

CORN Market



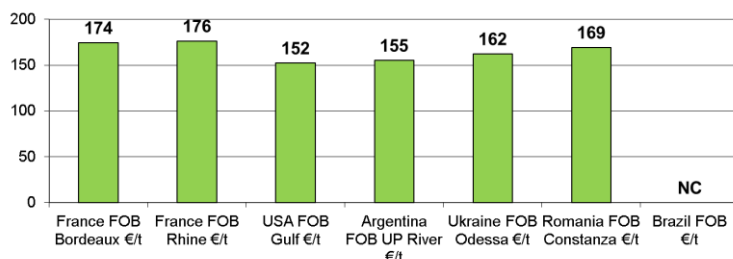
Weekly economic newsletter of the European Confederation of Maize Production

Week 16/2017

N°73

Indicators

FOB price on 14/04/2017 in €/t – April delivery (2016 crop)



	On 14/04	On 7/04
Parity €/€	1.06	1.06
Petrol \$/barrel (NY)	53	52
FOB Bordeaux*(€/t)	174	176
FOB Rhine* (€/t)	176	176

* FOB prices Bordeaux/Rhine take into account monthly increase and correspond to the 2016 crop year.

WORLD: INCREASE IN SOUTH AMERICAN PRODUCTION

Despite increasing global demand, the USDA's monthly report shows world stocks at 223 Mt (+2.3 Mt on last month) for 2016/17, largely as a result of increased production in Mexico, Brazil, Indonesia and Argentina. US stock estimates remained unchanged compared to March (59 Mt), with a decline in forecasts for animal feed use offset by increased usage in ethanol production. US exports are maintained by the USDA despite the high sales volumes recorded at the start of the year. Indeed, competition from South America (Argentina and Brazil) is likely to be tough at the end of the year, and also in 2017/18. The USDA estimates Argentinian production at 38.5 Mt (+1 Mt compared to last month), based on unexpectedly strong initial yields. In Brazil, production has increased from 2 to 93.5 Mt owing to rising "safrinha" acreage and rising yields. The Brazilian crop agency, CONAB, has also increased its 2016/17 harvest forecast. However, the second Brazilian crop is still some time away with the flowering phase far from over: production will continue to be subject to weather conditions over the coming months.

The latest production news is of over 18% of Argentinian maize having been harvested by 12th April, despite two factors that militated against these efforts: the soybean harvest and rainfall. The USDA sees conditions as favourable in Brazil, with rainfall beneficial to maize production. 6% of total USA acreage was sown by 16th April, lagging behind last year (12%) and the five-year average (of 9%). Continued rainfall could slow progress. US demand for exports and production of ethanol is down this week.

CBOT has done little in reaction to the USDA report, having already made some changes. The funds remain net seller and the global situation remains tricky.

EUROPE: SOWING BEGINS ON THE BLACK SEA BASIN

EU import levels remain at a low level, with 260 Kt imported this week, giving a total of 9 Mt cumulated since the beginning of the year (vs. 11.3 Mt this time last year).

Euronext has made a slight recovery after last week, quoting at 172.75 €/t on June maturity.

Ukraine exported 2.7 Mt in March, bringing total exports from the year's start until 1st April to 13.78 Mt. Russia maintains a higher export level than over the previous two years, with a total of 3.9 Mt exported by April 1st. Sowing on the Black Sea Basin has begun.

To be monitored:

- US sowing
- Brazilian weather

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