

CORN Market



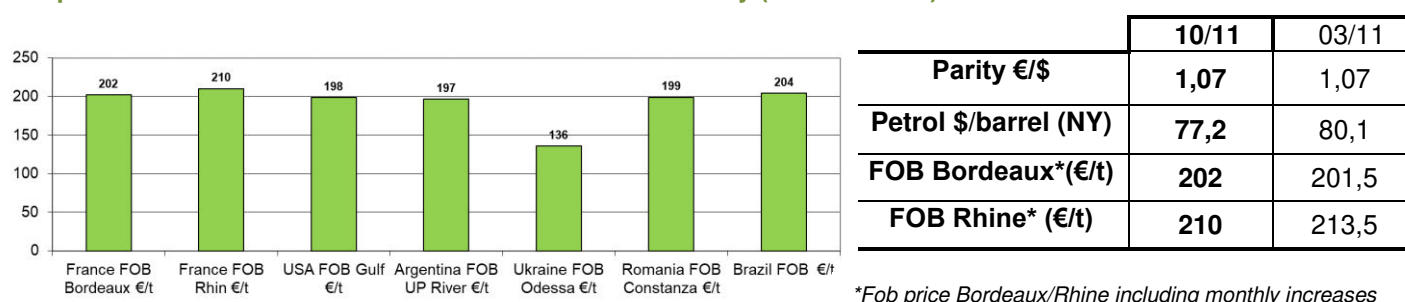
Weekly economic newsletter of the European Confederation of Maize Production

Week 46/2023

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Indicators

FOB prices 10/11/2023 in €/t – November-December delivery (2023 harvest)



WORLD: US corn production revised upwards

From 03/11 to 10/11, the price of December delivery in Chicago fell by \$2/t to \$183/t. US prices lost ground after the publication of the USDA's monthly report, which was bearish for maize, despite positive news for demand.

In the United States on 05/11, 81% of maize had been harvested, compared with an average of 71% at that date. With the end of the harvest, thanks to dry weather, the pressure of the harvest on prices is easing.

The USDA report put pressure on corn prices. Compared with October, the USDA revised the average yield of US maize up by 1.2 q/ha (110 q/ha), exceeding operators' expectations. Production is therefore estimated to be up by 4.3 million tonnes (387 million tonnes). Despite slight increases in the main demand items (FAB, ethanol, exports), stocks, which are already very high, have been revised upwards by 1.1 Mt (55 Mt). World stocks have been revised upwards by 3 Mt (315 Mt), exceeding expectations.

At just over 1 Mt last week, export contracts were at the top end of operators' expectations, with Mexico the main buyer. In addition, US ethanol production has remained buoyant in recent weeks, and maize stocks are falling. With geopolitical risks easing, oil prices have continued to fall, to below \$80/barrel.

In Brazil, growers are still very concerned about the hot, dry weather that continues to prevail in the centre-west, despite some scattered rain. The delay in sowing soybeans is likely to delay the sowing of safrinha maize (early 2024). In Argentina, despite the return of rain, early sowing of maize has only risen by 1 point in one week. The figure stands at 23%, compared with 32% on average. Some of this area is set to be transferred to soya, before the start of late sowing of maize in December.

After several years of testing, China has officially approved the possibility of growing 37 varieties of genetically modified maize, with a view to better guaranteeing its food supply.

EUROPE: Civilian ship attacked in the Black Sea

By 9/11 in Ukraine, 72% of the maize crop had been harvested. Despite the rain, the maize harvest and winter cereal sowings are progressing at a good pace.

Last week saw further attacks in the Odessa area. A civilian ship was hit by a missile, disrupting operations in the area and causing insurance costs to rise sharply. With 1.3 Mt in October compared with 44 Kt in September, exports via the Odessa maritime corridor have relieved Ukrainian logistics, while the USDA has increased the country's maize production by 1.5 Mt (29.5 Mt) and exports by 500 Kt (20 Mt).

The European Commission has issued a report favourable to the opening of negotiations for Ukraine's accession to the EU.

To be monitored :

- War in Ukraine
- Meeting Joe Biden / Xi Jinping