

CORN Market



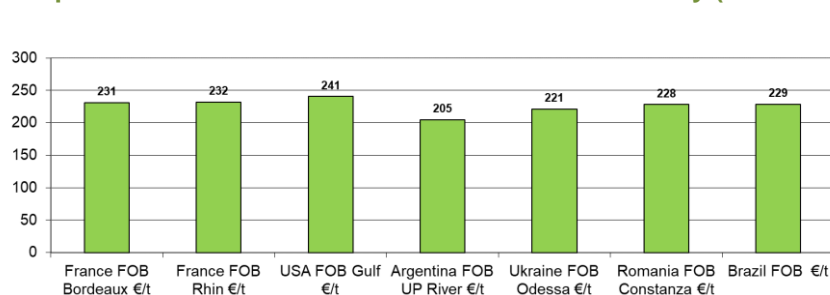
Weekly economic newsletter of the European Confederation of Maize Production

Week 39/2021

N°280

Indicators

FOB price 24/09/2021 in €/t – October-December delivery (2021 harvest)



	24/09	17/09
Parity €/€	1,17	1,18
Petrol \$/barrel (NY)	74	72
FOB Bordeaux*(€/t)	231	228
FOB Rhine* (€/t)	232	233

*Fob price Bordeaux/Rhine including monthly increases

WORLD : South American sowing begins

From 17/09 to 24/09, prices for the December delivery in Chicago lost \$1/t to stand at \$207/t.

Prices have seen little movement this week. After being put under pressure by the precarious situation of Evergrande, the Chinese real estate behemoth, the markets seem to have been reassured by rumours of government intervention.

Traders were concerned this week by a Reuters report suggesting that the EPA would propose significant cuts to the US ethanol fuel blending mandate for 2020 and 2021. These cuts would result in a loss of demand for several million tonnes of maize, while the ethanol market absorbs on average 40% of US production.

In the US, maize maturity is progressing rapidly due to relatively warm weather. As of 19/09, 57% of US maize had reached maturity compared to 47% on this date on average (2016-2020). Harvesting is also progressing with 10% of maize cut at this date, in line with the average. Dry weather is expected this week in the central Corn Belt, which should speed up harvesting.

In Brazil and Argentina, where acreage is expected to be at a record high for this crop year, maize planting is progressing due to the rains. In Argentina, early maize planting has started and 8.5% of the area had been sown by 23 September compared to 11% at the same time last year. Rains are expected this week in the Pampa.

In Brazil, it is the planting of full-season maize (safra) that is progressing in the south of the country. As of 20/09, 22% of safra maize had been sown, a rate comparable to previous years. In the Central West, and in Mato Grosso in particular, producers are waiting for more rain before sowing safra maize and especially soya, which precedes the safrinha maize sown in January. The week is expected to be relatively dry in this region.

Due to very low stocks in the country, Brazilian farmers are importing a lot of Argentinian and Paraguayan maize during the lean period before the safra maize harvest (early 2022). Producers still fear the return of La Niña, predicted by weather models for October-November, which could cause a new phase of drought.

EUROPE: Imports slowing down

As of 19 September, the EU had imported 3.1 Mt of maize, a figure down on the average for the last three crop years, when 3.9 Mt were imported. Since July, Brazil has remained the EU's leading supplier but, with 63% of total EU imports, it has lost market share to Ukraine due to a lack of availability.

In its MARS report, the European Commission revised the average maize yield downwards by 1.2 q/ha (77.8 q/ha) compared to August.

To be monitored:

- USA stocks
- Ukraine harvest
- EU balance sheet