

CORN Market



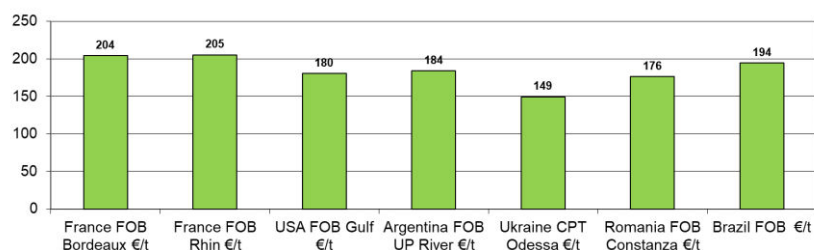
Weekly economic newsletter of the European Confederation of Maize Production

Week 17/2024

N°386

Indicators

FOB* prices 19/04/2024 in €/t – April-June delivery (2023 harvest)



	19/04	12/04
Parity €/€	1,07	1,07
Petrol \$/barrel (NY)	85	85
FOB Bordeaux*(€/t)	204	196,5
FOB Rhine* (€/t)	205	201

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: World stocks to remain high in 2024/2025

From 12/04 to 19/04, the May delivery price in Chicago fell by \$1/t to \$170/t. The US market remains undecided between concerns over demand, the progress of Corn Belt plantings and uncertainties over South American production.

As at 14/04, 6% of maize had been sown in the United States, compared with an average of 5% at this date (2019-2023). Heavy rains are expected across the Corn Belt this week.

In its April report, the IGC announced a new record for world maize consumption (1223 Mt) due to an expected recovery in industrial and feed consumption after a 2023/24 campaign impacted by inflationary pressures. However, IGC also notes that world stocks should continue to increase slightly (292 Mt) compared to the current campaign, due in particular to heavy stocks expected in the United States, a negative outlook for prices.

In the United States, export contracts remained at the low end of operators' expectations last week, at 501 Kt. US exports were penalized by the strong dollar. Ethanol production figures fell below one million barrels/day, the first time this has happened since the end of January, but a move which is usual in early spring. Operators are closely monitoring the risk of escalation between Israel and Iran, which could disrupt the oil market. In addition, manufacturers are pleased with a government announcement authorizing summer sales of E-15 fuel this year, which should bolster demand.

In Brazil, hot, dry weather is expected to make a comeback in the central-southern region, after a week of good rainfall that brought relief to the less advanced maize crops, which have been affected by water deficits in recent weeks. Brazilian growers are speeding up new-crop sales, reassured in the Center-West by clement weather conditions and keen to take advantage of the real's weakening against the dollar.

In Argentina, prices are continuing to rise due to uncertainties over production levels. Rainfall is also holding back the harvest.

EUROPE: Warm and dry weather in the Black Sea

Hot and dry weather has been setting in for several weeks now, from the eastern half of Ukraine to southern Russia. This is likely to have an impact on Russian wheat production, which is currently expected to be at a high level, as well as on part of the Russian and Ukrainian maize sowings. These are proceeding rapidly in Ukraine, with 19% of maize sown by April 18. In Russia, acreage is expected to rise slightly to 2.7 Mha from 2.6 Mha in 2023.

To be monitored:

- War in Ukraine
- EU imports
- Trade liberalization with Ukraine

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