CORN Market

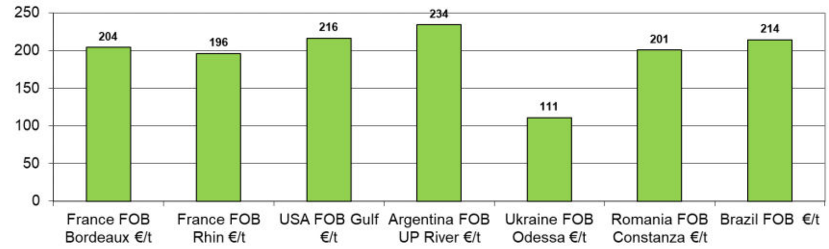
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 43/2023 **N°364**

Indicators

FOB prices 20/10/2023 in €/t – October-December delivery (2023 harvest)



	20/10	13/10
Parity €/$	**1,06**	1,05
Petrol $/barrel (NY)	**88,8**	87,7
FOB Bordeaux*(€/t)	**204**	208
FOB Rhine* (€/t)	**196**	196

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: South America's weather worries

From 13/10 to 20/10, the price of December delivery in Chicago rose by $1/t to stand at $195/t. The trend for maize was positive this week, despite major movements linked to non-commercial funds, due in particular to weather concerns in South America.

In the United States, 45% of maize had been harvested by 15/10, compared with an average of 42% at that date. After a dry week, the rainy weather forecast is likely to slow harvesting.

With 881 Kt last week, export contracts remain dynamic in the United States, despite the smaller presence of China. However, due to the difficult start to the campaign, the pace of exports remains below average at this date. In addition, logistics remain complicated by the persistently low water levels in the Mississippi and the Panama Canal. Ethanol production also remains buoyant, supported by oil prices which remain high due to geopolitical tensions in the Middle East.

In its October report, compared to September, the IGC revised world maize production down by 3 Mt (1219 Mt) and stocks down by 6 Mt (283 Mt). Stocks continue to rebound strongly among the main exporters. Consumption remains stable at 1208 Mt.

In Brazil, the Amazon basin and Mato Grosso are suffering from very hot weather and a marked water deficit. Conversely, the south of the country is still suffering from torrential rain. These situations are likely to lead to reseeding: of safra maize in the south and of soya in the north, which could in the latter case lead to a postponement of safrinha maize sowings until early 2024. This will also complicate export logistics for maize, at a time when Brazil has had a record harvest and has overtaken the United States as the world's leading exporter. The drought in the Amazon basin is slowing down exports from ports in the Northern Arc (35% of maize exports in the first half of the year) in favour of ports in the South (Santos, Paranagua), where access is complicated by the rain.

In Argentina, the long-awaited rains returned at the start of this week, but probably too late for early sowing of maize, which will have to be postponed until late sowing (December) or soya.

EUROPE: Increased activity in Odessa

By 19/10 in Ukraine, 34% of maize had been harvested and only 65% of straw cereals sown. The persistent dry weather over much of the country has slowed sowing of winter crops. The return of rain this week is beneficial to winter crops, but may be too late to allow all the planned areas to be sown, leaving room for spring crops, including potentially maize.

In Odessa, shipments are gradually picking up speed, with around forty vessels waiting in line, despite the absence of a diplomatic agreement.

To be monitored :

- War in Ukraine
- Brazilian exports
- IGC Report

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