

# CORN Market



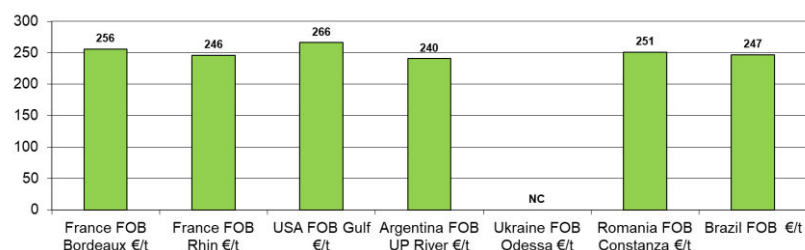
Weekly economic newsletter of the European Confederation of Maize Production

Week 17/2023

N°344

## Indicators

FOB prices 14/04/2023 in €/t – April-June delivery (2022 harvest)



	21/04	17/04
Parity €/€	1,10	1,11
Petrol \$/barrel (NY)	77,9	82,5
FOB Bordeaux*(€/t)	256	253,5
FOB Rhine* (€/t)	246	239

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Cold and wet weather on the Corn Belt

From 14 to 21 April, the price of the May delivery in Chicago fell by \$1/t to \$261/t. The week was marked by significant volatility, divided between support and downward factors.

US prices found support at the beginning of the week in the pace of planting in the Corn Belt. With 8% of maize sown as of 16/04, US plantings are ahead of the average (2018-2022) at this date, 5% of the area, but they are below operators' expectations. After a quick start, thanks to favourable conditions, planting has since been delayed by cold, wet weather that is expected to persist until at least early May.

However, US prices came under pressure at the end of the week due to lower than expected export contracting for the current crop year, at 312 Kt. This has traders concerned about the level of stocks at the end of the crop year, given the time remaining to reach the USDA's export projection (47 Mt). The contracting for the new crop year was higher than expected, with 422 Kt. The drop in oil prices, back below \$80/barrel, also put pressure on agricultural commodities at the end of the week. Ethanol production, however, passed the one million barrel/day mark again, while stocks remained stable at around 25 million barrels.

In its April report, compared to March, the IGC revised the world balance sheet for the current crop year by a small margin. For the 2023/24 crop year, and compared to the current crop year, world production is projected at 1208 Mt (+4%), consumption is projected at 1202 Mt (+2%) and world stocks are projected at 264 Mt (+2%). These would remain relatively low, but US stocks for 2023/24 are expected to rise sharply due to the increase in US acreage, which would be a major factor in easing prices.

Chinese maize acreage in 2023 is expected to be relatively stable at around 43mha. The Chinese government is seeking to accelerate the cultivation of genetically modified maize, with 300 Kha of testing planned for 2023/2004.

In Brazil, producers in the southern states are beginning to fear the arrival of early frosts. These could affect the potential of safrinha maize when it is in full vegetative development.

## EUROPE: Towards an end to the Ukrainian maize crisis?

After the declarations of Member States wishing to unilaterally ban Ukrainian imports to put an end to the disruption of local markets, the European Commission activated a safeguard clause to ensure that Ukrainian imports, including maize, would be in transit and would not remain in neighbouring countries (Poland, Romania, etc.). It also proposed an additional €100 million. The countries concerned would like to see more products concerned and greater financial support.

In the USDA's April report, compared to March and for the current crop year, European imports have been revised upwards by 1 Mt (24.5 Mt) and Ukrainian exports have been revised upwards by 2 Mt (25.5 Mt).

### To be monitored :

- War in Ukraine
- Weather Corn Belt
- Seedlings Europe

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