t)	275	271

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Renewed concerns about the Corn Belt

From 9 to 16 July, prices for the December 2021 delivery in Chicago rose from \$14/t to reach \$217/t.

After rains last week temporarily stabilised water-deficient maize in the western Corn Belt, traders are now concerned that hot, dry weather will return by the end of the month and, according to various models, by early August. As of 11 July, 65% of maize was in 'good to excellent' condition compared to 64% a week earlier. At the same date, 26% of US maize had reached flowering stage compared to an average of 30% at that date (2016-2020).

The July USDA report did not affect prices much. It confirmed the US acreage increase announced at the end of June and, as expected, did not change the yield forecast. As a result, the upward revisions to production of 4.5 Mt (385 Mt) and carryover stocks of 1.9 Mt (36.4 Mt), compared to June, were expected by traders.

Last week, OPEC+ (OPEC, Russia...) agreed on an increase in oil production by the end of 2021, which brings some relief to energy products, including ethanol, after the rise in prices in recent months.

In Brazil, safrinha maize, already heavily affected by drought and a first episode of frost at the beginning of July, could be hit again by frosts in the south this week while part of the acreage is still at the grain filling stage. In its July report, the USDA revised Brazilian maize production down by 5.5 Mt (93 Mt). This still seems optimistic, with most analysts expecting a figure between 85 and 90 Mt. This situation is already affecting Brazilian exports, which are usually strong in the summer. Many contracts have been cancelled in favour of domestic supplies, which are better paid. Exports from the world's second largest exporter could be less than 30 Mt for the 2020/21 crop year.

EUROPE: Heat in Ukraine

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 band from Poland to Serbia is affected by a significant 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 water in the spring.

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