

CORN Market



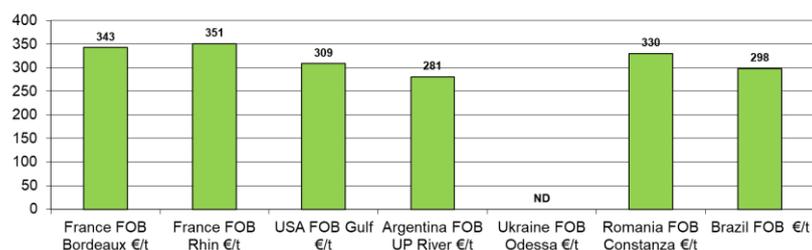
Weekly economic newsletter of the European Confederation of Maize Production

Week 24/2022

N°306

Indicators

FOB prices 10/06/2022 in €/t – June-July delivery (2021 harvest)



	10/06	03/06
Parity €/€	1,06	1,07
Petrol \$/barrel (NY)	120,7	118,5
FOB Bordeaux*(€/t)	341	343
FOB Rhine* (€/t)	347	351

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Increase in world stocks

From 3 to 10 June, prices for July in Chicago rose by \$18/t to \$304/t. The lack of diplomatic progress on the unblocking of Ukrainian port exports allowed a significant rebound in prices last week.

In its June report, compared to May, the USDA revised world stocks for the 2022/23 crop year up by 5.4 Mt (311 Mt). This increase is slightly higher than traders' expectations. World production was revised up by 5 Mt (1186 Mt) and world consumption by 1 Mt (1186 Mt).

As of 05/06, in the US, 84% of the corn crop was in "good to excellent" condition. Corn in the Corn Belt is benefiting from warm weather and wet soils. However, due to late planting this year, flowering will take place at the end of July, exposing maize to a higher risk of water deficit.

Export contracting for the 2022/23 crop year was last week at the low end of operators' expectations at 74 Kt. Ethanol production reached 1.04 million barrels/day. 701 million litres were exported in April, mainly to Canada and Brazil, the third highest monthly volume. Since January, US ethanol exports are up 13% compared to the same period in 2021.

In Brazil, the safrinha corn harvest continues. The USDA left its production projection unchanged (116 Mt). The Minister of Agriculture announced that most of the country's fertiliser supplies were covered for the next season, although Brazil is 85% dependent on Russia and Belarus.

In Argentina, the Paraná River should soon return to its normal water level after two years of drought, allowing full loading of ships and improving the competitiveness of Argentine exports.

EUROPE: End of sowing in Ukraine

Discussions between Turkey and Russia continue on maritime corridors for Ukrainian exports. Ukraine refuses to clear its ports without adequate security guarantees. The country managed to export 1.5 Mt of grain in May compared to 1 Mt in April and 6 Mt in normal times.

Ukrainian producers managed to sow 4.6 Mha of maize, which is 13% less than in 2021. These larger than expected areas have led the USDA to revise upwards its production projection by 5.5 Mt (26 Mt) compared to May.

In its June report, compared to May, the European Commission revised upwards its import projection for the 2022/23 campaign by 4 Mt (13 Mt). It remains lower than the USDA projection (16 Mt).

To be monitored :

- Ukraine conflict
- Covid in China
- Grain Strategy Report