

CORN Market



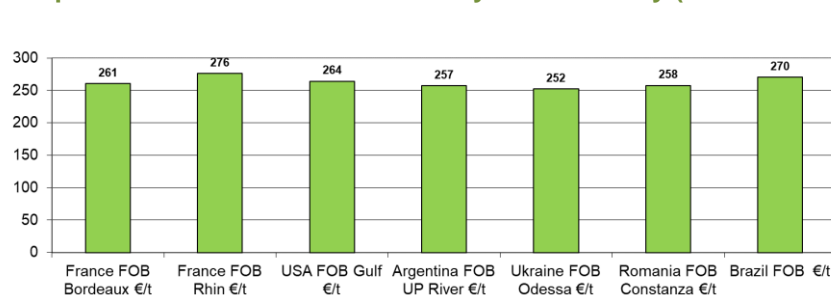
Weekly economic newsletter of the European Confederation of Maize Production

Week 8/2022

N°293

Indicators

FOB prices 18/02/2022 in €/t – February-June delivery (2021 harvest)



	11/02	04/02
Parity €/€	1,14	1,14
Petrol \$/barrel (NY)	91,1	93,1
FOB Bordeaux*(€/t)	261	260
FOB Rhine* (€/t)	276	271

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Decline in world stocks

From 11/02 to 18/02, the prices of the March delivery in Chicago gained approximately \$2/t to be located at \$258/t.

The prices in Chicago remained relatively stable last week whereas for a month the geopolitical situation in the Black Sea has guided the market evolutions more frankly than the fundamentals.

In its February report, compared to January, the IGC revised world production for the current crop year downwards by 4 Mt (1203 Mt) due to last month's drought in South America. With world maize consumption revised up slightly from last month, the IGC estimates stocks for the 2021/22 crop year at 281mt in February, a drop of 6 Mt. World maize stocks would thus remain 13% below the average of the last 5 years. Chinese imports are left unchanged month-on-month (16.5 Mt).

The IGC notes that, mainly due to the price of nitrogen, US maize acreage in 2022 could fall slightly compared to 2021, although the current price level limits the potential for a decline. The USDA Outlook 2022 forum at the end of this week is expected to provide the first US acreage outlook for 2022.

In the US, ethanol production rose back above 1 million barrels/day last week, but inventories also rebounded to 25.5 million barrels, up 3% from the previous week. Net export sales were at the top end of traders' expectations at 820 Kt, mainly to Japan.

In Brazil, the sowing of safrinha maize continues at a good pace and should end at a favourable date for the rest of the crop cycle. As of 14/02, 57% of safrinha maize had been sown, compared with 46% on average at that date.

In Argentina, after ten dry days, the rains are expected to return this week as the late maize crop is in full flowering.

EUROPE: Crise en Ukraine

The crisis now appears to be open in Ukraine with multiple ceasefire breakdowns in the Donbass late last week. Russian-US talks are to be held this week. The US is still denouncing an imminent invasion of Ukraine by Russia. This has affected grain prices on Euronext for both wheat and maize.

In its February report, compared with January, Stratégie Grains forecasts a drop in consumption of maize intended to feed cattle, particularly in the Benelux countries and Spain, due to the good competitiveness of feed wheat. EU maize imports are revised upwards by 200 Kt (14.7 Mt) compared to last month due to Ukrainian availability for Spain at the end of the campaign.

With 10.1 Mt imported as of 15/02, total European imports are back to the level of the 2020/21 crop year (10.5 Mt) but remain below the average of the last three crop years (13.2 Mt) at this date.

To be monitored :

- Conflit Ukraine
- Forum " Perspectives " USDA
- Météo Argentine