

CORN Market



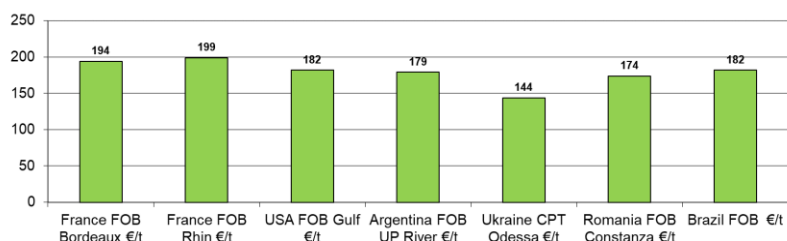
Weekly economic newsletter of the European Confederation of Maize Production

Week 14/2024

N°383

Indicators

FOB* prices 29/03/2024 in €/t – March-June delivery (2023 harvest)



	29/03	22/03
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	83,2	80,7
FOB Bordeaux*(€/t)	194	194,5
FOB Rhine* (€/t)	199	197

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Sowing starts in the Corn Belt

From 22/03 to 29/03, the price of May delivery in Chicago gained \$1/t to stand at \$174/t. U.S. prices continued to consolidate during a week marked by the release of the quarterly stocks report and the 2024 seeding intentions report.

Indeed, operators were surprised by a slightly lower-than-expected March 1 stock report, a sign of stronger-than-expected momentum in animal feed consumption. While this is a positive development, the report also shows that on-farm maize stocks are up 24% year-on-year. Any rise in prices is therefore likely to be short, as producers are keen to take advantage of the opportunity to market these volumes.

Prices were also supported by the publication of sowing intentions. Maize plantings are estimated at 36.4 Mha, 390 Kha down on the February outlook, where operators were expecting a slight increase. While this undeniably consolidates the upward trend of the last 3 weeks in the short term, forecasts for the next campaign remain heavy. Operators were also surprised by the overall year-on-year drop in acreage for all crops, estimated at 2.5 Mha. This "margin" could make way for larger than currently estimated maize acreages in the next report at the end of June.

As of March 31, maize planting had started in the Corn Belt, with 2% of US maize planted, compared with an average of 1% at that date.

Last week, export contracts in the US reached 1.2 Mt, in line with operators' expectations. Ethanol is supported by the rise in oil prices due to heightened tensions in the Middle East. Oil prices are now approaching \$85/barrel.

In Brazil, planting of safrinha maize has been completed, and the bulk of the acreage is now entering the critical flowering phase. For the time being, the weather is good in Mato Grosso, the 1st producer state, but more worrying in the Centre-South, affected by the onset of a water deficit and high temperatures.

In Argentina, as of 26/03, 5.7% of maize had been harvested. Growers are concerned about the impact of a storm in the Buenos Aires region, and the greater-than-expected damage caused by the maize leafhopper.

EUROPE: Towards a heavier toll in 2024/2025

In its first outlook projection for 2024/2025, the European Commission expects the European toll to become heavier, with maize stocks set to rise by almost 5 Mt (24 Mt), due to continued imports (17 Mt) and a 7 Mt rise in production (69 Mt), driven by an estimated 700 Kha (9.2 Mha) increase in acreage. This figure seems optimistic given national trends.

Further liberalization of Ukrainian imports is due to be debated again in Brussels next week, with a new compromise on the safeguard clause which, at this stage, still does not include wheat and barley.

To be monitored:

- War in Ukraine
- USA sowings
- Brazil weather

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