CORN Market

CEPM maiz'EUROP'

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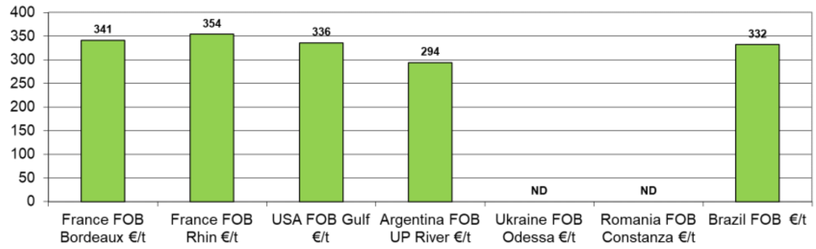
Week 16/2022 **N°301**

Indicators

FOB prices 15/04/2022 in €/t – April-June delivery (2021 harvest)



	15/04	08/04
Parity €/$	1,09	1,09
Petrol $/barrel (NY)	108,2	98,3
FOB Bordeaux*(€/t)	341	345
FOB Rhine* (€/t)	354	365

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Planting begins in the Corn Belt

From 08/04 to 15/04, the price of the May delivery in Chicago gained $18/t to stand at $320/t. The Easter weekend allowed funds to break through the technical resistance to the upside. The price of corn in Chicago on the 1st maturity thus exceeds $8/bushel, its highest level since mid-2012. At present, the fundamentals do not seem to justify such a rise despite the continuing war in Ukraine, so a downward correction could take place.

In the US, corn planting in the Corn Belt has begun. Cool, wet weather is slowing down planting. As of 17/04, 4% of maize was planted compared to 6% on average (2017-2021). Temperatures are expected to rise but the weather will remain wet this week.

Joe Biden's decision to allow year-round sales of E-15 and accelerate distribution of the fuel outside the Midwest also supported prices last week. This is a clear support for ethanol and corn producers, after the revocation of ethanol blending exemptions for some refineries, and an attempt to limit fuel inflation before the mid-term elections.

Last week, at 1.7 Mt, export contracting for the current and 2022/23 crop years was in line with operators' expectations. However, we note the purchase by China of a little more than 1 Mt for the two crop years.

China is worrying the markets because of the spread of the Covid epidemic in the country. The strict containment policy is maintained with the containment of Shanghai, one of the main world ports, raising fears of new logistical disruptions at world level.

In Brazil, producers continue to worry about the lack of rain. In central Brazil, rainfall has been scarce for several weeks and weather models point to an earlier than expected start to the dry season, which could affect safrinha maize yields. Dry weather is expected to continue this week.

In Argentina, the early maize harvest continues but export logistics were disrupted by a massive truckers' strike last week. A memorandum of understanding has been signed with the government to limit the impact of rising fuel prices.

EUROPE: Difficult sowing in Ukraine

As of 18/04, 216 Kha of maize have been sown in Ukraine. Although Russia has evacuated the north of the country and the Kiev region, fields are not necessarily practicable in this area due to the presence of mines and the persistence of logistical problems (seeds, fuel, etc.).

In its April report, compared to March, Stratégie Grains slightly increases its forecast for EU grain maize areas for the 2022/23 crop year by 20 Kha. This is now estimated at 9.13 Mha compared with 9.28 Mha in 2021/22.

To be monitored :
-Conflict in Ukraine
-Seedlings USA
-COVID China