

# CORN Market



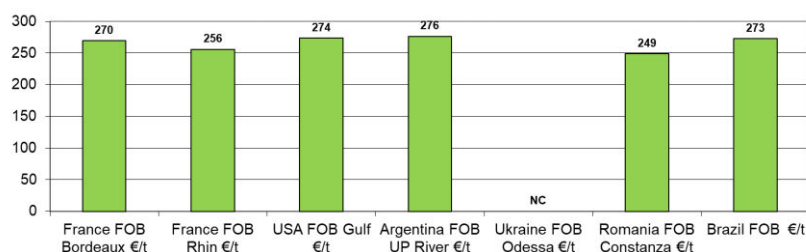
Weekly economic newsletter of the European Confederation of Maize Production

Week 13/2023

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## Indicators

### FOB prices 24/03/2023 in €/t – April-June delivery (2022 harvest)



	24/03	17/03
Parity €/€	1,07	1,06
Petrol \$/barrel (NY)	69,3	66,7
FOB Bordeaux*(€/t)	270	274
FOB Rhine* (€/t)	256	271

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Chinese purchases continue

From 17-24 March, the Chicago May delivery gained about \$3.5/t to \$253/t. Despite the fund activity, the Chicago maize price was able to consolidate on the back of further Chinese buying and Russian pressure on global grain markets late last week.

Traders will be paying close attention this Friday to the publication of US planting intentions, with maize acreage for 2023 expected to be up sharply on the current crop year, in a context where the soybean/maize price ratio remains rather favourable to maize.

After a two-month delay in publication due to a computer attack, the CFTC has confirmed that since mid-March speculative funds have been net sellers of maize in Chicago, the first time this has happened since August 2020! This position accentuates the fall in prices over the last few weeks, which is due to the expectation of an increase in the US balance sheet and to US monetary policy, which, due to the increase in key interest rates, is making the commodities markets, including maize, less attractive.

Last week, however, prices in Chicago were supported by a new wave of Chinese purchases, more than 600 Kt, bringing to nearly 3 Mt since the beginning of March the contractualized exports for the current crop year.

Despite the slight rise in oil prices, US ethanol production fell below one million barrels/day last week, a first since the cold snap of late 2022. Inventories are down but remain high, still above 26 million barrels.

In Brazil, dry weather in the south of the country has improved port logistics, which remain under heavy pressure due to the country's record soybean harvest. This return to drier weather has also allowed a strong advance in the planting of safrinha maize in the south of the country. By the end of last week, 91% of the maize had been sown, compared to 97% in 2022 at this time.

## EUROPE: New Russian pressure

After announcing that it considered the agreement on Ukrainian exports to be valid for only 60 days, Russia caused a strong reaction in the grain markets on Friday 24/03 by announcing its intention to strengthen the country's grain stocks and to consider measures to support domestic prices in the face of falling world prices.

The Ukrainian government has announced a potential production of 21.7 Mt of maize for the 2023/2024 crop year, compared with 27 Mt for the current crop year. This drop is explained by the anticipation of a drop in acreage, in favour of sunflower in particular. It could be reinforced in the coming weeks with the start of sowing.

COCERAL estimates the 2023 maize area in the EU at 8.5 Mha, down by 30 Kha from its December 2022 estimate and 360 Kha from 2022. In its March report, compared to February, Stratégie Grains lowers its area projection for 2023 by 20 Kha to 8.69 Mha.

### To be monitored :

- War in Ukraine
- US sowing intentions
- EU imports