CORN Market

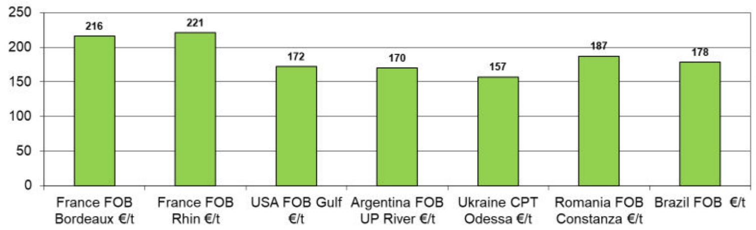
Weekly economic newsletter of the European Confederation of Maize Production

CEPM maiz'EUROP'

Week 28/2024 **N°394**

Indicators

FOB* prices 05/07/2024 in €/t – July-September delivery (2023 harvest)



*CPT price for Odessa

	05/07	28/06
Parity €/$	**1,08**	1,07
Petrol $/barrel (NY)	**83,2**	81,5
FOB Bordeaux*(€/t)	**216**	209
FOB Rhine* (€/t)	**221**	213

*Fob price Bordeaux/Rhine including monthly increases

WORLD: US maize acreage revised upwards

From 28/06 to 05/07, in a week shortened by Independence Day, the July delivery in Chicago fell by $4/t to $162/t. Maize prices fell by around $10/t at the end of June, as a result of better weather in the Corn Belt and an upward revision of acreage by the USDA. Against this backdrop, speculative funds resumed a marked net short position in Chicago maize.

In its acreage report of 28/06, the USDA revised US maize acreage upwards by 592 Kha (37 Mha) compared with the last estimates. While this revision had been expected by traders, the scale of it came as a surprise and put clear pressure on prices, breaking the support established in February 2024. This was accentuated by the publication of quarterly stocks as of June 1, which were also higher than expected, a sign of sluggish US demand. These data are likely to be carried over to the July results, to be published on 12/07, making US stocks even heavier. The rise in acreage could eventually be tempered by the major floods that hit the north-western Corn Belt in mid-June.

Maize in Chicago is also under pressure from the weather, which is generally good as flowering approaches. Rainfall at the end of the month partially offset the water deficit affecting the eastern Corn Belt. On 30/06, 11% of American maize was flowering, compared with 6% on average at that date, and 67% was in "good to excellent" conditions, down 2 points on the previous week.

In Brazil, 48% of safrinha maize had been harvested by 1 July, an extremely rapid pace. While producers are holding back somewhat in an uncertain political climate and in anticipation of better prices, Brazilian export competition is already strong and penalising American maize.

In Argentina, the harvest has accelerated in recent weeks, and with 63% of maize threshed by 03/07, it was back to its usual pace by that date.

In China, the heat wave is continuing in the north-east, but some rain has arrived to relieve the severe water deficit affecting this production zone.

EUROPE: European maize acreage revised downwards

The European Commission has revised EU maize acreage down by 472 Kha (8.61 Mha) compared with May. Its production estimate for 2024/25 has also been revised downwards by 3.8 million tonnes (64.8 million tonnes). At the end of June, European maize imports were estimated at 18.6 Mt, compared with an average of 20.2 Mt at the end of the campaign. For the 2024/25 season, maize imports are forecast by the European Commission to fall slightly to 17.4 Mt.

The water deficit continues in eastern Poland and Hungary. Accompanied by high temperatures, it is also marked on the Romanian and Bulgarian coasts, as well as in Ukraine and southern Russia. This situation is a cause for concern just as maize is about to start flowering.

To be monitored:
- War in Ukraine
- USDA Report
- IGC Report

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