

# CORN Market



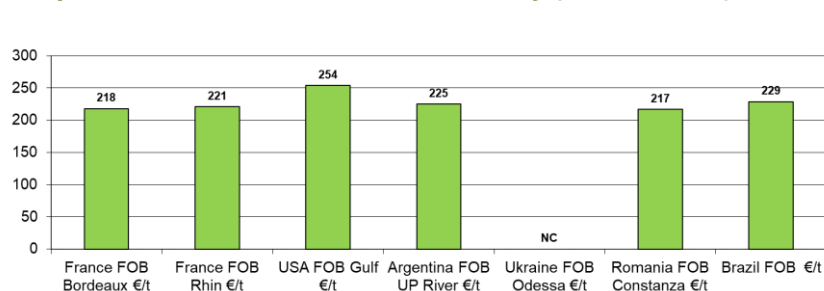
Weekly economic newsletter of the European Confederation of Maize Production

Week 23/2023

N°350

## Indicators

### FOB prices 02/06/2023 in €/t – June delivery (2022 harvest)



	02/06	26/05
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	71,7	72,7
FOB Bordeaux*(€/t)	218	228
FOB Rhine* (€/t)	221	231

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Negotiations between China and Argentina

From 26/05 to 02/06, the price of July delivery in Chicago rose by \$2/t to stand at \$240/t. The rise continues, albeit more moderately than last week, due to persistent dry weather in the Corn Belt and despite profit-taking by non-commercial funds.

By 28/05, 72% of maize had been harvested in the Corn Belt, compared with an average of 63% at that date (2018-2022). While the west of the zone received some rain last week, the centre of the Corn Belt remained dry and should remain so this week for the 3rd week in a row. This situation is not prohibitive for yields, but it is worrying operators. At 28/05, 69% of US maize was in "good to excellent" condition, slightly below expectations.

In the United States, export contracting returned to positive levels last week, with 187 Kt, in the absence of any new Chinese cancellations. Ethanol production was up slightly, as were stocks.

In China, heavy rain in Henan is disrupting the wheat harvest, which was forecast to be very good, and is affecting the quality of the grain. This factor is bullish for the wheat market, but could be negative for maize. The degraded wheat could be used to feed livestock, limiting the country's need to import maize.

In Brazil, the rains have returned to the south and centre-south of the country, which have been affected by a water deficit in recent weeks. This should confirm the full potential of safrinha maize. In Mato Grosso, freight prices are soaring as a result of the prospect of a record harvest coupled with a record soya crop.

Argentina is currently negotiating a new sanitary and phytosanitary agreement with China for maize exports. The first agreement dates back to 2012, but did not include all the Chinese requirements, which severely restricted Argentine exports. This new agreement should enable China to diversify its maize supplies a little more, to the detriment of the United States, following the example of its May 2022 agreement with Brazil.

There are also rumours that a special exchange rate, more advantageous than the official rate, will be introduced for maize exports. The aim would be to encourage producers to sell, and bring dollars into the country, rather than stockpiling their grain as a means of protecting against inflation.

## EUROPE: Tensions over Ukrainian imports

The measures taken by the European Commission to limit distortions linked to Ukrainian grain imports expired on June 5. President Zelensky officially asked the EU to lift the trade restrictions at the European political community summit in Moldova. The Agriculture Commissioner, for his part, would like to extend the measures until at least October, but he is isolated and faces criticism from many Member States.

The agreement on Ukrainian maritime exports is still in difficulty, with the Russians refusing to inspect ships in the port of Pivdenny until they have greater access to exporting their ammonia.

### To be monitored :

- War in Ukraine
- EU imports

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