

CORN Market



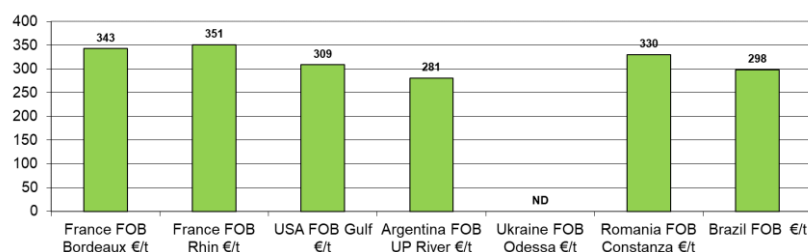
Weekly economic newsletter of the European Confederation of Maize Production

Week 23/2022

N°305

Indicators

FOB prices 03/06/2022 in €/t – June-July delivery (2021 harvest)



	03/06	27/05
Parity €/€	1,07	1,07
Petrol \$/barrel (NY)	118,5	115,1
FOB Bordeaux*(€/t)	343	351
FOB Rhine* (€/t)	351	353

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Diplomatic discussions on Ukrainian exports

From 27 May to 3 June, prices for the July delivery in Chicago lost \$13.5/t to stand at \$292/t. The sharp drop in prices in the United States last week, before a marked rebound at the end of the week, is linked to diplomatic discussions on a possible resumption of Ukrainian exports (see Europe section below). In this context, non-commercial funds are accelerating their sales, which has caused corn prices to fall.

In the United States, planting was almost complete by 30 May. 73% of maize was considered to be in "good to excellent" condition. Weather is expected to be favourable for crops this week in the Corn Belt. Warm and humid weather is expected in the area.

Last week, export contracting for the coming crop year was below expectations with only 49 Kt. Ethanol production remains above 1 million barrels/day and is benefiting from the beginning of the summer, a period of peak fuel consumption in the US.

Prices were supported this week by a decision by the Biden administration to revise upwards the EPA's proposal for ethanol fuel blending mandates for the period 2020-2022. US producer margins remain supported by high oil prices. In this regard, traders remain attentive to the decisions of OPEC+ which decided last week to increase its production by 200,000 barrels more than expected this summer, limiting the rise in oil prices.

In Brazil, the safrinha maize harvest has started in Mato Grosso. Yields are very heterogeneous due to the different sowing dates and the dryness of April-May.

In Argentina, as of 02/06, 32% of maize had been harvested compared to 42% on this date on average (2017-2021). The Argentinean government wants to introduce an exceptional tax on profits linked to the war in Ukraine. This could have an impact on the agricultural sector due to the rise in prices.

EUROPE: Russian blackmail on Ukrainian exports

Russia is continuing to blackmail Ukraine for the establishment of a maritime corridor for Ukrainian exports. Talks have been held through Turkey, causing a sharp drop in grain prices this week. Grain prices rebounded at the end of the week with the announcement that Russia had destroyed a grain terminal in the port of Mikolayiv. Although it is weighing on prices, even if talks are successful, the prospect of a return of Ukrainian exports to the world market would be slow due to the need to restore port infrastructure and clear mines.

The EU states finally agreed on a progressive embargo on Russian oil. 90% of Russian exports to the EU should be affected.

To be monitored :

- Conflict in Ukraine
- USDA report
- EU balance sheet

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68