

CORN Market



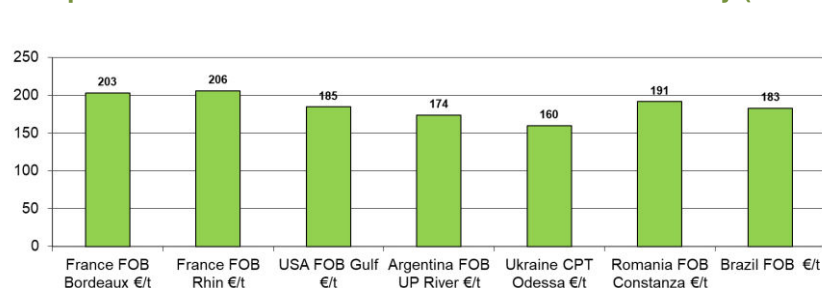
Weekly economic newsletter of the European Confederation of Maize Production

Week 37/2024

N°397

Indicators

FOB* prices 06/09/2024 in €/t – October-December delivery (2024 harvest)



	06/09	30/08
Parity €/€	1,11	1,11
Petrol \$/barrel (NY)	67,7	73,6
FOB Bordeaux*(€/t)	203	199
FOB Rhine* (€/t)	206	206

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Dry weather settles in South America

From 30/08 to 06/09, the December delivery price in Chicago rose by \$2/t to stand at \$160/t. As a result, US maize is back above the technical threshold of \$4/bushel, although this remains fragile. The upward momentum ran out of steam at the end of last week after profit-taking and as we awaited the USDA's monthly report. This is expected to confirm record yields and high stocks in the United States. The latest field surveys confirm an average yield very close to that announced by the USDA at the beginning of August (115 q/ha).

By 02/09, 19% of US maize had reached maturity, compared with 13% on average (2019-2023). The start of the harvest in September should put pressure on Chicago prices.

Last week, export contracts once again exceeded operators' expectations at 1.8 million tonnes. Logistics could once again come under pressure in the coming weeks. While the drought in Panama, which severely affected the canal in 2023/2024, is almost over, it is now the level of the Mississippi that is causing concern, due to the lack of rain in recent weeks in the Midwest. However, a hurricane is expected this week.

Ethanol production and stocks are still slightly above average for the date, but the sharp fall in oil prices could make ethanol less attractive. In New York, the price of a barrel of oil fell well below \$70 for the first time since mid-2023. This was due to major concerns about global growth, with poor macroeconomic figures in China, the United States and Europe.

In South America, the dry weather has settled over Argentina, where producers are waiting for rain before starting their early maize sowings. This is also the case in central Brazil, where soya planting is on hold. A delay could in turn postpone the sowing of safrinha maize until early 2025, exposing maize to greater risks of climatic hazards.

EUROPE: Imports slowing down

In its August balance sheet for the 2024/2025 marketing year, and compared with July, the European Commission revised EU maize production down slightly by 1.2 million tonnes (61.6 million tonnes). Imports are projected to remain stable at 17.9 Mt. As of 02/09, the EU had imported 3.5 Mt, compared with an average of 3.3 Mt on that date. The summer was marked by significant Ukrainian arrivals, reflecting the execution of the latest contracts for 2023 production. With Ukrainian stocks exhausted, imports have tended to slow down since the end of August, and Brazilian imports have resumed their usual presence during the lean season.

In Ukraine, 2% of maize has been harvested, and the first plots are confirming the poor yields expected as a result of the summer drought.

The ECB is expected to cut its key interest rates by 25 basis points on 12/09, which should boost the competitiveness of European cereals.

To be monitored:

- War in Ukraine
- USDA Report
- ECB

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