CORN Market

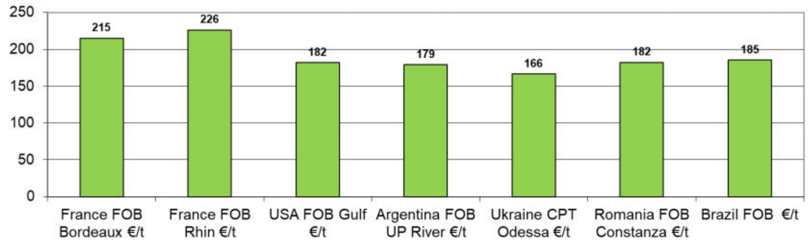
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 21/2024 **N°389**

Indicators

FOB* prices 17/05/2024 in €/t – May-June delivery (2023 harvest)



**CPT price for Odessa*

	17/05	10/05
Parity €/$	**1,08**	1,08
Petrol $/barrel (NY)	**80,1**	78,3
FOB Bordeaux*(€/t)	**215**	209
FOB Rhine* (€/t)	**226**	210,5

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Towards a new trade war between China and the United States?

From May 10 to May 17, the July delivery price in Chicago fell by $7/t to $178/t. This drop was due to profit-taking following price rises at the beginning of the month. Volatility remains the order of the day for cereals, with persistent concerns over wheat production in the northern hemisphere.

In the United States, as of May 19, 70% of maize had been sown, compared with 71% on this date on average (2019-2023). American growers took advantage of a brief opportunity last week to accelerate planting ahead of the return of rains this week. Any delay will be scrutinized by operators for its impact on acreage and yield potential.

Last week, export contracting remained at the low end of operators' expectations in the United States, with 742 Kt for the end of the campaign and 128 Kt for 2024/2025. Fears over global cereal production could prompt major buyers to make precautionary purchases in the coming weeks.

Operators also have mixed feelings about the latest political announcements in the United States concerning the qualification of maize ethanol for subsidies linked to sustainable aviation fuel. While the announcement is welcomed, the conditions are deemed a little too restrictive.

In Brazil, rains are making a comeback in the south-central region, which is suffering from water shortages. Harvesting of the earliest safrinha maize crops should begin in the north-central region. In Argentina, cold weather is limiting the spread of leafhoppers in late plots. By May 15, 25% of maize had been harvested, compared with an average of 34% by this date (2019-2023).

The Chinese government has published a maize import forecast of 13 Mt for 2024/25, compared with 19.5 Mt for the current campaign, citing a record harvest and lower needs for pig farming. However, this seems optimistic given the price differential with maize imported from the south of the country. In addition, the evolution of trade relations with the United States will be closely monitored, as Joe Biden has rekindled tensions by announcing increased taxation on many Chinese imports.

EUROPE: Dry weather in Black Sea

After last week's frosts, the return of dry weather over an area stretching from eastern Romania to Kazakhstan is causing concern in the Black Sea, particularly for wheat production. Rains are expected in Central Europe (Poland, Hungary...), which should alleviate the water deficit of recent weeks and help maize sowings.

In Ukraine, 91% of sowings had been completed by May 16. Prices are continuing to rise in the country, with stocks now limited.

EU cereals are seeing their competitiveness penalized by the euro's rise against the dollar.

To be monitored:

-War in Ukraine

-USA sowing

-Weather in the Black Sea

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