

CORN Market



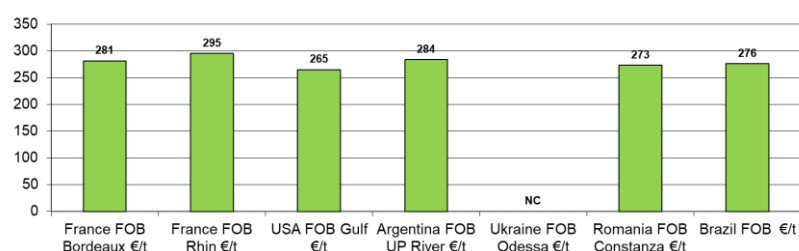
Weekly economic newsletter of the European Confederation of Maize Production

Week 10/2023

N°337

Indicators

FOB prices 03/03/2023 in €/t – April-June delivery (2022 harvest)



	03/03	24/02
Parity €/€	1,06	1,06
Petrol \$/barrel (NY)	79,7	76,3
FOB Bordeaux* (€/t)	281	292
FOB Rhine* (€/t)	295	303

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Further decline in Chicago prices

From 24/02 to 03/03, prices of May delivery in Chicago lost \$8/t to reach \$252/t. This strong fall is due to disappointing export figures and fund sales in a context of anticipation of the renewal of the Ukrainian corridor and anticipation of an increase in American stocks for the next campaign, based on optimistic figures from the USDA. The week will be marked by the publication of the USDA's balance sheets for the current crop year.

With 598 Kt last week, the export contractualizations were at the bottom of the range of the operators' expectations. Traders are also concerned about the rise of the dollar, which could further penalize exports if confirmed.

Fuel demand seems to be picking up in the United States, which allowed ethanol stocks to drop by more than 800,000 barrels (24.8 million barrels) last week. The U.S. authorities are considering allowing the use of E-15 in the Midwest from 2024, which should support demand. In a tense context between the two countries, China has also renewed its anti-dumping and anti-subsidy measures on American corn grain.

In Brazil, 55% of safrinha corn plantings were completed by the beginning of March, compared to more than two-thirds on this date in normal times. If Mato Grosso was able to catch up a significant part of its delay, thanks to a lull in the rains, this one remains very marked in the Center South of the country (Paraná and Mato Grosso of the South). This delay exposes corn to a greater risk of climatic hazards, but analysts remain optimistic for the moment with production projections between 128 and 130 Mt. CONAB estimates that corn ethanol production should increase by a little more than 30% for the current crop year and reach 45 million hectoliters. It should more than double by 2030 (100 million hectoliters) and eventually represent a quarter of the country's ethanol production, which until recently was produced exclusively from sugarcane.

In Argentina, weather conditions are not improving and early frosts are followed by heat peaks of more than 40°C and a lack of rain during the flowering of late corn. As of 02/03, 6% of corn was in "good to excellent" conditions, a drop of 3 points in one week.

EUROPE: Towards a renewal of the Ukrainian corridor?

Despite threatening statements by Russian diplomatic chief Sergei Lavrov, who accused the West of "burying the agreement on Ukrainian exports", operators seem confident in the renewal of the Ukrainian maritime corridor as it is due to expire on 18 March.

The European Commission has left its February balance sheet for the current season virtually unchanged from that of January. Imports are still forecast at 23 Mt. Despite a record to date (nearly 18 Mt), they have slowed down somewhat in recent weeks due to the greater competitiveness of wheat and the lack of availability in Ukraine.

To be monitored :

- Guerre en Ukraine
- Rapport USDA