

# CORN Market



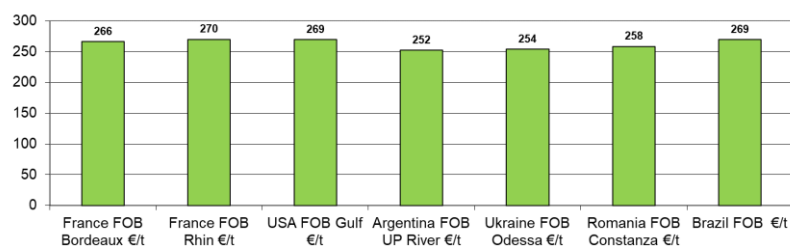
Weekly economic newsletter of the European Confederation of Maize Production

Week 5/2022

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## Indicators

### FOB prices 28/01/2021 in €/t – January-March delivery (2021 harvest)



	28/01	21/01
Parity €/€	1,11	1,13
Petrol \$/barrel (NY)	86,8	85,1
FOB Bordeaux* (€/t)	266	249
FOB Rhine* (€/t)	270	259

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Safrinhas maize sowing begins in Brazil

From 21/01 to 28/01, the prices of the March 2022 delivery in Chicago gained 8 \$/t to reach 251 \$/t.

This week again, uncertainties, especially in the Black Sea, are boosting prices both for the near future and for the next harvest in Chicago. Volatility remains the order of the day. Moreover, last week, export sales for the United States were above operators' expectations with 1.4 Mt, mainly to Japan and Mexico. On the other hand, while ethanol production remains above 1 million barrels/day, inventories continue to rise with nearly 24.5 million barrels last week.

In the United States, operators are awaiting the USDA's agricultural outlook for the next season at the end of the month, which will contain projections for the 2022/23 season. For maize, analysts' expectations are very variable and range from 36.6 Mha for IHS market to 38.9 Mha for the University of Illinois (37.8 Mha in 2021/22). This high variability is explained by the uncertainties faced by Corn Belt farmers who traditionally trade off between soybeans and maize. The soybean/corn price ratio is favourable to corn, although soybean prices are also high. But the cost of nitrogen fertiliser could encourage more soybeans to be sown. In this respect, operators will be monitoring the implementation of anti-dumping duties in the US on imports of nitrogen solution from Russia and Trinidad. These duties are requested by the American industry.

In South America, rains have returned to all production areas and are expected to continue in the coming week.

As a result, maize growing conditions in Argentina are improving. As of 27/01, 32% of maize was in "good to excellent" conditions compared to 22% a week earlier. Early maize is expected to be harvested while late maize, which has largely escaped the drought, is entering flowering in good conditions.

In Brazil, planting of safrinha maize (75% of production and the bulk of exports) is starting. In Mato Grosso, the main producing state, 10% of this maize has been sown, compared with an average of 6% at this time. Sowing could slow down because of the rain. On the other hand, in Paraná, the second largest producer state, farmers are waiting for wetter soils before sowing their maize.

## EUROPE: Ukraine's exports disrupted

Tensions remain high between Ukraine and Russia, and this continued to affect the markets last week, including the maize market. Due to complicated weather conditions, the main Ukrainian ports, including Mykolayv and Odessa, did not carry out any loading last week. Business was back to normal from this weekend.

In its January balance sheet, compared to December, the European Commission revised EU production down by 397 Kt (69 Mt) and exports up by 1.27 Mt (5 Mt). Carryover stocks are revised downwards by 1.6 Mt (17.3 Mt).

### To be monitored :

- Sowing safrinha Brazil
- Argentinean harvest
- Volatility