

# CORN Market



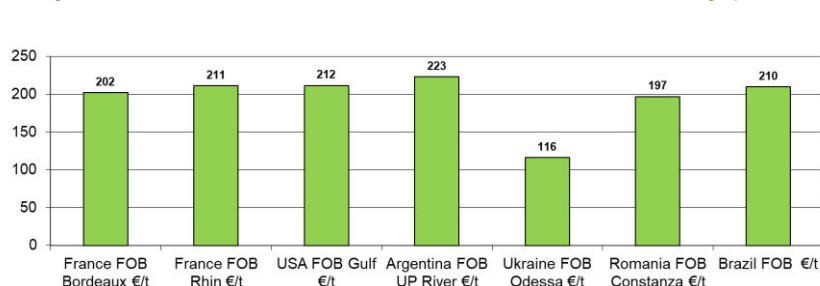
Weekly economic newsletter of the European Confederation of Maize Production

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## Indicators

FOB prices 27/10/2023 in €/t – October-December delivery (2023 harvest)



	27/10	20/10
Parity €/€	1,05	1,06
Petrol \$/barrel (NY)	85,5	88,8
FOB Bordeaux* (€/t)	202	204
FOB Rhine* (€/t)	211	196

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: South America's weather worries

From 20/10 to 27/10, the price of December delivery in Chicago fell by \$6/t to \$189/t. The arrival of rain in Argentina and more optimistic models for Brazil eased the pressure on US prices despite positive demand news.

In the United States on 22/10, 59% of maize had been harvested, compared with 54% on average at that date. The dry weather expected this week in the Corn Belt should speed up harvesting, putting pressure on prices.

At 1.35 million tonnes last week, export contracts exceeded operators' expectations, mainly due to large Mexican purchases.

Ethanol production remains buoyant thanks to good margins. However, operators are keeping a close eye on the trend in fuel consumption in the United States, which is at a low ebb against a backdrop of continuing high inflation, and on the price of a barrel of oil, which fell by a few dollars last week in the absence of any extension of the conflict in the Middle East.

However, the return of rain, or the prospect of it, in key maize-producing areas of South America has put pressure on US prices over the past week. The Argentinian production zone has received a lot of rain, and more is expected this week. This could lead to some last-minute planting, which does not usually start until December. In any case, the rain will ensure that the maize sown gets off to a good start. By 26/10, 22% of maize had been sown, compared with an average of 31% at that date.

In Brazil, the weather models are in agreement in predicting the arrival of rain in the central-western part of the country over the next fortnight, which would provide considerable relief for soya planting, which has been erratic to date. Temperatures are expected to remain high, however. In addition, the rains remain heavy in the south, which continues to complicate export logistics, especially as part of the port of Paranagua has been hit by fire.

## EUROPE: Increased activity in Odessa

By 26/10, 48% of maize had been harvested in Ukraine, an increase of 14 points in one week. The end of the week was marked by rumours of a halt to activities in Odessa due to Russian military threats. In its October report for the 2023/24 marketing year, the European Commission revised EU maize production slightly upwards compared with September (59.9 Mt), while imports remained stable at 20 Mt. At 23/10, the EU had imported 5.5 Mt of maize, compared with an average of 6.1 Mt at that date.

### To be monitored:

- War in Ukraine
- Weather South America
- Demand China