

CORN Market



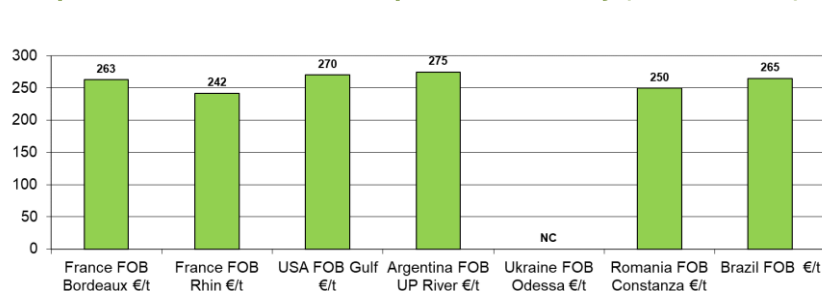
Weekly economic newsletter of the European Confederation of Maize Production

Week 15/2023

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Indicators

FOB prices 10/04/2023 in €/t – April-June delivery (2022 harvest)



	10/04	31/03
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	79,8	75,7
FOB Bordeaux*(€/t)	263	273
FOB Rhine* (€/t)	242	251

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Corn Belt maize planting begins

From March 31 to April 7, the Chicago May delivery was down about \$2/t to \$258/t. In a week shortened by the Easter holidays, maize prices gave up some ground last week as planting began in the Corn Belt.

As of 09/04, 3% of maize was planted, a pace slightly lower than that expected by traders. However, traders are optimistic about the weather, which is expected to be more spring-like, putting pressure on prices. However, about a quarter of the expected increase in acreage in 2023 over 2022 is in North Dakota, where snow depths remain substantial.

Non-commercial funds in Chicago became slightly net buyers of maize again in early April as a result of short covering related to the price rebound from recent Chinese purchases.

Last week, export contracts in the United States were at the top of traders' expectations with 1.2 Mt. Ethanol production remained stable from one week to the next while stocks continued to decline with 25.1 million barrels. Due to the cuts announced by OPEC, oil remains firm at around \$80/barrel.

In Brazil, despite the sometimes late planting, weather conditions are favorable for safrinha maize, which has led analysts to revise their production projections upward to 130 Mt from 125 Mt previously.

In Argentina, the strike of customs inspectors ended without major consequences on exports. The government is considering a new preferential exchange rate for soybeans but also for other crops, which should not include maize. As of 05/04, 10% of the maize crop had been harvested compared to an average of 20% at that date.

Traders and analysts are closely following developments in Taiwan where China is conducting new military intimidation operations after the meeting between the Taiwanese president and US officials.

EUROPE: Mobilizations against Ukrainian imports

Analysts remain cautious in the face of announcements of the departure of grain traders from Russia (Cargill, Louis Dreyfus, Viterra) because the teams and tools of these companies should remain in place. They export 14% of Russian wheat.

Agricultural organizations in Eastern Europe, particularly in Poland, Romania and Bulgaria, have mobilized to demand better control over imports of agricultural products from Ukraine, which are destabilizing the European market and local markets in particular. They have growing support from the states concerned, which have so far obtained additional financial support from the European Commission.

As planting in Ukraine is about to begin, the Ukrainian Ministry of Agriculture remains optimistic about maize acreage for 2023 with 3.6 Mha compared to the 3.5 Mha at best envisaged by private analysts.

To be monitored :

- War in Ukraine
- USDA Report
- Grain Strategy Report

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