CORN Market

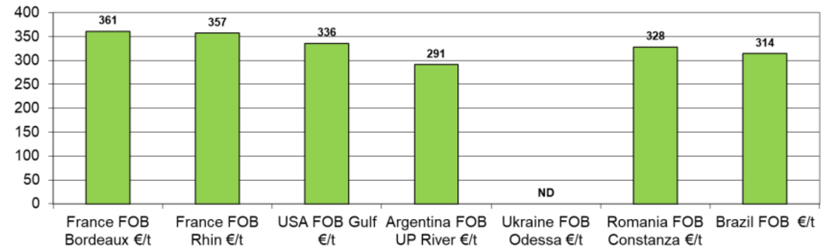
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 19/2022 N°304

Indicators

FOB prices 06/05/2022 in €/t – May-June delivery (2021 harvest)



	29/04	22/04
Parity €/$	**1,06**	1,05
Petrol $/barrel (NY)	**109,8**	104,7
FOB Bordeaux*(€/t)	**361**	351
FOB Rhine* (€/t)	**357**	346

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Falling prices in Chicago

From 29/04 to 06/05, prices for the July delivery in Chicago fell by $15/t to $305/t. US maize prices fell at the end of last week due to better weather prospects and the action of non-commercial funds.

As of 01/05, 14% of US maize was planted compared to an average of 33% at that time (2017-2021). Temperatures are expected to be warmer in the Corn Belt this week with less rainfall, particularly in the central part of the area where planting is most delayed.

The slightly better outlook has also led to non-trade funds being net sellers in corn. The actions of hedge funds in the commodity markets, including maize, will be closely watched in the coming months as the US Federal Reserve raises interest rates, as expected, in an effort to combat inflation.

Internationally, the anti-Covid policy in China continues to weigh on global logistics and freight prices. The number of ships waiting to dock in Shanghai was up 34% in April compared to March, according to Reuters.

Demand indicators in the US remained strong last week. Export contracting was at the lower end of traders' expectations with 1.4mt split between the end of the crop year and the 2022/23 crop year, and ethanol production was up slightly by 6,000 barrels/day (969Kb/d). Operators are awaiting the Biden administration's verdict on the EPA's proposal for the level of the ethanol-in-gasoline mandate for 2020, 2021 and 2022. The EPA's initial proposal caused an uproar in the Corn Belt because of a downward revision of the incorporation requirements compared to previous years.

In Brazil, the drought in the central-western part of the country continues to worry safrinha maize growers. Dry weather is expected to continue this week in this area, reducing yield potential. In the south of the country, rains are more regular. In Argentina, the dry weather is allowing the harvest to progress. As of 05/05, 25% of the maize crop had been harvested compared to an average of 32% at that date (2016-2021).

EUROPE: Marked water deficit

Water shortages are affecting much of Europe.

European states are finding it difficult to agree on a 6th sanctions package including a halt to Russian oil imports.

In Ukraine, the government reports thefts of equipment and grain stocks by Russian forces in occupied areas. As of 05/05, 1.9 Mha of maize had been sown out of 3 to 4 Mha expected in 2022. The Ukrainian government is stepping up its efforts to export its grain through neighbouring countries. 71 Kt were loaded in Constanta, Romania, at the end of April. In April, Ukraine exported 763 Kt of grain, mainly maize, compared with 300 Kt in March and with an average of 4 to 5 Mt at this time before the war.

To be monitored :
-Conflict in Ukraine
-USDA report

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