

CORN Market



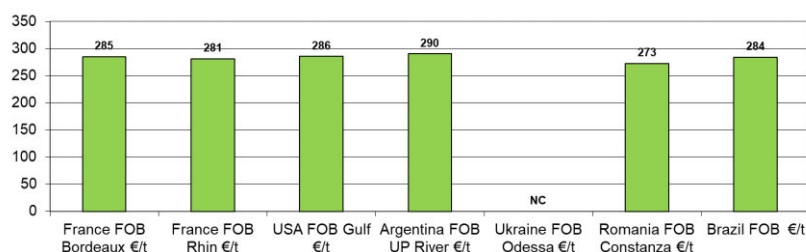
Weekly economic newsletter of the European Confederation of Maize Production

Week 3/2023

N°330

Indicators

FOB prices 13/01/2023 in €/t – January-March delivery (2022 harvest)



	13/01	06/01
Parity €/€	1,08	1,05
Petrol \$/barrel (NY)	80	73,8
FOB Bordeaux*(€/t)	285	296
FOB Rhine* (€/t)	281	291

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Bullish USDA report

From 06/01 to 13/01, the price of the March delivery in Chicago gained \$7/t to stand at \$264/t. American prices have thus erased part of their last losses thanks to a bullish monthly report from the USDA for corn. The US market is closed on Monday for Martin Luther King Day.

The January USDA report for the 2022/23 crop year, compared to December, revised US corn acreage down sharply (647,000 ha), and well beyond traders' expectations. The increase in average yields, however, limits the drop in production to 5 Mt (349 Mt). Ending stocks remain projected at 32 Mt due to a downward revision of demand, in particular US exports projected at 49 Mt (-4 Mt). Operators remain attentive to US demand, while export contracting was lower than expected last week at 256 Kt. Rainfall in recent weeks has improved shipping conditions on the Mississippi River, leading to lower freight rates. Ethanol production has struggled to rebound from the late December production drop due to the winter storm at the end of the year.

At the world level, for the current crop year and compared to December, the USDA has revised production down by 6 Mt (1156 Mt), demand down by 5 Mt (1165 Mt) and stocks down by 2 Mt (296 Mt), slightly above operators' expectations.

In Brazil, the safra (full season) maize harvest is starting. Yields are affected by the water deficit that has hit the south of the country. In the Central West, the soybean harvest is off to a slow start due to heavy rains. The week is expected to be drier, which should help both the soybean harvest and the first plantings of safrinha maize.

In Argentina, the recent rains are allowing late maize planting to progress. However, they are too late for early maize, which is in the pollination phase and which has also been hit by severe heat waves. The Rosario grain exchange revised downwards its production projection by 10 Mt (45 Mt) compared to December. As of 12/01, only 7% of maize was in "good to excellent" conditions, down 6 points over one week. On this date, 83% of maize had been sown compared to 89% on average.

EUROPE: Ukrainian maize exports remain stable

Between September and December 2022, Ukraine managed to export 20.4 Mt of grain (wheat, maize, etc.), a volume that was down by 14% compared with the same period in 2021. On the other hand, its maize exports have remained stable at around 10 Mt. The maritime corridor accounts for about a third of Ukrainian exports, supplemented by trains and trucks.

Stratégies Grains estimates that the decline in grain maize areas in the EU will reach 120,000 ha in 2023 (8.75 Mha), i.e. a drop of 1.4% compared to 2022.

The European institutions have finally, but too late (16/12), accepted a temporary lifting (6 months) of customs duties on urea and ammonia.

To be monitored :

- War in Ukraine
- IGC Report