

# CORN Market



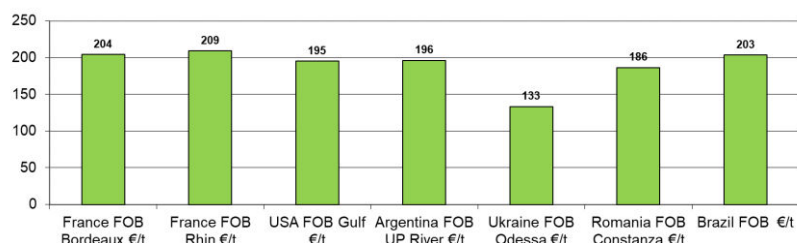
Weekly economic newsletter of the European Confederation of Maize Production

Week 47/2023

N°368

## Indicators

### FOB prices 17/11/2023 in €/t – November-December delivery (2023 harvest)



	10/11	03/11
Parity €/€	1,09	1,07
Petrol \$/barrel (NY)	75,9	77,2
FOB Bordeaux*(€/t)	204	202
FOB Rhine* (€/t)	209	210

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Decline in acreage in South America

From 10/11 to 17/11, the price of December delivery in Chicago rose by \$4/t to stand at \$187/t, buoyed by good demand figures and weather difficulties in South America.

In the United States, 88% of maize had been harvested by 12/11, compared with an average of 86% at the same date.

At in addition to 1.8 Mt last week, export contracts exceeded operators' expectations, with Japanese purchases in particular. In addition, US maize delivered to Asia is now more competitive than its Brazilian competitor, thanks in particular to lower freight costs to the Pacific Northwest. At this date, US maize sales represented 40% of the campaign projection (53 Mt), a pace similar to the average. Ethanol production remains robust and stocks continue to fall. Analysts are also keeping a close eye on developments in Sino-American relations, at a time when the Biden/Xi meeting was intended to ease tensions between the two powers.

In its November report, compared with October and for 2023/24, the IGC revised upwards world production by 4 Mt (1223 Mt), consumption by 5 Mt (1213 Mt) and stocks by 2 Mt (285 Mt).

In Brazil, rain is expected in the centre-west, but heat waves are continuing, with temperatures in excess of 40°C. Soya is being resown, and cotton is being substituted. These difficulties will lead to a drop in safrinha maize acreage in early 2024. Logistics continue to be complicated by excess rainfall in the south and a marked deficit in the Amazon basin.

In Argentina, there has been a traditional pause in sowing, before late maize crops resume in December. The Buenos Aires grain exchange has revised the area sown downwards by 200 Kha (7.1 Mha) in favour of soya. Libertarian Javier Milei was elected President. During his campaign, he had announced his intention to replace the peso with the dollar and to abolish export taxes on maize and soya.

## EUROPE: Insurers and Ukraine reach agreement

In Ukraine, the maize harvest is 79% complete and winter crop sowing is nearing completion after a difficult start due to rainfall.

The Ukrainian government has announced an agreement with the world's major insurers to make the Odessa export corridor more reliable. Ukraine is thus seeking to lower freight costs and make maritime exports more fluid, while in addition 100 ships have already used this temporary corridor since the end of September. The risks remain, however: after one ship was hit by a missile, another was hit by a naval mine last week. The crossing points between Poland and Ukraine remain disrupted by blockades.

### To be monitored :

- War in Ukraine
- €/€
- Position of non-commercial funds