

CORN Market



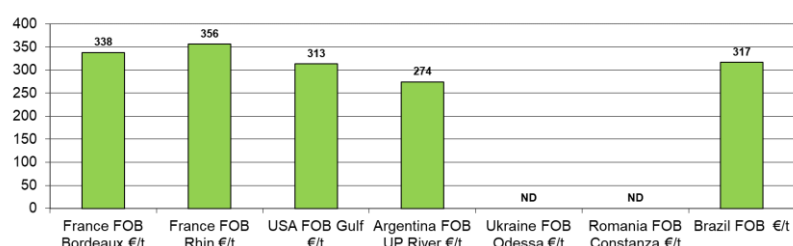
Weekly economic newsletter of the European Confederation of Maize Production

Week 15/2022

N°300

Indicators

FOB prices 08/04/2022 in €/t – April-June delivery (2021 harvest)



	08/04	01/04
Parity €/€	1,09	1,11
Petrol \$/barrel (NY)	98,3	99,3
FOB Bordeaux*(€/t)	345	338
FOB Rhine* (€/t)	365	356

*Fob price Bordeaux/Rhine including monthly increases

WORLD: World food prices at an all-time high

From 01/04 to 08/04, the prices for the May delivery in Chicago rose \$13/t to \$302.5/t. US maize prices are back to spot highs, after a drop last week, but remain blocked by technical resistance.

Due to a tense initial situation and the consequences of the invasion of Ukraine, the FAO confirms a surge in world food prices. The food price index gained 13% in March and is at its highest level ever. The specific cereal index rose by 17% last month and is also at a record high.

In its March report, compared to February, the USDA left the US balance sheet broadly unchanged with carryover stocks slightly above traders' expectations. Chinese imports were revised down 3mt from February (23mt) and within the range of private analysts' targets. World stocks for the crop year are revised up by 4.5 Mt (305.5 Mt).

In Brazil, the USDA revised upwards its production projection by 2 Mt (116 Mt) against 3.3 Mt for CONAB (115.6 Mt). Brazilian farmers are starting to worry about the weather in the centre-west of the country. Rainfall in recent weeks has been below normal and this week is expected to be dry. If this weather becomes long term, it could ultimately worsen yield prospects.

In Argentina, the USDA maintains its production projection (53 Mt), contrary to many analysts. Some early frosts were reported in the southern part of the production area last week, which could affect the yield of late maize. As of 07/04, one third of the early maize crop was harvested and two thirds of the late maize crop was in the grain filling stage.

EUROPE: EU imports revised downwards

The USDA has again revised downwards Ukraine's maize exports due to the ongoing invasion. These are now estimated at 23 Mt (-4.5 Mt). Ukrainian sowing started last week.

Because of the situation, the European Commission, in its March balance sheet and compared to February, revised downwards the EU imports for the current campaign by 500 Kt (14 Mt). European imports continue to slow down. As of 04/04, they reached 12.2 Mt, slightly down on the previous crop year at that date. The Ukraine origin is imported in a difficult way (rail freight) and we note the arrival of American and Canadian corn.

In its first report for the 2022/23 crop year, the European Commission projects imports at only 9 Mt due to reductions in use, particularly in FOB, and a contraction in carryover stocks.

To be monitored :

- Conflict in Ukraine
- Grain Strategy Report