

CORN Market



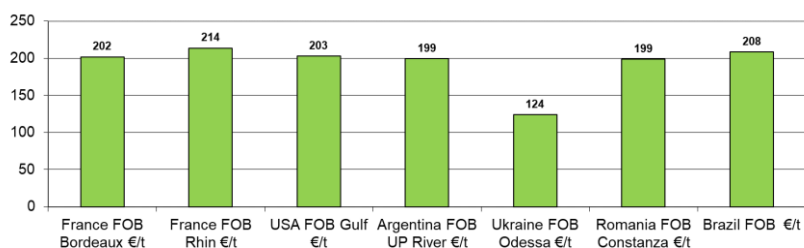
Weekly economic newsletter of the European Confederation of Maize Production

Week 45/2023

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Indicators

FOB prices 27/10/2023 in €/t – November-December delivery (2023 harvest)



	03/11	27/10
Parity €/€	1,07	1,05
Petrol \$/barrel (NY)	80,1	85,5
FOB Bordeaux* (€/t)	201,5	202
FOB Rhine* (€/t)	213,5	211

*Fob price Bordeaux/Rhine including monthly increases

WORLD: American corn gains in competitiveness

From 27/10 to 03/11, the price of December delivery in Chicago fell by \$1/t to stand at \$188/t. US prices remained under pressure from the harvest, before rebounding at the end of the week on the back of position buying by non-commercial funds and driven by other agricultural commodities.

In the United States on 29/10, 71% of the maize crop had been harvested, compared with an average of 66% at that date. The relatively dry weather is allowing work to progress rapidly. This Wednesday's USDA report is likely to make some adjustments to the US maize balance sheet.

Ethanol producers are paying close attention to oil prices. The continued production cuts announced by Russia and Saudi Arabia have not been enough to push up oil prices, which have fallen back to their pre-Middle East conflict levels in the absence of any further escalation. Export contracting also contributed to the gloomy mood last week. At 748 Kt, they were at the lower end of operators' expectations.

However, the latter are keeping a close eye on export demand, at a time when American maize is once again more competitive than Brazilian maize, which is handicapped by the rains that are pushing up freight costs and by the reluctance of Brazilian producers to sell their maize at a time when the coming marketing year looks set to be complicated. Fears over the level of Brazilian production could accelerate purchases of American maize by China. Chinese demand remains to be monitored, while the pig market is depressed by a resurgence in African swine fever, and snowstorms in the north-east of the country are complicating the end of the maize harvest and logistics to the south of the country, where there is a shortage of maize.

In Brazil, the arrival of rains in Mato Grosso has enabled a significant acceleration in soya planting, which is now 70% complete. The massive rains are continuing in the south, to the detriment of logistics and crops.

In Argentina, the arrival of the rains has eased the minds of producers, who should attempt a final round of early sowing before the usual break in November. By 25/10, 22% of maize had been sown, compared with an average of 31% at that date.

EUROPE: Ukraine tightens the screws on its exports

By 26/10 in Ukraine, 60% of maize had been harvested, an increase of 12 points in one week. The weekend was marked by further Russian attacks on Odessa. They damaged equipment and warehouses.

The Ukrainian government is seeking to better control exports of agricultural products, a major source of financing via VAT, by banning cash payments in particular. This is causing logistical disruption, particularly in the ports of Reni and Ismail on the Danube.

To be monitored :

- War in Ukraine
- USDA report
- GMO China