

# CORN Market

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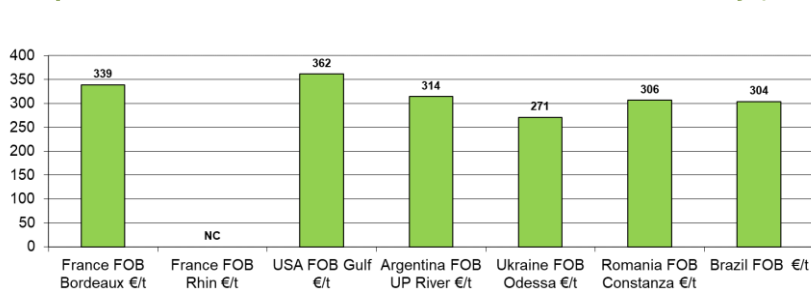
Weekly economic newsletter of the European Confederation of Maize Production

Week 45/2022

N°322

## Indicators

### FOB prices 04/11/2022 in €/t – November-December delivery (2022 harvest)



	28/10	21/10
Parity €/€	0,99	1,00
Petrol \$/barrel (NY)	92,6	87,9
FOB Bordeaux*(€/t)	339	347
FOB Rhine* (€/t)	NC	340

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Chinese approval of Brazilian exporters

From 28/10 to 04/11, despite the high volatility linked to the Russian announcements on the Ukrainian maritime corridor, prices for the December delivery in Chicago remained stable at \$268/t.

The markets remain attentive to the current global macroeconomic deterioration and the monetary responses of the states. The US Federal Reserve reassured traders by announcing that after its latest interest rate hike of 0.75% last week, US monetary policy should be less aggressive in the coming months.

Last week, US export contracts amounted to 372 Kt, still at a low level for this period. Daily ethanol production reached 1.04 million barrels/day after a 4th consecutive week of increases. It is now slightly above average for this date. Given the slow pace of US exports so far this year, adjustments to the US balance sheet will be closely watched in the USDA's monthly report due out this week.

The heavy rains of the past week have allowed the Mississippi River to rise, but it remains low, easing US logistics. The river basin is expected to remain relatively dry this week.

China has approved an initial list of 136 Brazilian companies that can export corn to China. After the conclusion of a sanitary and phytosanitary agreement last May between the two countries, this is a new important step that should allow Brazil to start exporting to China at the end of the year or in early 2023. China is seeking to diversify its maize supplies, which come mainly from the US and Ukraine.

In Brazil, 56% of safra maize was sown last week, compared to an average of 63% at this time. Sowing was slowed down by the rains in the south of the country.

Due to the dry conditions, 22% of maize was sown in Argentina last week compared to an average of 33%. Only 10% of maize was considered to be in "good to excellent" conditions at this time.

## EUROPE: Increase in European imports

Harvesting continues at a slow pace in Ukraine with 27% of maize harvested in early November. Local farmers are seeking to limit drying costs and avoid storage problems. Sea shipments are also slowing down due to geopolitical uncertainties and a certain reluctance on the part of insurers after the recent Russian voltefaces.

In its October report, compared to September and for the 2022/23 crop year, the European Commission revised EU maize production downwards by 640 Kt (54.9 Mt). Imports (22 Mt) and stocks (16.6 Mt) have been revised upwards by 1 Mt. On 30/10, European imports were at a record level for the period with 9.6 Mt imported against an average of 5.5 Mt at that date (2016-2021). This is the consequence of the poor European harvest and the lack of competitiveness of European maize in the face of competition from Ukraine and Brazil.

### To be monitored:

- War in Ukraine
- USDA report

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