CORN Market

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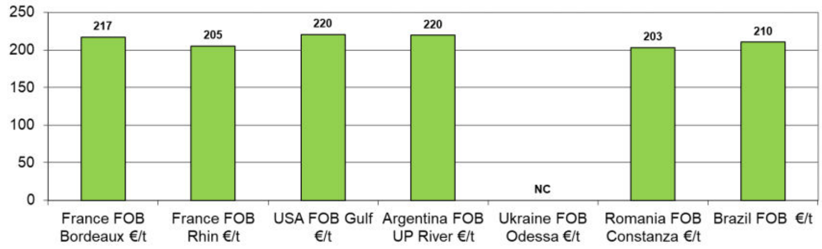
Week 38/2023 **N°359**

Indicators

FOB prices 15/09/2023 in €/t – October-December delivery (2023 harvest)



	15/09	08/09
Parity €/$	**1,07**	1,07
Petrol $/barrel (NY)	**90,8**	87,5
FOB Bordeaux*(€/t)	**213**	217
FOB Rhine* (€/t)	**207**	205

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Sowing begins in South America

From 08/09 to 15/09, the price of December delivery in Chicago fell by $3/t to stand at $187/t. US prices lost ground after a bearish USDA report for maize.

The USDA revised US stocks upwards beyond traders' expectations. Compared with August's estimates, stocks were up by 461 Kt (56.4 Mt) due to an upward revision of the area planted by 314 Kha (35.2 Mha) and a smaller-than-expected drop in yield of 1 q/ha (109 q/ha). World maize stocks are up by 3 million tonnes (314 million tonnes) on August, again exceeding operators' expectations.

The prospect of increasing stocks is putting pressure on prices. Against this backdrop, non-commercial funds are increasing their net short position on maize in Chicago, despite reassuring news about demand. Export contracts for US maize reached 753 Kt last week, including 174 Kt of new Chinese purchases. Rising oil prices have also bolstered the ethanol industry in recent weeks.

Maize sowings for the 2023/2024 season are starting in South America. Operators will be paying even closer attention in the coming weeks, as the El Niño weather phenomenon is expected to intensify. This is generally positive for Argentina and southern Brazil (safra maize) and negative for soya and safrinha maize in central-western Brazil. In Argentina, sowing has begun thanks to recent rains, and the area planted is expected to rise by 200 Kha (7.3 Mha). Spring crops, including maize, are benefiting from the difficulties encountered during straw cereal sowing (drought). The political situation will need to be monitored, with some candidates in the presidential elections at the end of October promising to put an end to restrictions on the export of agricultural products.

In Brazil, planting of safra (full-season) maize is well advanced in the south of the country. The lack of rain is preventing the start of soya planting in the centre-west for the time being. Given the price squeeze affecting producers, they could limit sowing of safrinha maize (after soya) in favour of cotton in particular. Some analysts believe that maize acreage in Brazil could therefore remain stable compared with the previous season.

EUROPE: End of measures on imports of Ukrainian maize

On 15/09, the European Commission announced the end of controls on Ukrainian grain imports. These measures ensured that only grain in transit was authorised in countries bordering Ukraine, in order to avoid destabilising local markets. The Commission has met a major demand from Ukraine, which in return has given assurances that it will take appropriate measures in the event of market disruption. This has aroused the discontent of the countries concerned, notably Poland, which have announced the reintroduction of autonomous measures to restrict Ukrainian imports, thus initiating a new arm wrestling match with Brussels.

Two ships were able to reach the port of Chornomorsk to load 20 Kt of wheat, a first since the end of the cereals corridor last July.

To be monitored :
- War in Ukraine
- USDA report

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