CORN Market

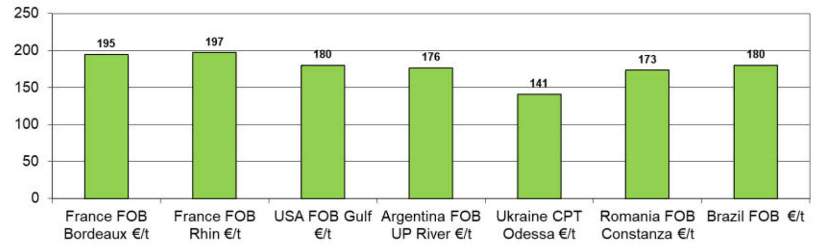
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 13/2024 **N°382**

Indicators

FOB* prices 22/03/2024 in €/t – March-June delivery (2023 harvest)



*CPT price for Odessa

	22/03	15/03
Parity €/$	**1,08**	1,09
Petrol $/barrel (NY)	**80,7**	81
FOB Bordeaux*(€/t)	**194,5**	183,5
FOB Rhine* (€/t)	**197**	185

Fob price Bordeaux/Rhine including monthly increases

WORLD: Awaiting US sowing intentions

From 15/03 to 22/03, the May delivery price in Chicago gained $1/t to stand at $173/t. After 3 weeks of consecutive gains, fueled by buybacks of short positions by non-commercial funds, the price of the May 2024 contract in Chicago is hitting resistance at $173/t.
Operators will be focused this Thursday on the USDA's release of the quarterly stocks report and the 2024 planting intentions report. The latter will be particularly closely scrutinized by operators who, since the publication of the 2024 acreage outlook at the end of February, have incorporated the hypothesis of a 1.5 Mha drop in US maize sowings in 2024 compared with 2023. If this is not confirmed on Thursday, the upward trend seen in Chicago in recent weeks may not be sustained.
Last week in the United States, export contracts reached 1.2 Mt, in line with operators' expectations, with Mexico and Japan as the main buyers. The recent rise in the dollar, due to worse-than-expected inflation figures, has penalized US export competitiveness.
Ethanol production remains dynamic, at over 1 million barrels/day, while inventories remain high, at over 26 million barrels. We will be keeping a close eye on their evolution over the coming weeks, as spring arrives and travel resumes. Oil prices are firming up to over $80/barrel, which should also support the ethanol sector in the United States.
In Argentina, due to rains in the production zone, the harvest has hardly progressed: 3.7% of maize had been harvested by 03/21, an increase of 0.5 points over one week. The Buenos Aires Grain Exchange also revised its production projection downwards by 2.5 Mt to 54 Mt, in view of the heat wave at the end of January and the damage caused by the maize leafhopper. Analysts are converging on an Argentine maize production of between 54 and 57 Mt, close to a record.
In Brazil, safrinha maize sowing is almost complete. Attention is focused on the weather in April, when most of the acreage should be approaching the critical flowering stage. In its latest report, CONAB revised the acreage of safrinha maize slightly down by 129 Kha, to 15.8 Mha, down 8.3% year-on-year.

EUROPE: Ukrainian and Russian imports up for debate

The renewal of liberalization measures with Ukraine for one more year is still being debated at European level, where some Member States are dissatisfied with the latest compromise, which does not include wheat in the safeguard measure and is based on too large a reference (2022 and 2023 imports). In addition, the European Commission is now proposing to limit imports of Russian cereals and oilseeds. It is therefore proposing to impose a tariff of €94/t on Russian maize (approximately 400 Kt per season).
In Ukraine, the Ministry of Agriculture now estimates the 2024 maize acreage at 3.86 Mha, down 4.5% on 2023.

To be monitored:
- War in Ukraine
- USA sowing intentions
- EU balance

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION
23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68