

CORN Market



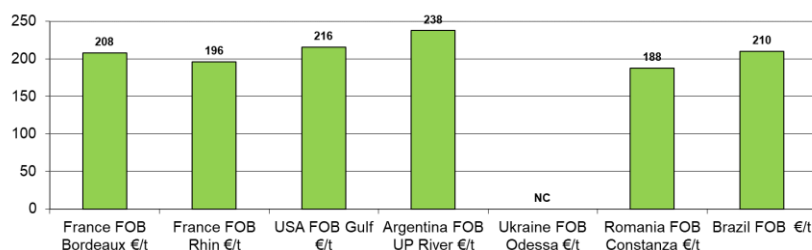
Weekly economic newsletter of the European Confederation of Maize Production

Week 42/2023

N°363

Indicators

FOB prices 13/10/2023 in €/t – October-December delivery (2023 harvest)



	13/10	06/10
Parity €/ \$	1,05	1,06
Petrol \$/barrel (NY)	87,7	82,8
FOB Bordeaux* (€/t)	208	206
FOB Rhine* (€/t)	196	197

*Fob price Bordeaux/Rhine including monthly increases

WORLD: USDA report bullish

From 06/10 to 13/10, the price of December delivery in Chicago rose slightly to \$194/t. After some profit-taking by non-commercial funds, US prices were able to rebound on the back of a bullish USDA report for maize.

In its October report, the USDA revised downwards the average yield in the United States by 0.5 q/ha (108.6 q/ha) and production by 1.8 Mt (382.7 Mt) compared with last month. Taking into account the drop in stocks at the start of the season and the 630 Kt drop in exports (51.4 Mt), US maize stocks have been revised down by 2.8 Mt

(53.6 Mt). These are still very high, but lower than expected by operators, which has helped to support prices. World maize stocks have also been revised down slightly on last month, again below operators' expectations.

By 08/10, 34% of US maize had been harvested, compared with an average of 31% at that date. After some rain last week, the return of dry weather should encourage harvesting. Operators are keeping a close eye on the still very low water level in the Mississippi at a time when harvesting is in full swing.

Export contracting reached 910 Kt last week, a higher-than-expected figure which also supported prices at the end of the week. Operators are also paying close attention to Iran's involvement in the situation in the Middle East, given its impact on oil prices.

In Argentina, the dry weather is continuing, penalising wheat and slowing maize sowings. As of 12/10, 19% had been sown, compared with an average of 25%. Early sowings of maize come to an end at the beginning of November, and could be offset by more late sowings, or even larger soya plantings.

In Brazil, in the centre-west, soya sowing is progressing thanks to scattered rainfall. In the south, torrential rain is likely to make it necessary to resow safra (full-season) maize.

China has raised its production forecast by 3 million tonnes to 288 million tonnes, which would be a new record. This seems highly unlikely given the year's weather conditions, as reflected in the level of maize prices in Dalian.

EUROPE: Wheat still under pressure

In its October report, Stratégie Grains revised upwards European maize production by 1 Mt to 60.6 Mt compared with last month.

Despite Chinese purchases in Europe and a tighter global balance sheet, wheat remains under pressure from Russian competition. Russia remains very present and competitive on the export market, all the more so when it breaks free from the floor of

270/t FOB set by the authorities. This also puts pressure on maize prices.

In Poland, the victory of the opposition should ease relations with the European Commission and Ukraine, particularly on agricultural issues.

To be monitored :

- War in Ukraine
- Brazilian exports
- IGC Report

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