

CORN Market



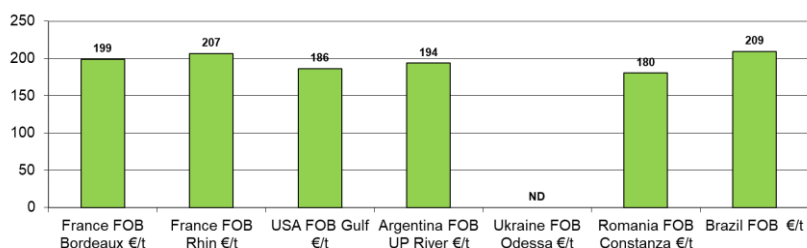
Weekly economic newsletter of the European Confederation of Maize Production

Week 2/2024

N°373

Indicators

FOB prices 05/01/2024 in €/t – January-March delivery (2023 harvest)



	05/01	29/12
Parity €/€	1,09	1,11
Petrol \$/barrel (NY)	73,4	71,3
FOB Bordeaux* (€/t)	199	200
FOB Rhine* (€/t)	206,5	207,5

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Maize prices under pressure at the start of the year

From 12/29 to 01/05, the rate of March delivery in Chicago fell by \$5/t to \$181/t. US prices were under pressure at the end of the year, and remain that way at the start of 2024, due to a lack of demand, improved weather conditions in Brazil and technical movements.

Operators will focus this week on the recovery in business activity and the publication of the USDA's January report, particularly regarding to South American maize production. With non-commercial funds holding a near-record net short position for this time of year, buybacks are likely, which could provide some support for prices.

At 368 Kt last week, export contracts for US maize were at a very low level, mainly due to the end-of-year holidays. However, this level also raises questions among operators about the weakness of global demand, at a time when American maize is currently the most competitive on the international scene. On the logistics front, the Houthi rebels in Yemen keep threatening container ship traffic in the Red Sea, but grain ship traffic is little affected.

Ethanol production has remained dynamic in recent weeks, at over one million barrels/day, but inventories rose sharply in December and are now 4% above the last 5-year average at nearly 24 million barrels.

In Brazil, regular rainfall in the central-western part of the country at the end of 2023 put pressure on prices in Chicago, despite maize sowings not starting until the end of the month, and acreage expected to be at least 5% down (1 Mha) compared to 2023 due to price scissoring, delayed soybean sowings and the El Niño phenomenon.

In Argentina, 70% of maize sowings have been completed, compared to 75% on average at this date. Growing conditions are optimal, which should enable a good harvest after a massive drought in 2023.

In China, demand is in bad shape due to the economic situation and the decline in the pig herd. On the geopolitical front, operators will be monitoring reactions to the Taiwanese elections on 01/13.

EUROPE: Ukrainian corridor brings exports back to normal

The Ukrainian authorities announced that 7 Mt of agricultural products were exported in December, a level similar to pre-war levels, including 4.8 Mt via the port of Odessa and the Black Sea corridor that reopened in September. This confirms its vital role for the Ukrainian agricultural sector, despite the associated hazards, in particular naval mines.

European cereals remain at a disadvantage compared with Russian competition in wheat and Ukrainian competition in maize due to the level of the euro, close to its highest in the last 6 months.

To be monitored:

- War in Ukraine
- USDA Report
- Elections in Taiwan

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