CORN Market

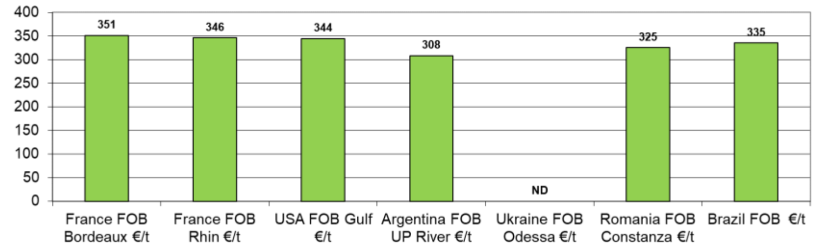
Weekly economic newsletter of the European Confederation of Maize Production

CEPM maiz'EUROP'

Week 18/2022 **N°303**

Indicators

FOB prices 29/04/2022 in €/t – May-June delivery (2021 harvest)



	29/04	22/04
Parity €/$	1,05	1,08
Petrol $/barrel (NY)	104,7	102,1
FOB Bordeaux*(€/t)	351	339
FOB Rhine* (€/t)	346	343

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Delayed planting in the Corn Belt

From 22/04 to 29/04, the price of maize for the July delivery in Chicago rose by $9/t to $320/t. Maize prices in Chicago were supported last week by weather concerns about planting in the Corn Belt and safrinha maize in Brazil.

As of 24/04, only 7% of US maize was planted compared to an average of 15% at this date (2017-2021). Planting is the latest since 2013. This is due to cool, wet weather limiting planting. It is expected to continue this week and into May according to various weather models.

Demand remains strong in the US. Ethanol production increased by 16 thousand barrels/day last week, compared to the previous week, to 963 thousand barrels/day. Stocks continued to decline, losing 377 thousand barrels, while the incorporation of ethanol into fuel was maintained in a context of weak demand due to the price of gasoline.

Last week, the country recorded export contracting of 867 Kt for the current crop year, below operators' expectations, and 843 Kt for the 2022/23 crop year. In addition, an additional contracting of 1.4 Mt from China has been recorded, equally distributed over the 2021/22 and 2022/23 crop years. Export contractualisations for the next crop year are up by 64% at this date compared to the same period in 2021 with a strong presence of China in purchases.

As a result, operators are attentive to Chinese demand signals. In a context of decreasing margins in pig production, the Chinese government has announced a 3% decrease in the sow herd in April compared to April 2021. This could ultimately reduce China's buying interest. In addition, the continuation of the "0 Covid" policy in China is raising fears of logistical disruptions and a slowdown in global growth.

In Brazil, traders are concerned about a continued lack of rain in the central safrinha maize growing area, which could affect yields. In Mato Grosso, April 2022 is the driest month in 17 years. The week is expected to be dry in this area. Producers in the south of the country, particularly in Paraná, were hit by severe hail storms early last week. The extent of the damage has yet to be confirmed.

EUROPE: Tensions over natural gas

Against the backdrop of the invasion of Ukraine, tensions over energy are increasing. Russia has suspended deliveries to Poland and Bulgaria for non-payment in roubles, a warning to the rest of the EU, especially Germany. The states are considering a new package of sanctions at the beginning of the week which could include an embargo on Russian oil.

Ukraine continues to export through EU countries: via the Danube and the port of Constanta in Romania and soon via the port of Varna in Bulgaria.

To be monitored :
-Conflict Ukraine
-Weather Corn Belt
-Exports Ukraine

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