

CORN Market



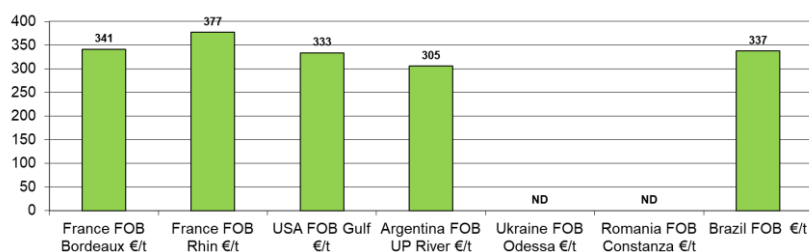
Weekly economic newsletter of the European Confederation of Maize Production

Week 12/2022

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Indicators

FOB prices 18/03/2022 in €/t – March-June delivery (2021 harvest)



	18/03	11/03
Parity €/€	1,10	1,10
Petrol \$/barrel (NY)	104,7	109,3
FOB Bordeaux*(€/t)	345	375
FOB Rhine* (€/t)	377	407

*Fob price Bordeaux/Rhine including monthly increases

WORLD: American origin sought

From 11/04 to 18/04, prices for May in Chicago fell by \$4.5/t to \$292/t. US maize prices remain high and volatile but are still meeting technical resistance to the upside.

In its March report, compared to February, the IGC estimates that for the current 2021/22 crop year, world production will be up by 4 Mt (1207 Mt) due to revisions, notably for the EU. Consumption is revised down by 2 Mt (1197 Mt) due to high prices, while stocks are up by 6 Mt (287 Mt), notably due to the invasion of Ukraine. The country's exports are indeed revised downwards: -11 Mt (22 Mt).

In the United States, Allendale analysts are projecting maize acreage for 2022 at 37.4 Mha, an increase of 170 Kha compared to the USDA's February projections. Traders are awaiting the USDA's planting intentions survey on 31 March in a context of very volatile prices for both maize and supplies, which makes planting estimates difficult.

In the absence of the Ukraine on the world market, American origin is in great demand, particularly in Europe (see below) but also in China. Last week's export contracting once again exceeded operators' expectations with 1.84 Mt for the end of the crop year. We also noted the purchase of 204 Kt of maize for the 2022/23 crop year. The country is reorganising its supplies as at least 6 Mt of Ukrainian maize will not be shipped to it because of the war. In addition, in Asia, there is a renewed interest in maize compared to wheat for animal feed, but also a renewed interest in broken rice, which could push up the price of this cereal.

Analysts are also concerned about the rise of the Omicron variant in China. The country is maintaining its strict sanitary policy, leading to massive confinements, particularly in the port area of Shenzhen, with the risk of disrupting global supply chains in the coming weeks.

EUROPE: Uncertainty about Ukrainian sowing

The Ukrainian government estimates that a maximum of 70% of the spring crop area can be sown in 2022. There is still a great deal of uncertainty about maize acreage due to supply difficulties (fuel, seeds, etc.) and the desire of the players to favour cereals that can be consumed by the population due to the extremely difficult local food situation.

Imports of maize from third countries by the EU came to a virtual standstill last week because of export restrictions (Serbia, Moldova) and Ukraine's difficulty in exporting grain. 300 Kt of maize are reported to have received export licences to be exported by train to Poland. In this context, European importers (Spain, Benelux, etc.) are looking for alternative supplies, firstly from Europe (France, Romania, etc.) but also from America. Italy and Spain are buying American maize and European players are asking for a temporary relaxation of sanitary rules so that they can import Argentine maize.

To be monitored :

- Ukraine conflict
- South American harvest
- Grain Strategy Report

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68