CORN Market

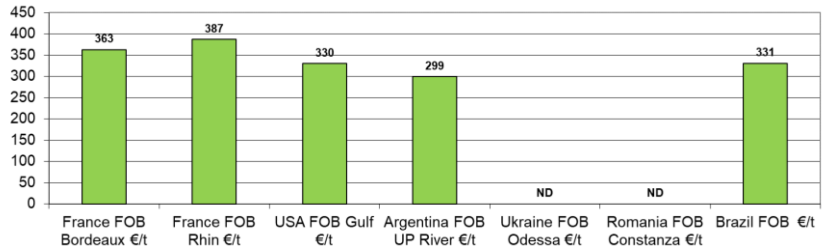
Weekly economic newsletter of the European Confederation of Maize Production

CEPM maiz'EUROP'

Week 13/2022 **N°298**

Indicators

FOB prices 25/03/2022 in €/t – March-June delivery (2021 harvest)



	25/03	18/03
Parity €/$	**1,10**	1,10
Petrol $/barrel (NY)	**113,9**	104,7
FOB Bordeaux*(€/t)	**363**	345
FOB Rhine* (€/t)	**387**	377

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: What maize acreage in the US in 2022?

From 18/03 to 25/03, prices for May in Chicago gained $5/t to reach $297/t. After a strong rise linked to the invasion of Ukraine, the May delivery has been evolving between $290 and $300/t since the beginning of the month.

Export contracting to the US slowed down last week with 986 Kt, after several dynamic weeks. Ethanol production remains above 1 million barrels/day but stocks are increasing and exceed 26 million barrels. In addition, Brazil has lifted its ethanol tariffs in an effort to contain domestic fuel prices, but imported US ethanol remains more expensive than Brazilian ethanol.

Ethanol production is supported by oil prices, which remain at very high levels due to the war in Ukraine and discussions about a ban on Russian oil imports into Europe. EU leaders had not yet agreed on this at the end of last week.

Non-commercial funds were reducing their position in Chicago last week as they awaited the USDA's planting intentions report on 31/03. Given the backdrop, analyst uncertainty is high with wide swings in corn acreage. At its Outlook forum, the USDA had announced, by modelling, 37.2 Mha for 2022.

In China, pig production, already in a delicate situation before the war, is suffering from the increase in grain and soybean prices. As a result, producers are turning to less efficient but cheaper rations based on maize and soya substitutes.

In Argentina, the Buenos Aires Grain Exchange has lowered its production projection for the crop year by 2mt (49mt) due to poor yields of early maize. 21% of early maize was harvested last week. Late maize is in good condition. The Paraná River level remains low, which affects the country's agricultural exports.

In Brazil, the planting of safrinha maize is almost complete and has been carried out in good conditions.

EUROPE: Acreage areas down in Ukraine

As spring sowing begins in Ukraine, the Ukrainian authorities have announced that maize acreage could reach 3.3 Mha, down 39% from 2021, while UkrAgroConsult, at this time, estimates that acreage will fall by 29% (4 Mha sown). Ukrainian farmers are facing various input shortages due to disrupted logistics. Fuel shortages are acute due to the priority given to military operations and the difficulties of refuelling. Last week, port infrastructure belonging to Bunge was destroyed by Russia in the port of Mikolayiv.

In its March report, compared to February, Grain Strategy revised the EU grain maize area for 2022 by a small margin. These are projected at 9.1 Mha compared to 9.27 Mha in 2021. Due to the war in Ukraine, EU maize imports for the current crop year have been revised downwards by 1.2 Mt (13.9 Mt) compared to last month.

To be monitored :

-Ukraine conflict
-Sowing intentions USA
-EU balance sheet

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