

# CORN Market



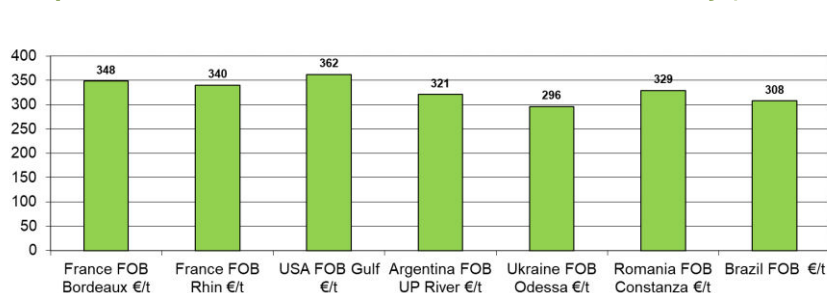
Weekly economic newsletter of the European Confederation of Maize Production

Week 42/2022

N°319

## Indicators

FOB prices 14/10/2022 in €/t – October-December delivery (2022 harvest)



	14/10	07/10
Parity €/€	0,97	0,98
Petrol \$/barrel (NY)	85,6	92,6
FOB Bordeaux* (€/t)	348	344
FOB Rhine* (€/t)	340	336

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Brazilian maize for China

From 30/09 to 07/10, the price of the December delivery in Chicago gained \$2/t to reach \$271/t. The week was marked by new tensions around the Ukrainian maritime corridor (see Europe section).

In the US, as of 09/10, 31% of American corn had been harvested, compared with an average of 30% at that date (2017-2021).

Export contracting last week remained at a very low level with 200 Kt, below operators' expectations. Physical shipments remain disrupted by low water levels in the Mississippi. US ethanol production rebounded slightly to above 900,000 barrels/day.

The USDA's October report provided few surprises for the US balance sheet. Compared to September and for the 2022/23 crop year, the average yield was revised down by 0.4 q/ha (108 q/ha), production was revised down by 1.2 Mt (353 Mt) and stocks by 1.2 Mt (29.8 Mt). At the world level, production is revised down by 3.8 Mt (1169 Mt), consumption by 5.6 Mt (1175 Mt) and stocks by 3.3 Mt (301 Mt).

China accelerates its discussions with Brazil to import corn. These discussions are proceeding at a faster pace than initially planned, as China wants to avoid too heavy a dependence on US corn in the context of the war in Ukraine, while Joe Biden seems to want to rekindle the US/China trade dispute by tightening trade bans on electronic chips. China also wants to gain access to more competitive maize through this agreement with Brazil, as US maize is disadvantaged by the current strength of the dollar. The Chinese government has maintained its forecast of importing 18 Mt of maize in 2022/23.

In Brazil, 39% of the full-season maize crop is planted, in line with the average. The acreage of this safra maize is expected to be about 2% lower than last year due to high production costs.

In Argentina, sowing is still slow due to the persistent drought in large parts of the country. As of 09/10, 14% of maize had been sown compared to 21% on this date on average (2017-2021). Rains are expected this week.

## EUROPE: Russian pressure on the Ukrainian corridor

Russia is again putting pressure on the Ukrainian maritime corridor by threatening to leave the agreement that established it, even though it has allowed Ukraine to return to its pre-invasion export levels. Russia blames Western countries for not facilitating its fertiliser and grain exports sufficiently. This renewable agreement, signed at the end of July, expires at the end of November.

As a result of this high rate of exports, the USDA has raised Ukraine's maize export forecast by 1.5mt in October (15mt). The EU import forecast has been revised upwards by 1mt to 20mt.

### To be monitored :

- War in Ukraine
- IGC Report
- Grain Strategy Report