

CORN Market



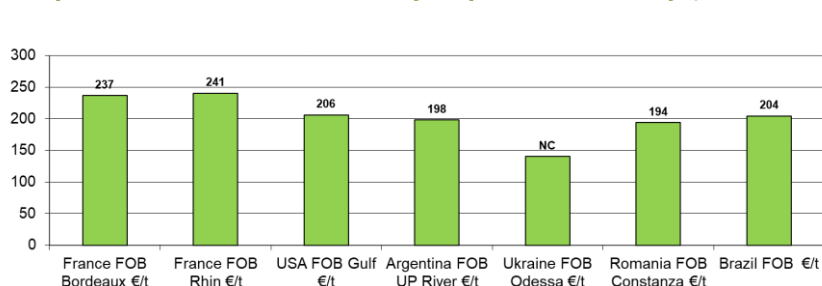
Weekly economic newsletter of the European Confederation of Maize Production

Week 29/2023

N°356

Indicators

FOB prices 14/07/2023 in €/t – July-September delivery (2022 harvest)



	14/07	07/07
Parity €/€	1,12	1,09
Petrol \$/barrel (NY)	75,4	70,6
FOB Bordeaux*(€/t)	237	229
FOB Rhine* (€/t)	241	236

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Confirmation of the rise in US inventories

From 07/07 to 14/07, the price of September delivery in Chicago rose by \$7/t to stand at \$199/t. Despite heavy stocks confirmed by the USDA's July report, US prices rebounded at the end of the week on the back of reassuring news about demand and concerns about the Ukrainian corridor.

At 10/07, 22% of US maize was in flower, compared with an average of 21% at that date (2018-2022). Thanks to the latest rains, 55% of maize was in "good to excellent" condition, up 4 points on early July. More rain is expected this week, and the Corn Belt should escape the heatwave affecting the United States.

US prices bounced back at the end of the week on the back of reassuring demand data. Export contracts exceeded traders' expectations last week, at 471 Kt. Falling inflation in the United States has pushed down the dollar, boosting the competitiveness of US exports. Lastly, the US Environmental Protection Agency (EPA) has abolished almost all the exemptions granted by President Trump to small refineries for the mandatory incorporation of ethanol into motor fuels.

The USDA's July report made few changes from June's, most of which were expected by operators. World stocks for the 2022/23 crop year have been revised down by 1.2 million tonnes to 296 million tonnes, while stocks for the 2023/24 crop year are almost stable at 314 million tonnes.

The US balance sheet is little changed by this report. The USDA has included its new acreage figure (34.9 Mha), but the downward revision of 2.5 q/ha in the average yield (111.4 q/ha) limits the increase in production to 1.4 Mt (389 Mt) and stocks to 130 Kt (57.5 Mt). However, stocks remain very high.

In Brazil, 36% of the safrinha maize crop had been harvested by 13/07. Producers could find themselves in a price squeeze despite the year's good yields, given the cost of inputs.

In China, hot temperatures are continuing in the north-east production zone, but rain is returning, limiting the water deficit.

EUROPE: No renewal for the Ukrainian maritime corridor

After new threatening remarks from V. Putin last weekend, the Kremlin spokesman announced on Monday 17/07, the last day for his reappointment, that the Ukrainian maritime corridor was "finished". Among other things, Russia is demanding that certain banking sanctions be lifted. This non-renewal is causing a stir in the markets, despite the fact that the corridor has enabled Ukraine to export more than 30 Mt of agricultural raw materials in its first year of existence. The reaction of the beneficiaries of the agreement will be closely watched over the coming days: that of the EU on the one hand, which is likely to step up its support via land corridors, and that of countries more favourable to Russia, such as China and certain African states.

The south of France, Italy, Hungary, Serbia, Romania and Bulgaria are likely to experience a major heatwave this week as a result of the heat dome in the Mediterranean.

To be monitored :

- Next publication on 29 August

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