

CORN Market



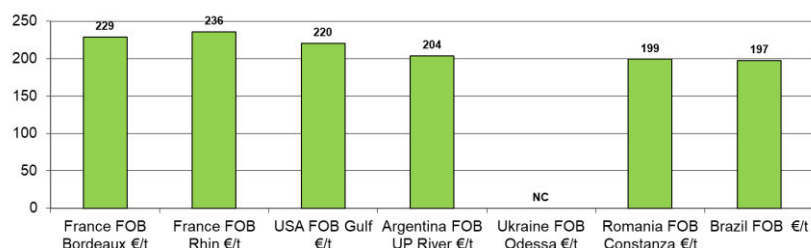
Weekly economic newsletter of the European Confederation of Maize Production

Week 28/2023

N°355

Indicators

FOB prices 07/07/2023 in €/t – July-September delivery (2022 harvest)



	07/07	30/06
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	70,6	70,6
FOB Bordeaux* (€/t)	229	233
FOB Rhine* (€/t)	236	237

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Acceleration of Brazilian exports

From 30/06 to 07/07, the price of September delivery in Chicago remained relatively unchanged at \$192/t. After a very sharp fall the previous week, prices in Chicago remained more stable last week, which was shortened by Independence Day. Traders remained cautious ahead of the publication of the USDA's monthly report on Wednesday.

The report is expected to incorporate the sharp rise in acreage announced by the USDA in its 30 June acreage report. Even taking into account a possible adjustment in average yields due to the weather conditions in June, the 900 Kha of additional maize identified at the end of June should lead to a very large increase in US stocks for 2023/2024. These were already expected to be 20 Mt (56 Mt) higher than in the 2022/2023 crop year.

At 03/07, 8% of US maize was in flower, compared with an average of 9% (2018-2022) at that date. 51% of maize was in "good to excellent" conditions, one point more than the previous week. Further rain fell in the Corn Belt last week, and is expected to continue this week, helping to ease the water deficit.

Last week, net export contracts in the United States reached 418 Kt for the 2023/24 crop year, at the top end of operators' expectations. Mexico is the main buyer.

In Brazil, around 20% of safrinha maize has been harvested. Maize exports are currently gaining momentum, but Brazil's logistical capacity needs to be kept up to date with the arrival of maize at the ports, mainly due to a lack of storage capacity, and the concomitant acceleration in soya sales against a backdrop of rising prices.

In China, after several very hot and dry weeks which pushed up domestic maize prices in Dalian, the rains have returned to the north-east of the country. It is expected to continue this week, which should alleviate the water deficit affecting this major maize-producing area.

EUROPE: Uncertain renewal of the Ukrainian maritime corridor

Diplomatic talks are well underway to try and secure the renewal of the Ukrainian maritime corridor, which is due to expire on July 18. As part of this, the EU is reportedly considering easing a number of sanctions on Russian banks. If the agreement were not renewed, Ukrainian logistics would be severely disrupted and would have to switch to the Danube and land routes through the EU. EU maize imports for the 2022/2023 crop year are estimated at 27.8 Mt, a new record after 2018 (24.1 Mt).

From a weather perspective, Europe still appears to be split in two, with the northern half of France and central Europe (Germany, Poland, etc.) suffering from dry weather, while southern Europe and the Black Sea area, with the exception of part of Romania, are receiving more regular rainfall.

To be monitored :

- War in Ukraine
- USDA Report
- Grain Strategies Report

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