

CORN Market

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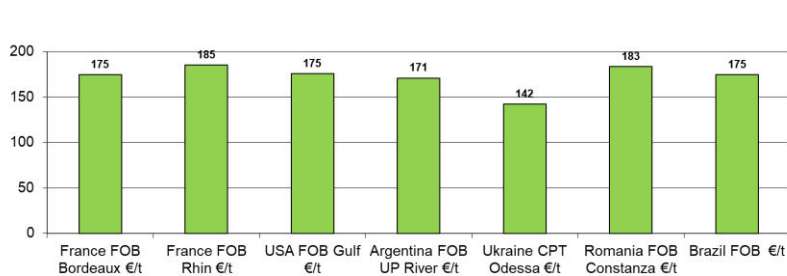
Weekly economic newsletter of the European Confederation of Maize Production

Week 8/2024

N°379

Indicators

FOB* prices 16/02/2024 in €/t – February-March delivery (2023 harvest)



	16/02	09/02
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	79,2	76,8
FOB Bordeaux*(€/t)	174,5	182
FOB Rhine* (€/t)	185	186

*CPT price for Odessa

*Fob price Bordeaux/Rhine including monthly increases

WORLD: The downward trend continues

From 09/02 to 16/02, the price of March delivery in Chicago fell by \$5/t to \$164/t. The market is closed this Monday for President's Day.

Downward pressure on funds continues in Chicago. Indeed, the USDA's Agricultural Outlook Forum for 2024 came as no surprise to traders, announcing a drop in maize acreage of 1.4 Mha in 2024 (33.6 Mha) and a rise in stocks of 9 Mt (64 Mt) in a context where demand should remain limited, and where American maize is getting some competition. Such stocks would be the highest since the 1980s! As these figures were expected, the funds maintained their short position and did not hedge. The fact remains, however, that this short position is close to a record, which means that funds will be cautious about the risk of losses if there is a change in the fundamentals. That is why, in the coming weeks, we will be keeping a close eye on the state of maize in Brazil, and later on the progress of sowing in the United States. USDA publications will also be watched in March (planting intentions survey) and May (first assessment for 2024/2025).

Last week, US maize export contracts reached 1.3 Mt, at the top end of operators' expectations. Operators will be keeping a close eye on China's return to purchasing in the coming weeks.

In Brazil, there is still a great deal of uncertainty regarding the decline in acreage, given the relatively rapid sowing pace, the difficult weather outlook due to El Niño, and the depressed price environment. Against this uncertain backdrop, the IMEA has announced that in Mato Grosso, the leading producer state, only 19% of future harvest volumes have been contracted, compared with an average of 50% at this date. Growers are waiting for better prices to commit to contracts, but also to sell their stocks.

In Argentina, operators are reporting that late maize has been affected by the heat wave at the end of January. The extent of the damage is expected to be relatively limited, but is currently being assessed. Production forecasts remain at record levels for the time being (55-60 Mt).

EUROPE: Sales slowdown in Ukraine

Last week's two Egyptian GASC tenders for maize and wheat once again underlined the very high competitiveness of Black Sea cereals, and Ukrainian cereals in particular. In terms of FOB prices, French wheat remains \$10 to \$20/t more expensive than the most competitive bids (Ukraine), and in maize, Ukrainian origin is \$25 to \$30/t less expensive than its Romanian and Moldavian competitors. However, these very low prices are hurting Ukrainian producers who, according to some operators, are currently slowing down their sales. Moreover, contrary to its previous announcements, the Ukrainian Ministry of Agriculture has announced, following a survey, that maize acreage is set to decline in 2024, benefiting soybeans and sugar beet in particular.

In Poland, despite the announcements, border blockades continue.

To be monitored:

- War in Ukraine
- IGC Report

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