

CORN Market



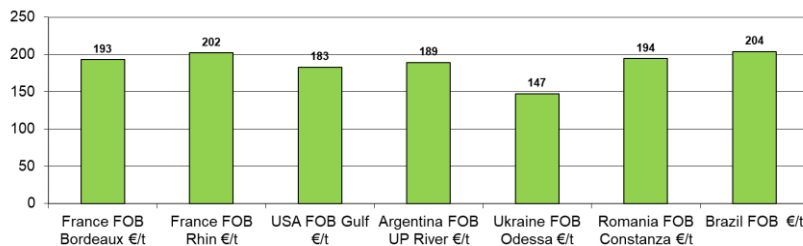
Weekly economic newsletter of the European Confederation of Maize Production

Week 3/2024

N°374

Indicators

FOB* prices 12/01/2024 in €/t – January-March delivery (2023 harvest)



*CPT price for Odessa

	12/01	05/01
Parity €/ \$	1,09	1,09
Petrol \$/barrel (NY)	72,7	73,4
FOB Bordeaux* (€/t)	193	199
FOB Rhine* (€/t)	202	206,5

*Fob price Bordeaux/Rhine including monthly increases

WORLD: USDA report bearish for maize

From 05/01 to 12/01, the price of March delivery in Chicago fell by \$5/t to \$176/t. Last week, prices suffered from the pressure due to the oil fall and the publication of a bearish USDA report for maize.

The USDA's monthly report took traders by surprise, with the average US yield revised up by 1.5 q/ha (111 q/ha) compared with December, an unusual move for this time of year. US production, already a record, was again revised upwards by 2.7 Mt (390 Mt) and, despite an increase in domestic consumption (ethanol & FOB), stocks were revised upwards by 793 Kt (54.9 Mt). At world level, the USDA has revised production up by 14 Mt (1235 Mt), consumption up by 4 Mt (1211 Mt) and stocks up by 10 Mt (325 Mt). Once again, these large-scale movements took traders by surprise. However, they are the result of the revision of official Chinese figures, which are open to question, and are therefore less significant than the movements in the US review.

On the demand side, ethanol production remains at a high level in the US, which is necessary to prevent a further build-up in stocks. However, operators are concerned about the start of a price war between oil-producing countries which, if confirmed, could squeeze producer margins and demand for maize.

In Brazil, the USDA has revised its production forecast for the current season down by 2 million tonnes to 127 million tonnes, but it is still well above the CONAB estimate of 118 million tonnes. The start of safrinha maize sowing at the end of the month should make it possible to gradually refine the area and production estimates, which are expected to fall sharply.

In Argentina, 85% of maize sowings have been completed, compared with an average of 88% at this date. Weather conditions remain excellent, while most early sowings are now flowering. This has led the Rosario stock exchange to revise production upwards by 3 million tonnes (59 million tonnes), which would be a new record.

Lastly, operators are keeping a close eye on geopolitical developments, with rising tension in the Red Sea and the election of a pro-independence candidate in Taiwan, which is frowned upon by China.

EUROPE: European maize imports revised downwards

On 09/01, the European Union had imported 9 Mt compared with an average of 11.3 Mt to date (2018-2022). After 6 months of campaigning, these figures led the USDA, in its January report, to revise down slightly by 1 Mt its import forecast for the current campaign (23.5 Mt).

Tensions linked to Ukrainian imports are far from easing in Europe. While Romania has recently lifted its import ban, farmers have once again blocked their borders.

To be monitored:

- War in Ukraine
- IGC Report