

CORN Market



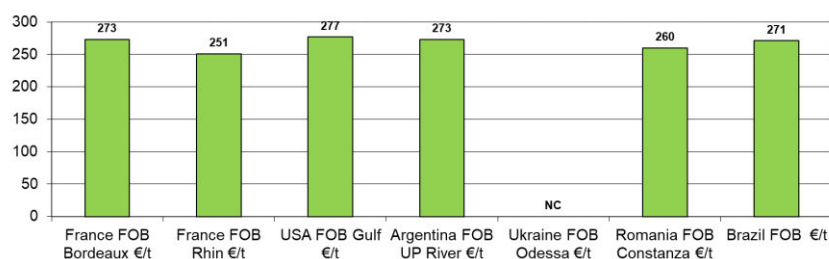
Weekly economic newsletter of the European Confederation of Maize Production

Week 14/2023

N°341

Indicators

FOB prices 31/03/2023 in €/t – April-June delivery (2022 harvest)



	31/03	24/03
Parity €/ \$	1,09	1,07
Petrol \$/barrel (NY)	75,7	69,3
FOB Bordeaux* (€/t)	273	270
FOB Rhine* (€/t)	251	256

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Increase in U.S. acreage by 2023

From March 24 to 31, the price of May delivery in Chicago gained about \$7/t to \$260/t. Despite higher acreage estimates for 2023, U.S. maize prices continued to rise this week as Chinese buying remains strong.

Planting intentions of U.S. producers confirm the attractiveness of maize in 2023, while the soybean/maize price ratio is favorable to the latter and nitrogen prices have fallen sharply across the Atlantic. Indeed, almost all producing states should see their acreage increase, which brings planting intentions in 2023 to 37.2 Mha, i.e. 400 Kha more than expected by the USDA and operators, and up by 4% compared to 2022.

Operators will now be paying close attention to seeding conditions in the Corn Belt as the first plantings begin in the coming days. Wet weather and heavy snow cover in the northwestern Corn Belt has some operators concerned.

Export contracting reached 1 Mt last week in the US, in line with traders' expectations. The week was marked by a new round of Chinese purchases for the current crop year, over 700 Kt in total. This buying pace is supporting prices.

Ethanol production passed the one million barrel/day mark again while inventories fell below 26 million barrels. OPEC's surprise decision to cut oil production massively (-1.6 million bpd) caused oil prices to react strongly. This situation should also benefit ethanol.

China and Australia are negotiating the end of import taxes on Australian barley since the diplomatic dispute in 2020. This had benefited French origin and to a lesser extent maize for animal feed.

In Argentina, customs inspectors have declared themselves on indefinite strike due to the level of inflation. This social conflict should limit the country's exports.

EUROPE: Grain traders withdraw from Russia

In Russia, several major international grain traders (Cargill, Dreyfus, Viterra) have announced their intention to withdraw from the country as of the beginning of the next export campaign this summer. Uncertainty remains over what will happen to the assets of these companies, including their port terminals, and who will replace them to export Russian grain.

As of 27/03, the EU had imported 20.4 Mt of maize compared to an average of 14.2 Mt on the same date. Half of this maize comes from Ukraine, and the shortcomings of the "solidarity lanes" set up by the European Commission to facilitate trade with Ukraine are prompting agricultural organizations in Eastern Europe to request additional protection to limit the destabilization of their markets.

In its first assessment for the 2023/2024 crop year, the European Commission projects European production at 65 Mt compared to 52 Mt for the current crop year. Imports for the next season are projected at 18 Mt and stocks would be replenished with 22 Mt against 18.5 Mt for 2022/2023.

To be monitored :

- War in Ukraine
- Start of sowing in the USA
- Weather South America

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