

CORN Market



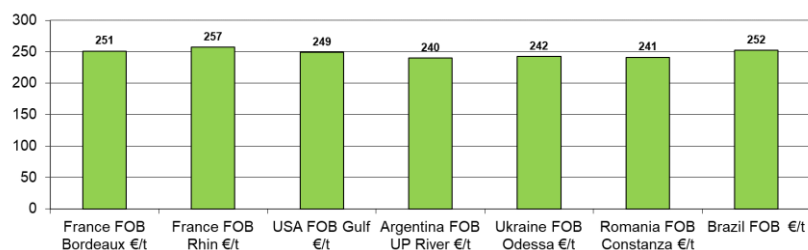
Weekly economic newsletter of the European Confederation of Maize Production

Week 2/2022

N°287

Indicators

FOB prices 07/01/2021 in €/t – January-March delivery (2021 harvest)



	Au 07/01	Au 31/12
Parity €/€	1,13	1,13
Petrol \$/barrel (NY)	75,2	74,4
FOB Bordeaux* (€/t)	250	252
FOB Rhine* (€/t)	258	260

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Heat wave in Argentina

From 31/12/2021 to 07/01/2022, prices for the March 2022 delivery in Chicago gained about \$5/t to \$238/t.

Prices in Chicago, after having fallen due to scattered rains over South America, consolidated this week thanks to the fall of the dollar, which is favourable to exports, and due to renewed concerns about South America.

On the macroeconomic front, the Fed is considering a faster and tighter interest rate hike to combat inflation. The US central bank also surprised the markets by announcing its willingness to reduce the size of its balance sheet, i.e. to inject less liquidity in to the US economy in the coming months. The situation will be closely monitored, as the influx of liquidity in recent years has been one of the factors behind the high prices in commodity markets, including maize.

Last week, net export sales for the US were below traders' expectations at only 256 Kt. Ethanol production remained at a good level, over 1 million barrels/day, although producer margins have been eroding in recent weeks. Oil remains at a high level due to the situation in Kazakhstan and an increase in OPEC+ production that remains below what is allowed under the new production agreements.

Operators continue to closely monitor the weather situation in South America. Despite some scattered rainfall, the water deficit in Argentina and southern Brazil persists. It is expected to worsen this week with the historic heat wave expected in this area. Peaks of more than 45°C are expected in the next few days, which will have a serious impact on maize, particularly those in the pollination and grain filling phase: full-season maize in Rio Grande do Sul in Brazil and early maize in Argentina. Recent late maize plantings in Argentina are also expected to be affected. In Argentina, 77% of maize is sown and 59% is in the pollination or grain filling phase. As of 06/01, 40% of Argentine maize was in "good to excellent" conditions compared to 58% on 1 January. In central-western Brazil, on the other hand, heavy rains are affecting the early soybean crop. Drier weather is expected this week. The monthly reports from USDA and CONAB will be followed closely. USDA is expected to lower its production estimates for South America and CONAB is expected to give its first acreage estimates for safrinha maize in Brazil.

EUROPE: Acreage stability in 2022 in Ukraine?

For the coming 2022/23 season, analyst UkrAgroConsult expects com acreage in Ukraine to remain relatively stable at around 5.4 Mha. All other things being equal, the analyst expects slightly lower yields than in 2021 due to high fertilizer prices. There are uncertainties between the data from the Ministry of Agriculture and the Ukrainian statistics on winter crop areas, which UkrAgroConsult also expects to be relatively stable.

A case of African swine fever has been detected in a wild boar in Italy.

To be monitored :

- USDA report
- South American Weather

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