

# CORN Market



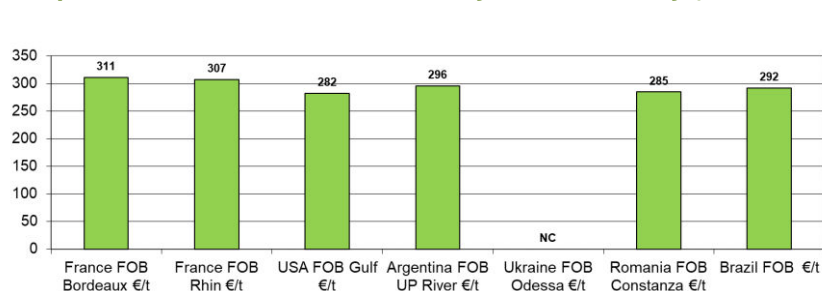
Weekly economic newsletter of the European Confederation of Maize Production

Week 8/2023

N°335

## Indicators

FOB prices 17/02/2023 in €/t – February-March delivery (2022 harvest)



	17/02	10/02
Parity €/€	1,06	1,07
Petrol \$/barrel (NY)	76,3	79,7
FOB Bordeaux*(€/t)	311	295
FOB Rhine* (€/t)	307	303

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: The global balance sheet remains tense

From 10/02 to 17/02, the prices of the March delivery in Chicago gave up \$1/t to stand at \$267/t. Prices in Chicago were under pressure at the end of last week due to the publication of weaker than expected macroeconomic indicators in the United States. The market is closed on Monday due to "President's Day".

US export contracts were in line with operators' expectations last week with 1 Mt of which 126 Kt was bought by China.

The Mexican authorities officially announced that they were withdrawing their plan to ban imports of GMO maize for animal feed, planned for 2024, but this has been maintained for maize for human consumption. According to the EIA, ethanol production remained stable last week but stocks rose sharply again to over 25 million barrels. Production dynamics will be closely watched as oil prices have fallen again.

In its February report, compared to the January report, the IGC revised world maize production (1153 Mt) and consumption (1180 Mt) down by 8 Mt, mainly due to the weather situation in South America. Carryover stocks for the 2022/23 crop year are held steady at 255 Mt but remain 10% lower than in the previous crop year. The IGC indicates that world stocks should have difficulty being replenished for the 2023/24 crop year despite an expected rebound in world acreage.

In Argentina, the early maize harvest is starting. Expected poor yields should limit the country's export potential in the coming months, with port premiums rising accordingly. Late maize, after having benefited from rain at the beginning of the cycle, is facing the return of hot, dry weather, which is penalising them at the grain filling stage. On 16 February, 11% of maize was in "good to excellent" conditions compared with 20% a week earlier.

In Brazil, safrinha maize sowing was still penalized by the rains, with 25% of maize sown on 14 February compared with 42% on the same date last year. However, a relative lull has allowed work to progress in Mato Grosso, the main producing state. The cost of freight is rising sharply in the country, while logistics are being put to the test by a record soybean harvest (150 Mt).

## EUROPE: European maize imports slow down

With about a month to go before the expiry of the Ukrainian export agreement, Russian criticism of its application is multiplying, raising doubts about its renewal. These statements will be a source of volatility in the coming weeks.

With almost 17 Mt in total since the beginning of the campaign, European maize imports remain at a record level at this date. However, they have tended to slow down in recent weeks due to the competitiveness of wheat in animal feed, the lack of availability in Ukraine and uncertainties over the execution of contracts given the geopolitical context.

In its February report, compared to January, Stratégie Grains has revised downwards its acreage projection for 2023 in the EU by 40 Kha (8.71 Mha).

### To be monitored :

- War in Ukraine
- Brazil Demand

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