

# CORN Market



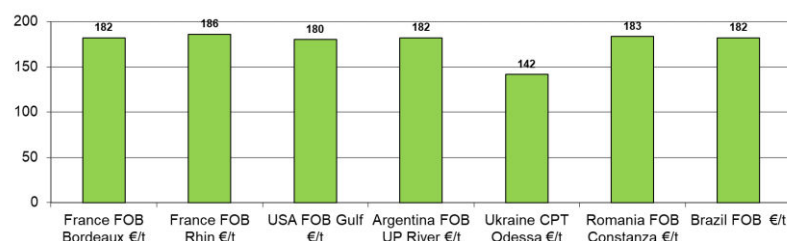
Weekly economic newsletter of the European Confederation of Maize Production

Week 7/2024

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## Indicators

**FOB\* prices 09/02/2024 in €/t – February-March delivery (2023 harvest)**



	09/02	02/02
Parity €/€	1,08	1,09
Petrol \$/barrel (NY)	76,8	72,3
FOB Bordeaux*(€/t)	182	184
FOB Rhine* (€/t)	186	196

\*Fob price Bordeaux/Rhine including monthly increases

\*CPT price for Odessa

## WORLD: Fall in Brazilian acreage

From 02/02 to 09/02, the price of March delivery in Chicago fell by \$5/t to \$169/t. US maize prices remained under pressure last week due to South American weather and a slightly lower USDA report.

In its report comparing February with January, the USDA revised upwards by 254 Kt the already heavy US stocks (55.2 Mt), whereas operators were expecting a slight downward adjustment. At world level, the report revises production down by 3.2 Mt (1233 Mt), keeps consumption stable (1211 Mt) and lowers stocks by 3.2 Mt (322 Mt), slightly below operators' expectations.

Given the near-record net short position of non-commercial funds in Chicago, the USDA's publication of the initial outlook for US acreage and the balance sheet for the 2024/2025 crop year will be followed even more closely than usual. Any unexpected figures could lead to "short covering" (hedging short positions).

Last week, export contracts for US maize reached 1.2 million tonnes, at the top end of traders' expectations. However, a 68kt purchase by China was cancelled. Ethanol production continues to return to normal.

In Brazil, CONAB published its first estimates of safrinha maize acreage. At 15.9 Mha, this is down by 8% (-1.3 Mha) year-on-year. Planting progress is in line with the average for recent years. Most of the area will be planted in February, so the precise scale of the fall should be known in March. Brazilian production is estimated at between 114 Mt (CONAB) and 124 Mt (USDA).

In Argentina, where 48% of the maize crop is in flower, the rains have returned after several weeks of dry weather and above all ten days of high temperatures. This should enable the expected very good yield potential to be maintained.

While cereal freight in the Red Sea has been relatively undisturbed until now, a Brazilian maize ship bound for Iran was attacked on 12/02.

## EUROPE: Towards stable Ukrainian maize acreage in 2024?

In Ukraine, harvesting has resumed thanks to more favourable weather conditions since the end of January. By the end of 2023, 10% of maize acreage was still to be harvested. In its report, the USDA raised Ukrainian exports by 2 Mt (23 Mt), given the good performance of the Odessa Sea corridor. Port freight costs are also tending to fall, making Ukrainian cereals more competitive on the European market. For 2024, the Ukrainian authorities expect maize acreage to remain stable (4 Mha).

The Polish border remains closed to Ukrainian imports.

### To be monitored:

- War in Ukraine
- USDA 2024 Outlook