

# CORN Market



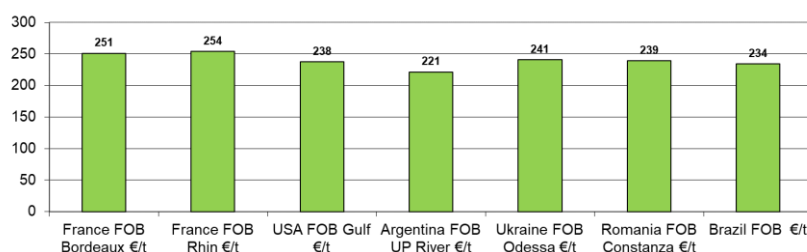
Weekly economic newsletter of the European Confederation of Maize Production

Week 44/2021

N°283

## Indicators

**FOB price 29/10/2021 in €/t – October-December delivery (2021 harvest)**



	29/10	22/10
<b>Parity €/€</b>	<b>1,16</b>	1,16
<b>Petrol \$/barrel (NY)</b>	<b>84,1</b>	83,8
<b>FOB Bordeaux*(€/t)</b>	<b>251</b>	252
<b>FOB Rhine* (€/t)</b>	<b>254</b>	250

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : Rising prices in Chicago

From 22/10 to 29/10, prices for the December delivery in Chicago rose \$12 /t to reach \$224 /t.

This strong increase is partly explained by the heavy rains in the central Corn Belt last week. This delayed harvesting, which was 74% complete by 31/10, 7 points ahead of the same date on average (2016-2020). The price increase is explained by the activity of non-commercial funds, which are strengthening their net buying position in a context of rising energy prices. Indeed, this context ensures good margins for ethanol producers, which supports maize prices, but, as in Europe, also contributes to the increase in the price of nitrogen fertilisers, which leads these players to fear that less maize will be sown in the Corn Belt in 2022, to the benefit of soya. Finally, the level of exports is also considered reassuring by operators, with a return to normal after Hurricane Ida at the end of September, which had severely disrupted logistics. American maize exports have resumed a good pace towards traditional destinations (Mexico, Japan, etc.) without China having returned to purchases since last spring. The recent rise in maize prices in China could make US maize imports more competitive.

Maize prices are also supported by the pressure on wheat prices, which have returned to their highest level since 2012 in the US.

In Brazil, planting continues to take place in a favourable context with regular rainfall. According to AgRural, as of 28/10, 52% of soybeans had been sown compared to 42% last year at this date and 63% of full-season maize (25% of production) had been sown compared to 54% at this date in 2020.

In Argentina, the lack of rainfall in the north of the country and in the heart of the production area is still slowing down maize sowing. According to the Buenos Aires Grain Exchange, as of 28/10, 28% of maize had been sown, compared to an average of 36% (2016-2020). At the same date, 73% of maize was in 'good to excellent' conditions compared to 65% last week despite a significant heat wave in the Buenos Aires area. More widespread rain is expected this week over most of the production area.

## EUROPE: Lowering of gas prices

In its October report, compared to September, Stratégie Grains re-evaluates EU production at 67.5 Mt (+2.6 Mt). This is due to the fact that spot gas prices have fallen sharply in the European Union since last Wednesday after Vladimir Putin's request to Gazprom to increase deliveries to the EU and in particular to Germany where stock levels are low. This announcement defuses some of the tension in the European energy market, one of the causes of the rise in fertiliser and drying prices.

In its October balance sheet, compared to September, the European Commission revised EU production downwards by 3.1 Mt production (67.7 Mt). With uses remaining broadly unchanged, carryover stocks are revised downwards by 3 Mt (14.9 Mt). The import forecast remains unchanged at 14.5 Mt

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