

# CORN Market

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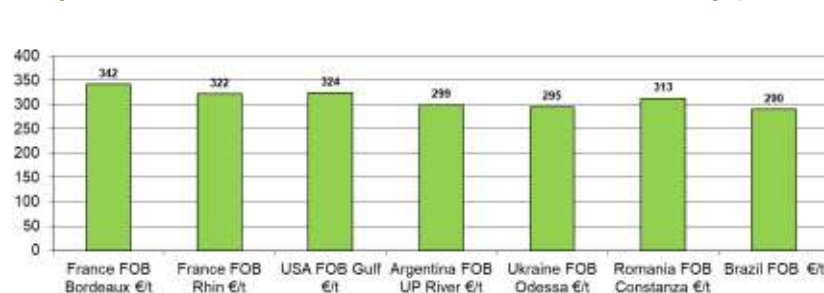
Weekly economic newsletter of the European Confederation of Maize Production

Week 38/2022

N°315

## Indicators

FOB prices 16/09/2022 in €/t – October-December delivery (2022 harvest)



	16/09	09/09
Parity €/€	1,00	1,00
Petrol \$/barrel (NY)	85,1	86,8
FOB Bordeaux* (€/t)	342	345
FOB Rhine* (€/t)	322	323

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Harvesting begins in the Corn Belt

From 09/09 to 16/09, the price of the December delivery in Chicago lost \$3/t to stand at \$267/t. Agricultural commodity prices lost ground last week, despite a bullish USDA report for corn, due to market fears ahead of US Federal Bank rate hikes in late September.

In the US, the corn harvest is starting in the Corn Belt. As of 11/09, 5% of the US maize crop had been harvested, compared to an average of 4% at that time (2017-2021). The harvest is expected to be slightly later than usual due to the delay in the crop cycle since the spring.

In its September report, compared to August, the USDA confirmed an expected decline in US yields (-2 q/ha) now estimated at 108 q/ha. The surprise was the downward revision of acreage (-405 Kha) estimated at 32.7 Mha. As a result, carryover stocks have been revised down sharply to 30.9 Mt, their lowest level for 10 years. This tension on the American balance sheet reinforces the tension on the world balance sheet.

At the world level, compared to August, production is revised down by 7 Mt (1173 Mt), consumption is revised down by 5 Mt (1180 Mt) and stocks are revised down by 2 Mt (305 Mt). China's corn production was raised by 3 Mt (274 Mt) due to good summer conditions in the northeast.

The USDA reinstated its export information system. From mid-August to mid-September, export contracting reached 2.5 Mt, in line with operators' expectations. On the other hand, in a context of lower fuel consumption due to inflation, ethanol production continued to decrease and fell below 900,000 barrels/day as of 09/09.

In Brazil and Argentina, dry conditions are a concern for the planting season, which should start by the end of September.

## EUROPE: EU production revised downwards

EU maize production is estimated at 52 Mt by Cocal (compared to 66 Mt in May) and at 53 Mt by Stratégies Grains (compared to 55 Mt in August). These downward revisions are linked to the scorching summer conditions over a large part of Europe. Moreover, maize lacks competitiveness, particularly in relation to wheat and barley in animal feed, which should result in a downward adjustment of prices and a drop in maize consumption. Despite this, imports are expected to rise sharply, above 20 Mt, to meet European needs. In addition to Brazil and Ukraine, Canada, which is experiencing a record maize harvest, could supply part of the European imports. As of 12 September, the EU had already imported 5.1 Mt of maize, a record for that date.

In Ukraine, the maritime corridor has allowed for the export of 3.7 Mt of agricultural products which, coupled with land exports, brings Ukraine closer to the 6 Mt of monthly exports achieved before the war.

### To be monitored :

- War in Ukraine
- IGC Report
- Seedlings South America

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