

CORN Market



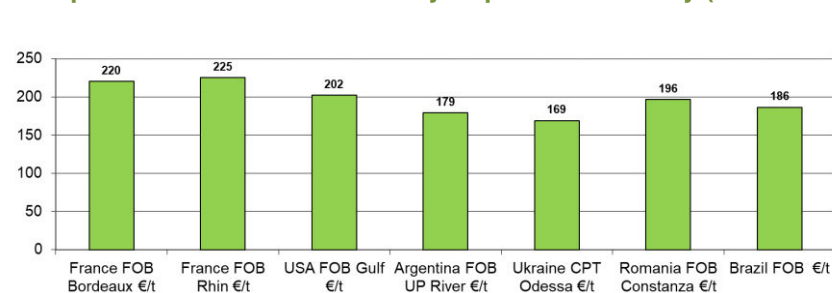
Weekly economic newsletter of the European Confederation of Maize Production

Week 24/2024

N°392

Indicators

FOB* prices 07/06/2024 in €/t – July-September delivery (2023 harvest)



	07/06	31/05
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	75,5	77
FOB Bordeaux*(€/t)	220	227
FOB Rhine* (€/t)	225	230

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Good campaign start in the United States

From 31/05 to 07/06, the June delivery price in Chicago rose by \$1/t to \$177/t. Pressure continues in Chicago, but maize prices rebounded at the end of the week on the back of good export sales.

In the United States, as of 02/06, 91% of maize had been sown, compared with 89% on this date on average (2019-2023). Furthermore, 75% of maize was in "good to excellent" conditions, a figure above operators' expectations. This good start to the campaign is putting pressure on Chicago prices.

Ethanol production remains buoyant in the USA, but oil prices are still under scrutiny. Oil prices plummeted last week after OPEP+ announced the end of production cuts, putting downward pressure on agricultural commodities. Against this backdrop, non-commercial funds resumed their maize sales after having reached a relatively neutral position in May.

Despite this difficult context, US prices were able to bounce back on the back of export contracting at the top end of operators' expectations, with 1.2 Mt for the end of the campaign, including 136 Kt for China, and 113 Kt for 2024/2025. American exporters are also keeping a close eye on Mexico, their first market and one of the world's leading importers of maize. A victim of drought in 2023/24, Mexico had stepped up its purchases from the United States. After a brief respite, the drought is now developing again in the northern two-thirds of the country, penalizing both winter and spring maize.

In South America, production estimates were again lowered for southern Brazil, while harvesting of the most damaged late maize crops began in Argentina. In its June report, due out this week, the USDA is expected to bring its production estimates into line with local estimates.

Fears of wheat tensions persist, with major importers (Egypt, Algeria) returning to buying this week despite high prices, and China's Sinograin announcing purchases to bolster state stocks. India, for its part, could lower its customs duties in order to obtain supplies from abroad, while its public stocks are low.

EUROPE: New US maize purchase in Spain

The USDA has confirmed a new summer purchase of 110 Kt of American maize by Spain. This reflects the end of Ukrainian supplies for the current campaign, and the competitiveness of maize in relation to wheat for animal feed, despite the approaching harvest.

Heavy rains hit almost all of Ukraine, alleviating the initial lack of precipitation. The weather remains generally hot and dry in southern Russia. Russian wheat production estimates are converging towards 80 Mt, another element to be followed in the forthcoming USDA report.

The ECB cut rates from 4% to 3.75%, a move expected by the markets in view of the sharp economic slowdown in the EU.

To be monitored :

- War in Ukraine
- USDA Report

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