

CORN Market



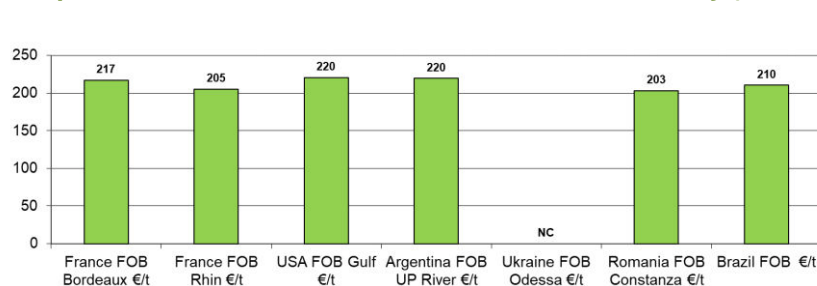
Weekly economic newsletter of the European Confederation of Maize Production

Week 37/2023

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Indicators

FOB prices 01/09/2023 in €/t – October-December delivery (2023 harvest)



	08/09	01/09
Parity €/€	1,07	1,08
Petrol \$/barrel (NY)	87,5	85,6
FOB Bordeaux*(€/t)	217	215
FOB Rhine* (€/t)	205	211

*Fob price Bordeaux/Rhine including monthly increases

WORLD: What is China's demand for corn in 2023/2024?

From 01/09 to 08/09, the price of December delivery in Chicago rose by \$1/t to stand at \$191/t. Prices have remained relatively stable over the past week, with traders awaiting the release of the USDA report on Tuesday.

Traders are focusing on the impact of the heatwave that has been affecting the Corn Belt since mid-August. This has hit maize at the end of grain filling and could have reduced some of its potential. Like ProFarmer, Allendale recently estimated US yields at around 108 q/ha, compared with the USDA's August estimate of 110 q/ha. Tuesday's report is expected to give the first USDA figure from field surveys, and traders are expecting a slight downward revision. However, given the likely upward revision in acreage, this would only marginally moderate the forecast of a sharp rise in end-of-season stocks (56 million tonnes). In a generally bearish environment for maize prices, a larger-than-expected downward revision of yields and stocks could nevertheless offer a temporary market opportunity.

Last week, US export sales topped expectations at 950 Kt, including 76 Kt to China, a first since the spring. However, US competitiveness continues to be hampered by restrictions on passage through the Panama Canal and by the level of the Mississippi, both of which have been affected by drought, making freight more expensive.

Against the backdrop of a heavy global balance sheet, which has had a negative impact on maize prices, Chinese demand remains a potential growth factor over the coming months. The price of Chinese maize in Dalian is very high, reflecting the impact of the adverse weather conditions that have affected the north-east of the country (drought in the spring, torrential rain this summer and again at the beginning of September). This could lead to higher-than-expected imports, although maize is not the only feed grain in demand, as shown by the competitiveness of straw cereals and sorghum in China in recent months.

EUROPE: EU uncertainties over Ukrainian imports

Russian attacks are continuing on Ukrainian ports on the Danube, disrupting but not preventing the operation of this export route. In addition, while the latest negotiations on the resumption of the Black Sea cereals corridor are at a standstill, despite the efforts of the UN on the one hand and Turkey on the other, the EU must take a decision on the management of European imports of Ukrainian cereals. The border states are calling for an extension of the transit measures taken at the beginning of the year, with the support of the Agriculture Commissioner. However, he is being criticised by many other Member States who consider these measures to be too restrictive. The European Commission's decision is expected on 15/09.

Wheat continues to weigh on the price of maize in Europe, with European wheat under pressure from a very good Russian export harvest and an abundance of feed wheat for the domestic market due to summer rainfall in northern Europe and Ukraine.

To be monitored :

- War in Ukraine
- USDA report
- Seedlings South America

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