

CORN Market



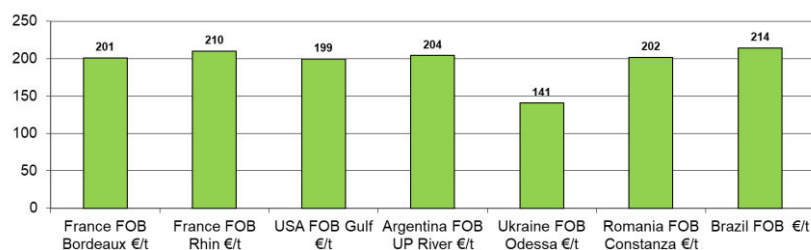
Weekly economic newsletter of the European Confederation of Maize Production

Week 50/2023

N°371

Indicators

FOB prices 08/12/2023 in €/t – January-March delivery (2023 harvest)



	08/12	01/12
Parity €/€	1,08	1,09
Petrol \$/barrel (NY)	71,2	74,1
FOB Bordeaux*(€/t)	201	198
FOB Rhine* (€/t)	210	206

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Towards a decline in acreage in Brazil

From 01/12 to 08/12, the March delivery price in Chicago gained \$1/t to stand at \$183/t. The week was marked by the publication of a slightly bullish USDA report for maize.

In its December report, the USDA left the US balance sheet virtually unchanged for the current marketing year, with the exception of exports, which rose by 635 Kt (53 Mt) due to the dynamism of recent weeks. This has been reflected in end-of-crop stocks, which are down by 635 Kt (54 Mt). This fall exceeds operators' expectations, but stocks remain very high compared with last season.

At 1.3 Mt last week, export contracts for US maize were at the top end of operators' expectations, with Asian buyers once again in the lead: Japan and China (275 Kt). US ethanol production remains above one million barrels/day, but oil prices have fallen once again, approaching \$70/barrel. Traders are unconvinced by the production cuts announced by OPEC+ and are expressing fears about global growth. This dynamic is a long-term bearish factor for agricultural commodities.

At world level, for the current season, the USDA has revised production up by 1.3 Mt (1222 Mt) and consumption up by 2 Mt (1207 Mt). Stocks remain relatively stable at 315 Mt, slightly above operators' expectations.

In Argentina, late sowings are progressing rapidly thanks to ideal weather conditions. By 06/12, 40% of maize had been sown, compared with 44% on average at that date. Following the inauguration of the new President, J. Milei, Argentine farmers are expecting a devaluation of the peso, which could make them more competitive and speed up sales. The other major measures, the abolition of export taxes and the dollarisation of the economy, are expected to take place in the longer term.

In Brazil, the rains are providing a welcome respite for soya in the centre of the country. In Mato Grosso, the leading maize-producing state, the IMEA has announced that the area under safrinha maize is close to 7 million hectares, 6% down on last year. This is due to the price squeeze experienced by producers. This forecast could be exacerbated in the longer term by delays in sowing soya.

EUROPE: Increase in Black Sea production

In its December report, the USDA revised Black Sea maize production upwards. It is up by 1 Mt in Russia (17 Mt) and 1 Mt in Ukraine (30.5 Mt), which has repercussions on its exportable availability (21 Mt). The Ukrainian harvest is continuing at a slow pace, with 87% of maize harvested by 07/12. EU production has been revised upwards by the USDA by 300 Kt (60.1 Mt). As a result of the latest discussions, logistics between the EU and Ukraine are becoming more fluid, with the lifting of road blockades in Poland and the import ban in Bulgaria. On the other hand, road blockades are intensifying in Slovakia.

To be monitored :

- War in Ukraine
- Logistics Brazil
- EU imports