

CORN Market



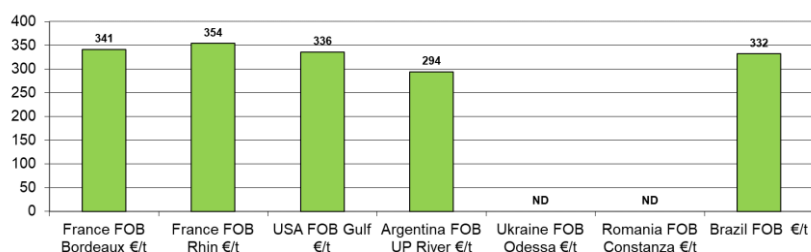
Weekly economic newsletter of the European Confederation of Maize Production

Week 17/2022

N°302

Indicators

FOB prices 22/04/2022 in €/t – April-June delivery (2021 harvest)



	22/04	15/04
Parity €/€	1,08	1,09
Petrol \$/barrel (NY)	102,1	108,2
FOB Bordeaux*(€/t)	339	341
FOB Rhine* (€/t)	343	354

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Drought takes hold in Brazil

From 15/04 to 22/04, prices for the May delivery in Chicago lost \$8/t to reach \$312/t on the back of a technical correction after a massive rise last week.

In its April report, compared to March and for the current crop year, the ICC revises world production up by 3 Mt (1210 Mt) due to an upward revision for Brazil. World demand is revised up by 4 Mt (1201 Mt). As a result, world stocks would decrease by 1 Mt (286 Mt) despite stock increases in Ukraine due to drastic export restrictions.

For the 2022/23 crop year, the CIC forecasts a 2% drop in world acreage, a first in 4 years, notably due to the expected drop in acreage in the USA and the consequences of the war in Ukraine. Consumption would remain dynamic and reach a new record (1218 Mt). Carryover stocks for the next season are estimated to be down by 7% (265 Mt), particularly for the main exporters.

In the United States, planting continues at a slower pace due to the cool and wet weather. A little drier weather is expected in the central Corn Belt this week, but the cold weather remains.

In China, the strict containment policy, in addition to severely disrupting port logistics, is limiting inter-regional transport, which is complicating cultivation operations for farmers. As maize is much more competitive than wheat in animal feed, the country is stepping up its purchases of American maize with almost 2 Mt contracted last week, both for the current campaign and for the next harvest.

In Brazil, the weather continues to worry producers in central Brazil (Mato Grosso and southern Mato Grosso). The national weather service has confirmed the arrival of the dry season 2-4 weeks earlier than usual, while a large part of the safrinha maize in these areas is in the pollination phase and sensitive to water stress. Weather is expected to remain locally hot and dry this week.

In Argentina, early maize harvesting is proceeding slowly due to rainfall. 20% of the maize crop has been harvested compared to an average of 25% at this time. After the truckers, the port workers in Rosario are on strike, which is disrupting export logistics.

EUROPE: Difficult exports for Ukraine

Planting continues in Ukraine despite continuing difficulties. The Ministry of Agriculture has raised its spring crop sowing forecast but recently liberated areas remain difficult to access due to mines.

Ukraine has negotiated an agreement with the Baltic States to facilitate the export of its agricultural products through the port of Klaipeda (Lithuania). Rail logistics to Poland remain congested with 15 to 20 days waiting time for transshipment.

To be monitored :

- Invasion Ukraine
- Ethanol USA
- Position of funds