

# CORN Market



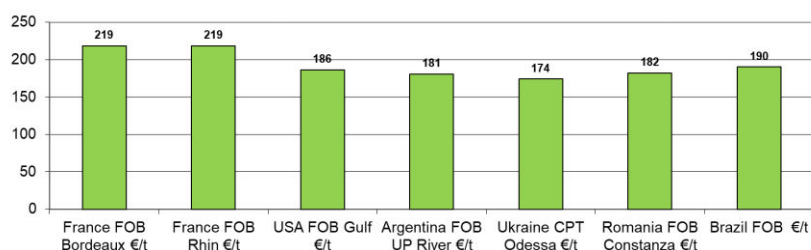
Weekly economic newsletter of the European Confederation of Maize Production

Week 22/2024

N°390

## Indicators

**FOB\* prices 24/05/2024 in €/t – May-June delivery (2023 harvest)**



	24/05	17/05
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	77,7	80,1
FOB Bordeaux*(€/t)	218,5	215
FOB Rhine* (€/t)	218,5	226

\*Fob price Bordeaux/Rhine including monthly increases

\*CPT price for Odessa

## WORLD: Weather continues to worry markets

From 17/05 to 24/05, the July delivery price in Chicago rose by \$5/t to \$183/t. After a sharp drop, maize prices consolidated in Chicago because of weather concerns and position adjustments before a long weekend, as the market closes on Monday due to Memorial Day.

In the United States, growers had caught up on their May 20 planting backlog, but heavy rains in the central Corn Belt last week - up to 150 mm in Iowa - pulled the brakes on planting. Further rain is expected this week. This situation could lead to some acreage shifts to soybeans in the future.

Last week, export contracts were in line with operators' expectations in the United States, with 911 Kt for the end of the campaign, a third of which is destined for China, and 305 Kt for 2024/2025.

Ethanol production has returned to the one million barrels/day mark since mid-May, and since the beginning of April, inventories have fallen by 2 million barrels to around 24 million barrels, a usual movement in this season marked by the resumption of automobile travel.

In its May report, the IGC revised world stocks for the current marketing year down by 3 Mt to 286 Mt. For the coming season, world production is revised down by 6 Mt (1220 Mt), consumption is revised up by 1 Mt (1225 Mt) and stocks are revised down by 10 Mt (281 Mt). The IGC notes that the reduction in wheat production, due to the vagaries of the weather, could benefit maize.

In Brazil, rains continued in the south-central region, while the north-central region remained dry. Safrinha maize harvests are beginning, which augurs well for an early export campaign. However, growers remain reluctant to sell due to price and yield prospects that are still uncertain. From 22/05, the Brazilian export program stood at 5.4 Mt, compared with 8 Mt at last year.

South American producers are also worried about the transformation of the El Niño phenomenon into La Niña, expected this summer. The latter is causing more intense and frequent droughts in maize-producing areas.

## EUROPE: Tariffs on Russian maize

Dry conditions persist in the Black Sea, from central Ukraine to Kazakhstan. Prospects for Russian wheat production continue to be revised downwards. Central Europe, affected by the onset of a water deficit, benefited from rain last week.

This week, EU Member States are expected to impose a prohibitive tariff of €94/t on imported Russian maize (356 Kt per campaign on average).

Spain bought 110 Kt of American maize for the end of the campaign last week, reflecting the reduced availability and higher prices in Ukraine, which have made American maize competitive on the European market.

### To be monitored :

- War in Ukraine
- Weather in Black Sea
- EU overview

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