

CORN Market



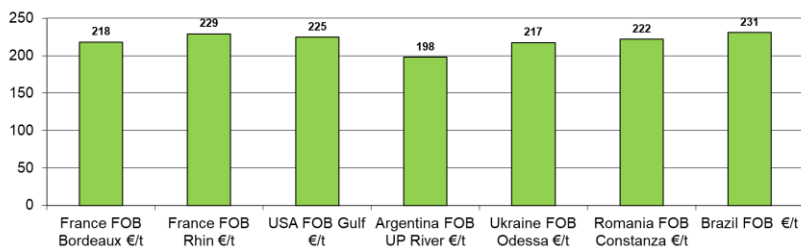
Weekly economic newsletter of the European Confederation of Maize Production

Week 37/2021

N°278

Indicators

FOB price 10/09/2021 in €/t – October-December delivery (2021 harvest)



	10/09	03/09
Parity €/€	1,18	1,19
Petrol \$/barrel (NY)	69,7	69,3
FOB Bordeaux*(€/t)	218	223
FOB Rhine* (€/t)	229	237

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Increase in Chinese maize production

From 3/09 to 10/09, prices for the December delivery in Chicago fell by \$3/t to \$204/t.

The decline was driven by a leaked USDA report last week announcing an upward revision to maize acreage and profit-taking by non-commercial funds ahead of Friday's release of the USDA's monthly world supply and demand report.

As expected by traders, the report revised US acreage, yield, production and carryover projections upwards compared to August. Maize acreage was revised up by 239Kha (34.43Mha), mainly in the north-western Corn Belt, the area hardest hit by the drought. As a result, the upward revision in yields was moderate. With an additional 1.1 q/ha, the US yield projection is now 111 q/ha. As a result, US production was revised up by 6.2 Mt (381 Mt). US carryover stocks are revised up by 4.2 Mt (35.8 Mt), which eases the pressure on the US balance sheet.

This report also revised the Chinese maize production upwards by 5 Mt (273 Mt), confirming the information surrounding the good production of the country. On the other hand, the USDA did not revise its import forecast (26 Mt) similar to that of the past crop year, even though domestic resources are greater and the need for maize for animal feed could decrease. To date China has contracted just over 15 Mt of maize for 2021/22, mainly from the US and Ukraine. The USDA estimates that US maize exports will reach 63 Mt for the crop year (vs 70 Mt in 2020/21). It confirmed last week that the disruptions caused by Hurricane Ida were not likely to jeopardise this target.

At the global level, due to increased production in China and the United States, carryover stocks for the 2021/22 crop year are revised upwards by 13 Mt (297.6 Mt).

In its September report, the USDA again revised Brazilian production downwards by 1 Mt (86 Mt). Argentinean production was revised upwards by 1.5 Mt (50 Mt).

EUROPE: Harvest starts in Ukraine

According to the Ukrainian Ministry of Agriculture, the earliest maize harvest started on September 2. Ukrainian production is expected at 39 Mt by the USDA vs 38.2 Mt by UkrAgroConsult. This month, the USDA revised its projection for the Russian maize downwards by 1 Mt (15.5 Mt), which benefited from less optimal conditions than Ukraine.

In September, Cocal estimates EU production at 67.3 Mt compared to 64.7 Mt last May.

To be monitored:

- Stratégie Grains Report
- US harvest