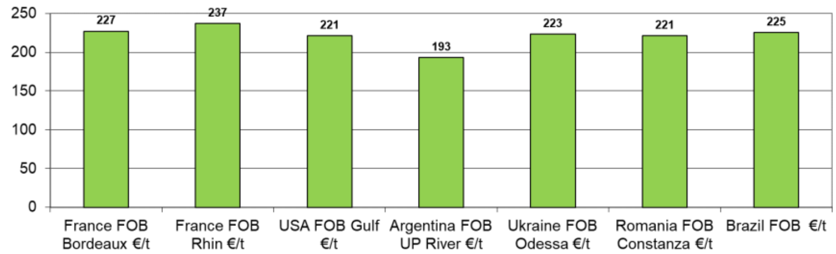
CORN Market

Weekly economic newsletter of the European Confederation of Maize Production

Week 35/2021 **N°276**

Indicators

FOB price 30/08/2021 in €/t – October-December delivery (2021 harvest)



	27/08	20/08
Parity €/$	**1,18**	1,17
Petrol $/barrel (NY)	**68,7**	62,3
FOB Bordeaux*(€/t)	**227**	222
FOB Rhine* (€/t)	**237**	237

**Fob price Bordeaux/Rhine including monthly increases*

WORLD : Dynamic global production

Prices for the December delivery date in Chicago rose by about $7/t between 20/08 and 27/08 to reach $218/t.
As of 22/08, 60% of maize in the US was in "good to excellent" condition, down 2 points from the previous week. Rainfall in the Midwest from Hurricane Ida is expected to halt crop deterioration in the drought-affected northwestern Corn Belt, but will not significantly improve yield prospects as the cultivation advances. As of 22/08, 41% of US maize was at the “dent” stage and 4% was mature, slightly above the 2016-2020 average. Hurricane Ida has hit the Mississippi Delta hard and damage is expected to disrupt US exports in the coming days.
In its August report, for the 2021/22 crop year, the IGC projects a new world production record of 1202 Mt, an increase of 7% compared to 2020/21, and an increase in world acreage of 1% (202 Mha) due to increased acreage in the main exporting countries. As a result, at the world level, carryover stocks would increase very slightly to 270 Mt (+1 Mt compared to 2020/21).
In South America, producers are concerned about models predicting a return of the drought-provoking 'La Niña' weather phenomenon, as early maize planting in Argentina begins in a few weeks' time and first-crop maize planting in Brazil has begun in the southern states, with soybean planting ahead of the 'safrinhas' (second crop) also set to begin. However, rain is expected from southern Brazil to central Argentina this week.
Due to high price levels, South American producers are encouraged to plant maize and the acreage is expected to reach a new record with 500 Kha more in Argentina (7.1 Mha) and 1 Mha more in Brazil (20.8 Mha).

EUROPE: Projection of rising imports

In its August balance sheet, compared with the July figures, the European Commission revised European corn production downwards by 1.8 Mt (71 Mt). Imports are revised slightly up by 500 Kt (14.5 Mt) but would remain lower than in the 2020/21 crop year (14.7 Mt). With uses relatively unchanged, carryover stocks are revised down by 1.2 Mt (17.9 Mt).
As of 22/08, the EU had imported 1.8 Mt of maize compared with an average of 2.3 Mt at that date (2017-2020). Brazilian origin remains the leading import origin during the summer, but it is losing market shares to Ukraine due to reduced volumes available for export.

To be monitored:
-US weather
-South-America weather
-Ethanol USA