

CORN Market

CEPM
maizeurop

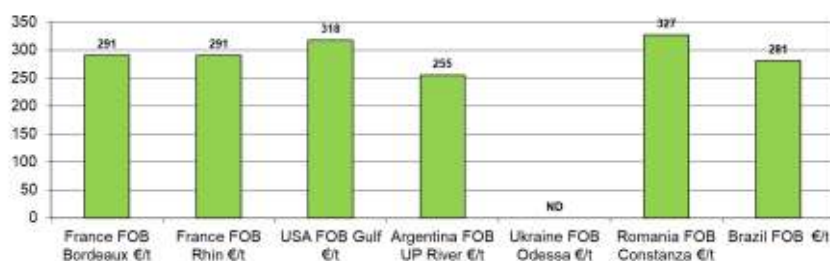
Weekly economic newsletter of the European Confederation of Maize Production

Week 27/2022

N°309

Indicators

FOB prices 01/07/2022 in €/t – July-August delivery (2021 harvest)



	01/07	24/06
Parity €/€	1,04	1,05
Petrol \$/barrel (NY)	108,4	107,6
FOB Bordeaux*(€/t)	291	308
FOB Rhine* (€/t)	291	304

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Slight increase in US acreage

From 24/06 to 01/07, prices for the September delivery in Chicago lost another \$15/t to stand at \$247/t. The very strong downward pressure continues in Chicago against the backdrop of fears of a global economic crisis and fund sales, despite the fact that there has been little change in the fundamentals. US maize prices have returned to pre-war levels in Ukraine.

In the US, the acreage report brought few surprises. At 36.39 Mha, maize acreage was revised up by 180 Kha from the USDA's March projection and within traders' expectations.

As of 27/06, the US maize crop was beginning to flower with 4% of the area under cultivation, a pace in line with the average (2017-2021). 67% of US corn was considered in "good to excellent" conditions, 3 points less than the previous week. The week is expected to be rainy across much of the Corn Belt. Weather in the coming weeks will be a major factor in volatility during this crucial yield setting period.

In China, the director of the state-owned agricultural commodity stocks was officially sacked for corruption. Domestic maize prices are rising due to logistical problems with the management of Covid. This could ultimately favour imports. In this respect, China is said to have contracted the purchase of nearly 400 Kt of Brazilian maize after a recent sanitary agreement between the two countries. This should make it less dependent on American maize in the absence of Ukrainian origin.

In Brazil, the harvest continues apace and is putting pressure on FOB prices. Domestic freight prices are up sharply due to the harvest but also to high fuel prices.

In Argentina, the strike that was affecting exports has been resolved.

EUROPE: Record wheat harvest in Russia

Russia is expecting a record wheat crop of around 88 Mt, not to mention questions about the takeover of Ukrainian grain. This prospect is weighing on world wheat prices but also on other grain markets. However, the country is likely to encounter export difficulties due to navigation difficulties in the Black Sea (insurance) and the strong rouble, even if the export tax system has been reviewed to make Russian grain more competitive.

In its June report, compared with May and for the 2022/23 crop year, the European Commission revised its maize production figure downwards by 761 Kt (71.7 Mt) and its import projection upwards by 2 Mt (15 Mt). Carryover stocks for the campaign have been revised up slightly (1.5 Mt).

To be monitored :

- Conflict in Ukraine
- Weather USA
- EU imports

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