

CORN Market

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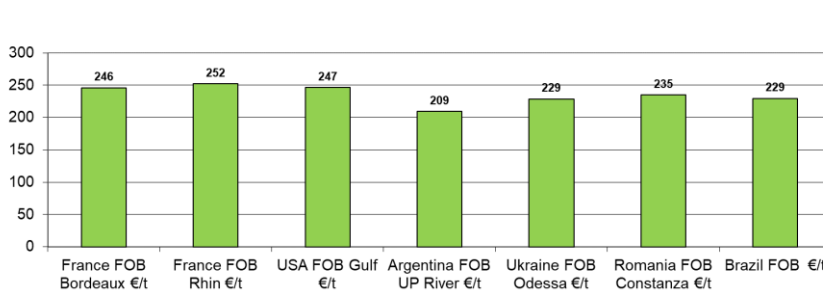
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2021

N°281

Indicators

FOB price 01/10/2021 in €/t – October-December delivery (2021 harvest)



	01/10	24/09
Parity €/€	1,16	1,17
Petrol \$/barrel (NY)	75,9	74
FOB Bordeaux*(€/t)	246	231
FOB Rhine* (€/t)	252	232

*Fob price Bordeaux/Rhine including monthly increases

WORLD : price increase in Chicago

From 24/09 to 01/10, prices for the December delivery in Chicago rose by 6 \$/t to reach 213 \$/t.

This increase is explained by the strengthening of the net buying position of non-commercial funds in a context of tensions on the world cereal balance sheets and while oil prices have also risen sharply in recent weeks. However, maize prices are still being held back by the pressure of the US harvest and the strengthening dollar which is hampering US exports. The week was also marked by the publication of quarterly US stocks. As of September 1, these (31 Mt) were higher than expected by operators, but this had little impact on prices, as they remain at their lowest level for seven years.

As of 26 September, 18% of maize in the United States had been harvested, compared with an average of 15% at that date (2016-2020). Rainfall is expected in the central Corn Belt this week, which should slow construction in the area. Mexico, which imports an average of 16mt of maize per season mainly from the US, confirmed that its proposed ban on GM maize imports would only apply to maize for human consumption and not to maize for cattle feed producers, which accounts for most of its imports from the US. This good news for US exporters was offset by the import forecast of CNGOIC, the Chinese grain bureau under the Ministry of Agriculture, estimated at 20Mt compared to 26Mt by the USDA. This is mainly due to the good harvest underway in China and to the country's efforts to diversify its supplies (feed wheat, sorghum, etc.).

In Brazil, full-season soybean and maize planting is continuing at the same pace as the rains, but the rains are still largely absent from central regions at this time. The National Meteorological Institute believes that this should change by the end of the month despite the expected return of La Niña, which is expected to be weaker in intensity and duration than in 2020. The level of the Paraná River could only return to normal by mid-2022 if the rainfall is correct. The low flow of the river is penalising Argentina's grain and soya exports.

In Argentina, as of 29/09, 16% of the maize crop had been sown, a slightly lower rate than last year. The lack of rain, which should also be confirmed this week, does not allow the start of sowing in some areas.

EUROPE: late harvest in Ukraine

Due to the recent rains, the harvest in Ukraine was delayed. By this date, only 7% of the maize acreage had been harvested, compared to an average of 20% at this time. This could pose problems for the execution of certain export contracts as the date approaches. In Russia, the government is slightly reducing the export tax on maize to \$45/t.

In its September balance sheet, compared to August, the European Commission revised production down by 2.2 Mt (68.8 Mt) and carryover stocks down by 1.8 Mt (16.1 Mt). Imports were left unchanged at 14.5 Mt.

To be monitored:

- Weather South America
- Ukraine crop
- Oil prices