

CORN Market



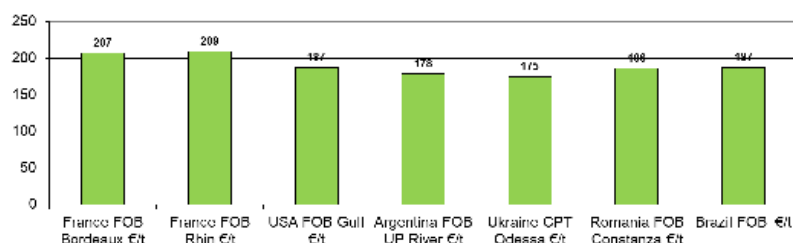
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2024

N°400

Indicators

FOB* prices 27/09/2024 in €/t – October-December delivery (2024 harvest)



	27/09	20/09
Parity €/€	1,12	1,12
Petrol \$/barrel (NY)	68,18	71,9
FOB Bordeaux*(€/t)	207	204
FOB Rhine* (€/t)	209	213

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Harvest puts pressure on US prices

From 20/09 to 27/09, the December delivery price in Chicago rose by \$7/t to \$165/t. This sharp rise is due to climatic (South America and Black Sea) and geopolitical (Middle East and Ukraine) concerns. This unstable context is prompting non-commercial funds to take more cautious positions by reducing their short exposure.

The week will be marked by the publication, this Monday, of quarterly maize stocks as at September 1 by the USDA. These correspond to stocks at the end of the 2023/24 season, and therefore to stocks at the start of the 2024/2025 season. They are currently expected at 46 Mt, but could be revised downwards again, which would be a positive factor for prices, given the good momentum of export demand and ethanol production in 2023/24.

Last week in the United States, export contracts reached 535 Kt, below operators' expectations. Export sales are slowing down again as Chicago prices firmed in September. Ethanol production also stalled, falling below the one million barrels per day mark, which is typical of the end-of-summer period and the reduction in large-scale travel in the United States. Despite the war in Lebanon, oil prices fell back below \$70/t, following Saudi announcements suggesting an increase in production.

In Brazil, dry weather persisted in the central-western region, while the beginning of October traditionally marked the start of soybean planting. The drought is also affecting watercourses, such as Argentina's Paraná, which is raising export costs via the northern Amazon arc, which accounted for 42.5% of Brazil's maize exports in 2023. In Argentina, as of May 25, 10.5% of maize had been sown, slightly below the average for this date. Here too, producers are awaiting the arrival of rains in October to speed up planting.

EUROPE: Cereals penalized by the euro

Dry weather continues to prevail in the Black Sea, causing concern on the markets. In Ukraine, due to the summer drought, the government has revised maize production downwards to 25.8 Mt, but this still exceeds operators' expectations. Against this backdrop, the price of maize in Odessa is now approaching \$200/t, while export demand remains strong. Planting of winter crops is slowing down at this stage due to the lack of rain. This slowdown is even more marked in Russia, where wheat sowings are the slowest in 11 years, at just over 8 Mha to date, due to the drought.

In its September balance sheet, compared with August and for the current campaign, the European Commission revised European production down by 1.5 Mt (60.1 Mt) and imports up by just under 2 Mt (19 Mt). As at 23/09, the EU had imported 4.7 Mt of maize, compared with an average of 4.5 Mt at that date.

To be monitored :

- War in Ukraine
- American stocks
- Chinese imports