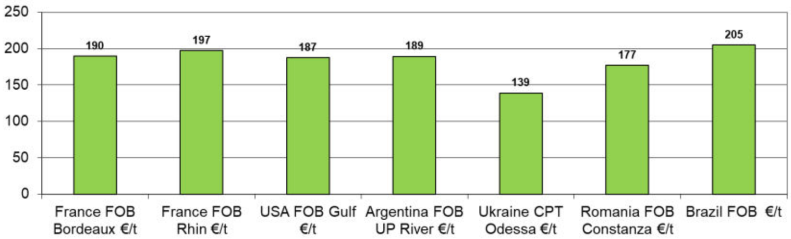
CORN Market
Weekly economic newsletter of the European Confederation of Maize Production
CEPM maiz'EUROP'

Week 4/2024 **N°375**

Indicators

FOB* prices 19/01/2024 in €/t – January-March delivery (2023 harvest)



**CPT price for Odessa*

	19/01	12/01
Parity €/$	**1,09**	1,09
Petrol $/barrel (NY)	**73,4**	72,7
FOB Bordeaux*(€/t)	**189,5**	193
FOB Rhine* (€/t)	**197**	202

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Record production and demand for maize

From 12/01 to 19/01, the price of March delivery maize in Chicago fell by $1/t to $175/t. Prices in Chicago remained under pressure from the bearish USDA report published on Friday 12/01, despite the dynamic demand for American maize.
Export contracts for US maize reached 1.25 Mt last week, exceeding operators' expectations. These good figures confirm the competitiveness of American maize after a sluggish start in January due to the end-of-year festivities. Mexico remains the main buyer of US maize, while China remains absent. In the short term, Chinese demand is unlikely to return to the market, with the Chinese New Year only a few weeks away.
Non-commercial funds are maintaining a record net position for maize in Chicago for this time of year. This situation needs to be monitored, because if there is a trend reversal on the fundamentals (sowing in Brazil, acreage estimates in the USA, etc.), it could lead to hedging operations that would boost prices, at least temporarily, but which would be followed by a great deal of volatility.
In its January report, compared with November and for the 2023/2024 marketing year, the IGC revised world production up by 7 Mt (1230 Mt) and world consumption up by 5 Mt (1218 Mt). Production and consumption are thus expected to reach record levels. World stocks have been revised upwards by 2 Mt to 287 Mt.
In Brazil, the soya harvest, which precedes the sowing of safrinha maize, has started earlier than expected due to the drought of recent months. According to exporters, the Amazonian basin hubs have confirmed their growth in 2023, with 51 Mt of grain exported, or 37% of the Brazilian total. This export route is being strengthened year on year, as it offers competitive advantages in terms of logistics.
In Argentina, 93% of maize sowings have been completed, compared with an average of 92% at this time. Weather conditions are very favourable. Congress is due to approve the government's plan to raise the export tax on maize from 12% to 15%.

EUROPE: Tensions on the Ukrainian imports

Tensions remain high within the EU over Ukrainian imports, as the European Commission is due to present its draft regulation on the further liberalisation of trade with Ukraine on 24/01. Demonstrations are still numerous, as are border blockades. In Romania, producers have reportedly received compensation for lifting the blockades. In Poland, maize producers should also receive subsidies.

<u>To be monitored:</u>
- War in Ukraine
- Brazilian sowings
- Ukrainian imports

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