CORN Market

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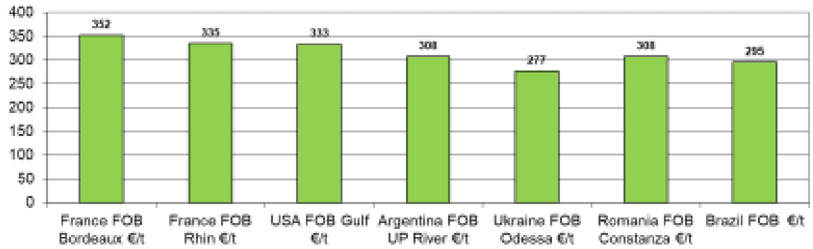
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2022 N°317

Indicators

FOB prices 30/09/2022 in €/t – October-December delivery (2022 harvest)



	30/09	23/09
Parity €/$	**0,97**	0,98
Petrol $/barrel (NY)	**79,5**	78,8
FOB Bordeaux*(€/t)	**352**	353
FOB Rhine* (€/t)	**335**	330

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Drought in Argentina

From 23/09 to 30/09, the price of December corn in Chicago remained relatively stable at 267 $/t.

In the United States, as of 25 September, 12% of American corn had been harvested, compared with an average of 14% at that date (2017-2021). A rather dry week is expected in the Corn Belt, which should allow harvesting to progress. However, the US crop is expected to be slightly later than usual due to late planting, which was only partially offset by summer conditions.

Export contracting last week reached 512Kt, with Mexico as the main buyer, within traders' expectations. However, analysts are concerned about the lack of competitiveness of US maize, particularly due to a strong dollar, which is unfavourable to exports. Hurricane Ian caused severe damage in Florida but did not affect exports to the Gulf of Mexico.

Ethanol production continued to decline sharply last week due to lower fuel consumption in the US.

In Argentina, the most severe drought in decades is intensifying and no rain is expected in the short term. Early maize planting has started in the few areas that have received some rain but is behind schedule. Last week, 5% of Argentina's maize was planted compared to an average of 11% at this time (2017-2021). While acreage is already forecast to fall due to better profitability of soybeans, producers could revise their crop mixes in the coming weeks if there is no rain. They could plant more soybeans instead of maize or prefer late maize, sown in December/January, to early maize.

In Brazil, 28% of safras maize is sown, which is in line with the average. Full-season maize is benefiting from heavy rains in the south of the country. A possible strengthening of "La Niña" is to be monitored in the Central West.

EUROPE: Gas pipelines sabotaged

The NordStream 1 and 2 pipelines, linking Russia to Germany, were sabotaged last week. While this action is not significant in terms of imports, as both pipelines are not in operation, it has shaken up the gas market due to fears of further sabotage of other energy infrastructure in the context of high tensions in Europe ahead of winter.

Ukraine exported 4.3 Mt of agricultural products by sea in September, which, when added to land exports, brings the country back to its pre-war level.

In its September balance sheet, compared to August, the European Commission revised EU production down by 3.8 Mt (55 Mt). Imports are revised up by 1 Mt (21 Mt) and consumption down by 4.9 Mt (77.3 Mt).

To be monitored :
-War in Ukraine
-US exports
-US ethanol 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