

# CORN Market



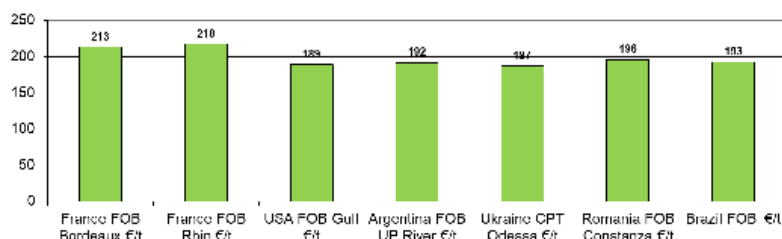
Weekly economic newsletter of the European Confederation of Maize Production

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## Indicators

### FOB\* prices 18/10/2024 in €/t – October-December delivery (2024 harvest)



	18/10	11/10
Parity €/€	1,08	1,09
Petrol \$/barrel (NY)	69,2	75,6
FOB Bordeaux* (€/t)	213	215
FOB Rhine* (€/t)	217,5	216

\*Fob price Bordeaux/Rhine including monthly increases

\*CPT price for Odessa

## WORLD: Harvest puts pressure on US maize

From 11/10 to 18/10, the December delivery price in Chicago fell by \$4/t to \$159/t. U.S. maize is again losing ground as non-commercial funds strengthen their short positions in the context of a rapid harvest and the return of rains in South America. However, good export performances enabled maize to bounce back over the \$4/bushel resistance (\$157/t) at the end of the week in Chicago.

As of 10/13, 47% of US maize had been harvested, compared with 39% on average at that date. The harvest is one of the fastest of the last 10 years, thanks to persistent dry weather in the Corn Belt.

Last week in the United States, export contracts reached 2.23 million, exceeding operators' expectations. The USDA also announced an exceptional sale of 1.6 Mt to Mexico. American maize thus confirms its competitiveness on the world market, particularly in relation to Brazil, Europe and Asian markets. For example, the recent South Korean tender preferred American maize to Brazilian maize, which is subject to higher logistical costs. Exporters find it difficult to compete with domestic users, particularly ethanol manufacturers. However, the logistical situation in the United States remains to be monitored, with low water levels in the Mississippi due to the lack of rain.

In Brazil, the rains are enabling soybean planting ahead of safrinha maize to advance rapidly. According to CONAB, as of 10/13, 29% of safra maize had been sown, and acreage is set to decline for the 3rd year running to 3.8 Mha

(-200 Kha over one year). Drought continues to affect waterways, and two tributaries of the Amazon were closed to shipping, forcing maize to be redirected to the more expensive ports in the south of the country.

In Argentina, the rains have accelerated early corn planting. By 10/17, 24% of maize had been sown, a figure now close to the average.

The Chinese government announced its 3rd stimulus plan. The impact on maize demand will be closely monitored, as local operators are reporting lower-than-expected yields, and the USDA recently revised its forecast for Chinese imports (19 Mt) downwards by 2 Mt.

## EUROPE: ECB anticipates rate cut

The ECB cut rates for the second time in two months, by 25 points, against a backdrop of pronounced economic slowdown and subdued inflation. This led to a fall in the value of the euro, boosting the competitiveness of European cereals.

Nevertheless, European cereals came under pressure last week as rains returned to Ukraine and southern Russia.

In Ukraine, 59% of maize had been harvested by 10/17. Operators are now reporting slightly better-than-expected yields.

### To be monitored:

- IGC report
- Ethanol Brazil
- Black Sea demand

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