

CORN Market



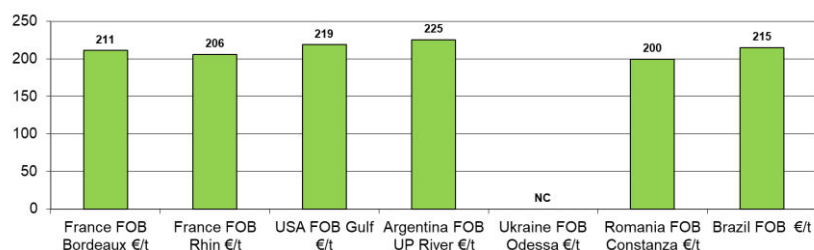
Weekly economic newsletter of the European Confederation of Maize Production

Week 39/2023

N°360

Indicators

FOB prices 22/09/2023 in €/t – October-December delivery (2023 harvest)



	22/09	15/09
Parity €/€	1,06	1,07
Petrol \$/barrel (NY)	90,0	90,8
FOB Bordeaux*(€/t)	211	213
FOB Rhine* (€/t)	206	207

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Start of harvest in the Corn Belt

From 15/09 to 22/09, the price of December delivery in Chicago remained relatively stable at \$188 per tonne.

The situation remains delicate for US maize prices in a context of harvest pressure and lack of competitiveness for exports. By 17/09, 7% of US maize had been harvested, a figure similar to the average for that date. Harvesting has begun in the Corn Belt and should continue at a good pace, particularly in the west, as the week promises to be dry.

Export contracts for US maize came in at the lower end of operators' expectations, with 567 Kt, including 71 Kt to China. US competitiveness continues to be hampered by the low level of the Mississippi, which makes river freight more expensive, and by a strong dollar. The strong dollar has been reinforced by recent Fed announcements suggesting that high interest rates are here to stay. Traders will also be keeping a close eye on the risk of a federal government shutdown in early October, with no agreement on the budget in sight between Republicans and Democrats.

In its September report, compared with August, the IGC underlines the gravity of the world maize balance for 2023/24. World production is down by 1 Mt (1221 Mt), but is expected to remain the 2nd highest in history, as is consumption (1207 Mt), up by 2 Mt on last month. World stocks are expected to be up by 6 Mt (288 Mt), and are weighing on prices, notably because of the very sharp rise in US stocks.

In Argentina, 5% of the maize crop has been sown, but producers are waiting for the rains to arrive to speed up the pace. They are hoping that this will come in the next few weeks, thanks to the El Niño phenomenon, which will enable them to maximise early sowing. If not, part of the acreage will have to be shifted to late sowing, from December onwards, or even to soya.

In Brazil, CONAB has announced a 5% drop in maize acreage for 2023/2024 (22.1 Mha), for both full-season maize (safra) and safrinha maize. This is due to the price squeeze affecting producers, but this figure should be treated with caution and revised in the coming months.

EUROPE: Negotiations on Ukrainian imports

Diplomatic tensions between Ukraine and Poland escalated sharply last week over the issue of cereal imports. The European Commission is still trying to reconcile economic support for Ukraine with demands from neighbouring countries. Slovakia is said to have agreed to suspend its import ban following the introduction of a licensing system by Ukraine. In addition, there have been further attacks in Odessa following the successful loading of 20 Kt of wheat last week.

In its September report, compared with August, Stratégie Grains revised European maize production up slightly (by 0.9 million tonnes) to 59.6 million tonnes, despite a downward revision of yields in Bulgaria and Romania.

To be monitored:

- War in Ukraine
- Sowing in South America
- EU imports

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68