

# CORN Market



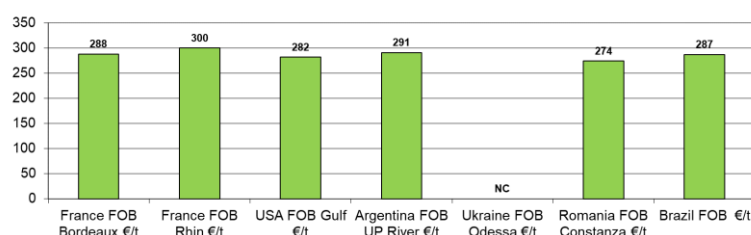
Weekly economic newsletter of the European Confederation of Maize Production

Week 5/2023

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## Indicators

### FOB prices 27/01/2023 in €/t – January-March delivery (2022 harvest)



	27/01	20/01
Parity €/€	1,09	1,08
Petrol \$/barrel (NY)	79,7	81,3
FOB Bordeaux*(€/t)	286	285
FOB Rhine* (€/t)	300	280

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Rainfall in South America

From 20/01 to 27/01, prices for the March delivery in Chicago gained about \$3/t to stand at \$269/t. American maize prices were driven up by good export figures and by positive publications on economic growth in the United States

In the US, export contracts reached 910 Kt last week, at the top of operators' expectations. The Mexican authorities have publicly reaffirmed their intention to stop importing GMO maize in the long term, judging that a 30-40% reduction would be achievable by 2024. This seems highly unlikely, given that the United States is Mexico's leading supplier and that the country imports an average of 16 Mt per season.

As of 20/01, ethanol production continued to grow and was still above one million barrels produced per day. On the other hand, stocks exceeded 25 million barrels, an increase of 7% compared to 13/01. The Biden administration announced \$118 million in biofuel investments over the next few years, in particular to promote more sustainable aviation fuel.

In Brazil, rains in Mato Grosso continue to hamper the harvest of soybeans and the planting of safrinha corn. Rains are expected to continue this week. As of 24/01, only 1% of safrinha maize had been sown compared to 5% at the same time last year. Brazilian logistics will be a key factor in the coming months as the country expects record soybean (150 Mt) and maize (125 Mt) production.

In Argentina, rains returned last week over the entire production area and more are expected this week. Although too late for early maize, they are helping late maize. On 26 January, 12% of maize was in "good to excellent" conditions, an increase of 7 points compared to the previous week.

In a tense world context, operators will be more attentive than ever to the publication of the first USDA acreage prospects for 2023 on 24 February. US acreage projections and traders' expectations on this subject should, as usual, set the pace for US corn prices in the coming months.

## EUROPE: Ukraine's harvest to decline in 2023

The Ukrainian Grain Association announced that, in its best-case scenario for the next season, Ukrainian maize production would reach 18 Mt, due to the expected decrease in acreage, down sharply from 2022 (27 Mt) and 2021 (42 Mt). At the Paris Grain Conference, the USDA publicly questioned the Russian wheat production estimates (over 100 Mt) as unrealistic.

In its January balance sheet, compared to that of December and for the current crop year, the European Commission revised FOB uses downwards by 1 Mt (59 Mt), leading to an increase in stocks of 1 Mt (17.6 Mt). The production (52 Mt) and import (23 Mt) figures are unchanged.

### To be monitored :

- War in Ukraine
- South American weather
- Exports Brazil