CORN Market

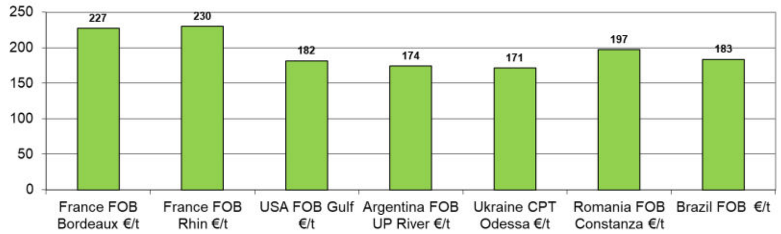
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 23/2024 **N°391**

Indicators

FOB* prices 31/05/2024 in €/t – May-June delivery (2023 harvest)



*CPT price for Odessa

	31/05	24/05
Parity €/$	**1,09**	1,08
Petrol $/barrel (NY)	**77**	77,7
FOB Bordeaux*(€/t)	**227**	218,5
FOB Rhine* (€/t)	**230**	218,5

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Agreement between China and Argentina

From 24/05 to 31/05, the July delivery price in Chicago fell by $7/t to $176/t. The pressure is on maize in Chicago as planting progresses rapidly in the United States, despite the sometimes-tricky weather.

In the United States, 89% of maize had been sown by May 26, compared with 82% on this date on average (2019-2023). This rapid progress in planting has reassured operators, and has raised questions about the possibility of an upward revision of maize acreage at the end of June in the USDA's next report on the subject.

Last week, export contracting in the US was in line with operators' expectations, with 810 Kt for the end of the campaign, and 188 Kt for 2024/2025. Ethanol production is holding steady at over one million barrels per day, and inventories continue to fall thanks to a good level of exports.

In Brazil, 2% of safrinha maize has been harvested. The production zone appears to be split in two, with good yields in the Center-North as a result of favorable weather conditions, while yields in the Center-South have deteriorated as a result of recurrent episodes of water shortage. The dry weather continues to prevail in the latter zone, penalizing the filling of late maize. At this stage, production estimates still vary widely from analyst to analyst, ranging from 110 to 125 Mt.

In Argentina, 30% of the crop had been harvested by the end of May. Producers are slowing down work to thresh maize to standard. The week was marked by the announcement of a sanitary agreement with China, which should enable the country to export maize to this destination as early as July. Argentina should quickly benefit from this, as local maize is currently the cheapest available in Asia.

China, one of the world's leading importers, is thus pursuing its policy of diversifying supplies, and now has access to exports from the world's 4 main exporters (USA, Ukraine, Brazil, Argentina). This accentuates competition on this market, to the detriment of American origin.

EUROPE: End of import campaign

The 2023/2024 European import campaign is entering its final month, and still marks a slowdown, with 16.7 Mt imported at the end of May, compared with an average of 19 Mt at that date (2019-2023). In its May report, the European Commission maintains its projection for the current campaign at 17.5 Mt. For 2024/2025, it estimates at this stage that 17.4 Mt of maize should be imported into the EU.

In the Black Sea, localized rainfall has alleviated the water deficit, but concerns remain high with the return of dry, hot weather, with temperatures expected to exceed 30°C between Ukraine and Russia.

To be monitored:

- War in Ukraine
- Tensions on wheat
- Drought in Mexico

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