

CORN Market



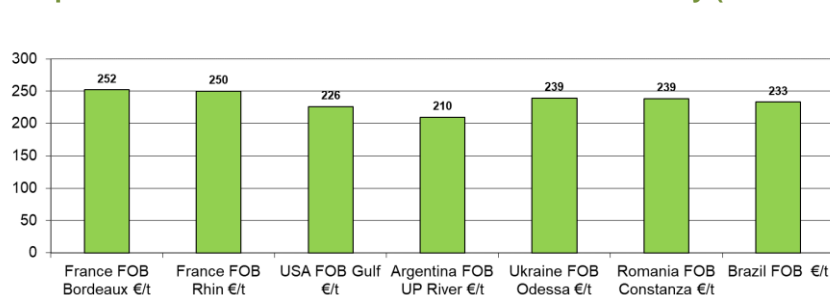
Weekly economic newsletter of the European Confederation of Maize Production

Week 43/2021

N°282

Indicators

FOB price 22/10/2021 in €/t – October-December delivery (2021 harvest)



	22/10	15/10
Parity €/€	1,16	1,16
Petrol \$/barrel (NY)	83,8	82,3
FOB Bordeaux* (€/t)	252	249
FOB Rhine* (€/t)	250	273

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Contrasting weather in South America

From 15/10 to 22/10, prices of December maturity in Chicago gained \$4 /t to reach \$211.5 /t.

After a correction linked to the USDA monthly report, prices have risen again this week due to the persistent tension on the world cereal balance sheets, especially in wheat, and the return to a good level of American corn exports, after a very disrupted beginning of the month due to hurricane Ida. The continued rise in oil prices is also supporting ethanol production. These factors are limiting the downward pressure on prices caused by the progress of the US harvest.

As of 18/10, 52% of the US maize crop had been harvested, compared to an average of 41% at that date (2016-2020). The weather is allowing harvesting to progress rapidly, but harvesting is expected to slow this week due to heavy rainfall in the central Corn Belt.

In its October report, compared to September and for the 2021/22 crop year, the ICC revises world maize production up slightly, by 1 Mt, due to the US situation. World uses remain stable from one month to the next (1201 Mt). World stocks are revised upwards by 4 Mt compared to September (285 Mt) but remain 12% lower than the average of the last 5 crop years.

Despite a new record of imports in August (3.2 Mt), the level of Chinese demand continues to raise questions as the country is experiencing a good maize harvest. The price of pork in China has fallen sharply and the market is expected to remain disrupted for the next few months according to the authorities, while soybean imports and crushing are also down. The CIC estimates Chinese maize imports for the crop year at 16 Mt vs 26 Mt for the USDA.

In Brazil full-season soybean and maize plantings are benefiting from the rainfall and are progressing very rapidly. At the end of last week, 57% of full-season maize and 24% of soybeans had been sown, compared to an average of 43% and 16% respectively at this time (2016-2020). In Argentina, rains are expected this week in the central part of the production area while the water deficit persists. As of 21/10, 26% of maize had been planted compared to 33% on average (2016-2020). 65% of maize was in "good to excellent" conditions compared to 59% last week.

EUROPE: Downward revision of imports

In its October report, compared to September, Stratégie Grains reassesses EU production at 67.5 Mt (+2.6 Mt) due to upward revisions in Poland, France and Romania mainly. As a result, this report evaluates EU imports for the 2021/22 crop year downwards compared to last month. These are now expected to be 13.9 Mt (-0.5 Mt).

Stratégie Grains forecasts a drop in EU maize acreage of 2% for the 2022/23 crop year due to a drop in transfers from feed maize to corn.

To be monitored:

- Exports USA
- Ethanol USA
- EU balance sheet