

CORN Market



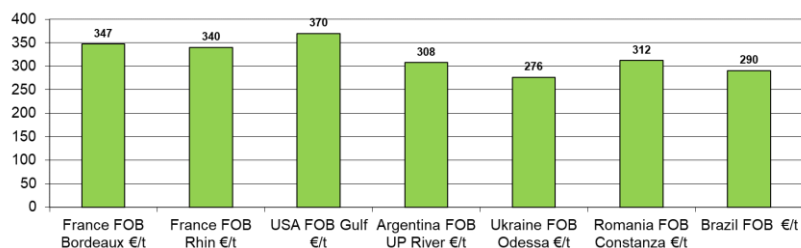
Weekly economic newsletter of the European Confederation of Maize Production

Week 44/2022

N°321

Indicators

FOB prices 28/10/2022 in €/t – November-December delivery (2022 harvest)



	28/10	21/10
Parity €/€	1,00	0,97
Petrol \$/barrel (NY)	87,9	85,1
FOB Bordeaux*(€/t)	347	345
FOB Rhine* (€/t)	340	341

*Fob price Bordeaux/Rhine including monthly increases

WORLD: High volatility linked to the Ukrainian agreement

From 21/10 to 28/10, prices for the December delivery in Chicago lost \$1/t to stand at \$268/t. The end of last week and the beginning of this week were marked by strong volatility linked to Russian pressure on the agreement allowing maritime exports to Ukraine (see Europe section).

As of 30/10, 76% of US maize had been harvested compared to 64% on average at that date (2017-2021). The recent and forthcoming rains in the Mississippi basin have allowed the river level to rise and improved export logistics.

At 264 Kt, export contracting was again at a very low level last week due to the lack of competitiveness of US corn. Ethanol production continues to increase slightly and is now at the average level for this period. Traders are cautious as Mexico, one of the world's largest importers of maize, has announced that it will maintain its plan to ban imports of GM maize from 2024. Mexico has been importing almost all of its maize from the US.

In Argentina last week, 17% of maize had been sown, compared with an average of 31% at this time. The early maize sowing phase is coming to an end and few areas have been sown due to the ongoing severe drought. If the rains come, farmers are expected to increase their soybean acreage as planting begins in November. Late maize, sown from December onwards, could also benefit from the return of wetter weather. The Argentine government is reportedly seeking to limit wheat exports because of the drought. Argentina is one of the world's largest exporters of the crop.

In Brazil, safra maize plantings are proceeding well and are benefiting from regular rainfall. At the end of October, 65% of the maize had been sown, compared with an average of 59% at that date.

EUROPE: Russian pressure on Ukrainian exports

Geopolitics has once again dominated market developments in recent days with renewed Russian pressure on Ukrainian exports. Indeed, Russia announced at the end of last week its withdrawal from the international agreement on Ukrainian maritime exports, leading to the cutting of exports for a few days, before announcing its return to the agreement this week. This situation is causing high volatility.

After the drop in winter crop areas in Ukraine, the Ukrainian Cereals Association fears a sharp drop in maize areas next spring due to difficult access to inputs and the lack of profitability of this crop in the current context.

There is currently a sharp, temporary drop in gas prices in Europe due to unseasonably warm temperatures.

To be monitored :

- War in Ukraine
- EU imports
- Grain Strategy Report