

CORN Market



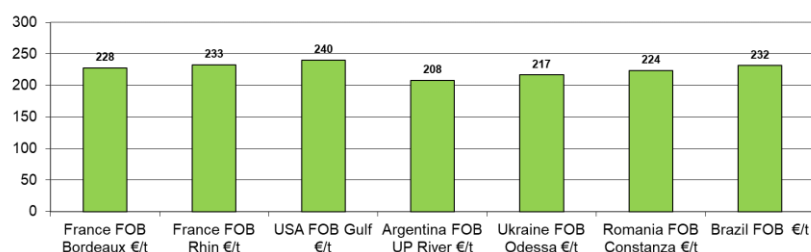
Weekly economic newsletter of the European Confederation of Maize Production

Week 38/2021

N°279

Indicators

FOB price 17/09/2021 in €/t – October-December delivery (2021 harvest)



	17/09	10/09
Parity €/€	1,18	1,18
Petrol \$/barrel (NY)	72	69,7
FOB Bordeaux*(€/t)	228	218
FOB Rhine* (€/t)	229	237

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Start of the US harvest

From 10/09 to 17/09, prices for the December 2021 delivery in Chicago gained around \$7/t to stand at almost \$208/t.

In the US, the week was marked by the start of the harvest. As of 12/09, 4% of US maize had been harvested, compared to an average of 5% at that date (2016-2020). Weather conditions are expected to be favourable for a quick harvest, with models predicting a relatively warm and dry October in the Corn Belt. Non-commercial fund activity and fears of lower than expected yields in some areas of the Corn Belt, as well as wheat and oilseed tightness after another downward revision to the Canadian crop, seem to have erased traditional harvest-related downward pressure this week. Traders were also pleased to see a number of port facilities in the Gulf of Mexico back in operation after the damage caused by Hurricane Ida. This should allow a gradual return to normalcy for US exports, where logistics had been severely disrupted in recent days.

Last week, US ethanol production was 937,000 barrels/day, up 1.5% from the previous week but still 6% below the 2015-2019 average. Stocks continued to decline, reaching 20 million barrels, down 5% from the same average.

This week, the prices of agricultural commodities, including maize, should be affected by the situation of the Chinese real estate giant Evergrande. The growing difficulties of this group have led to fears of economic instability in China, the world's largest economy.

In South America, recent rains are allowing planting to proceed well in both Argentina and Brazil. In Brazil, full-season maize planting is proceeding rapidly, but hot, dry weather is expected in the central south of the country this week. Full season maize acreage is expected to increase due to a very favourable price environment (low domestic stocks and high demand). In Argentina, early maize planting is starting. Dry weather is expected this week after last week's rains. Producers still fear the return of "La Niña" predicted by the models.

EUROPE: EU production revised downwards

In its September report, compared to August, Stratégie Grains revises European maize production down by 1.4 Mt (64.9 Mt) due to the water deficit that affected Central Europe (Hungary, Romania, etc.). Consequently, import forecasts are revised upwards by 1 Mt (14.4 Mt).

This month, the incorporation of maize into animal feed has been revised upwards at EU level due to a loss of competitiveness of wheat, particularly in the Netherlands and Spain.

To be monitored:

- EU balance sheet
- EU imports