

# CORN Market



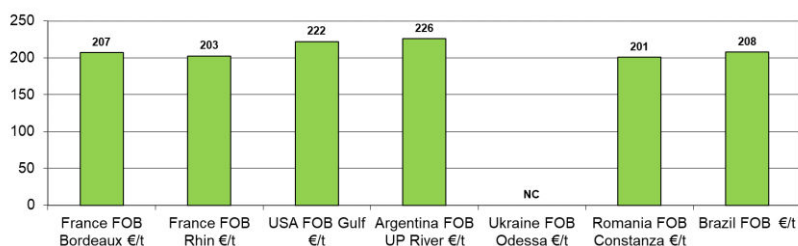
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2023

N°361

## Indicators

FOB prices 29/09/2023 in €/t – October-December delivery (2023 harvest)



	29/09	22/09
Parity €/€	1,06	1,06
Petrol \$/barrel (NY)	90,8	90,0
FOB Bordeaux*(€/t)	207	211
FOB Rhine* (€/t)	203	206

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: US inventories revised downwards for 2022/2023

From 22/09 to 29/09, the price of December delivery in Chicago remained relatively stable at \$188/t.

This weekly stability masks a sharp fall in US prices on Friday 29/09, which is currently being corrected on Monday. These movements are due to sales by non-commercial funds in the face of the prospect of a shutdown of the US federal administration in the absence of a budget agreement and the publication of US end-of-crop-year stocks for 2022/23 by the USDA. With a last-minute budget agreement reached at the weekend and 2022/23 maize stocks lower than expected after a 2Mt drop (35Mt), prices rebounded at the start of the week. This drop should be reflected in the 2023/24 crop year balance sheet on October 10.

Last week in the United States, export contracts reached 842 Kt, in line with operators' expectations. Despite a relative fall in fuel consumption in the United States, ethanol production has remained above one million barrels/day. It is supported by oil prices.

In Brazil, after several weeks of high temperatures and a lack of water, scattered rains should enable soya planting to begin in the centre-west. The rains are much heavier in the south of the country, where safra (full-season) maize sowing is in full swing. Flooding has been reported locally.

In Argentina, 7.3% of the maize crop has been sown. Rain is forecast this week over the heart of the production zone, which should speed up early sowing. If the rains continue on a regular basis, producers should prefer early sowing to late sowing, because of the higher yield potential.

## EUROPE: Start of harvest in Ukraine

Negotiations are continuing between Ukraine and neighbouring EU countries concerning imports of Ukrainian grain. The export licensing system proposed by Ukraine has convinced a number of countries, and Poland, with which tensions are highest, has announced that it is considering the proposal with interest. Ukraine has not formally withdrawn its WTO complaints against countries blocking its exports.

In Ukraine, the maritime corridor seems to be gaining strength even without a diplomatic agreement and with frequent attacks. New ships are expected to be loaded at Odessa and China has reportedly bought 10 to 12 Panamax (60 Kt or more) of maize, taking advantage of the competitiveness of Ukrainian maize.

The Ukrainian maize harvest is getting under way and should be quicker than last year, particularly given the limited drying requirements. Weather conditions are favourable for harvesting, but the current water deficit is penalising winter crop sowings, which are expected to be at least 700 Kha lower than in 2022/23. These areas will be available for sowing spring crops in 2024.

### To be monitored:

- War in Ukraine
- US harvest
- EU imports