

CORN Market



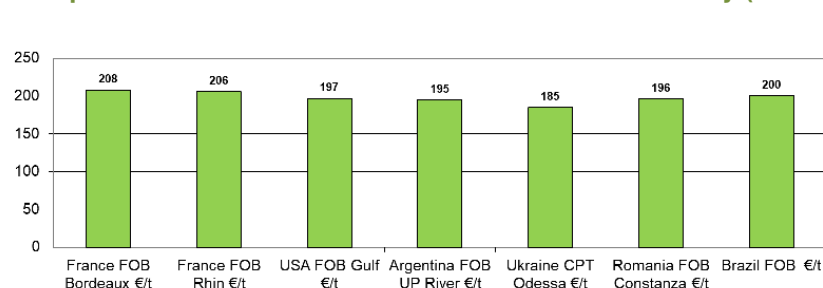
Weekly economic newsletter of the European Confederation of Maize Production

Week 44/2024

N°404

Indicators

FOB* prices 25/10/2024 in €/t – October-December delivery (2024 harvest)



	25/10	18/10
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	71,8	69,2
FOB Bordeaux*(€/t)	208	213
FOB Rhine* (€/t)	206	217,5

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Near-record export sales in the United States

From 18/10 to 25/10, the December delivery price in Chicago rose by \$4/t to \$163/t. US maize wiped out its loss of the previous week thanks to extremely buoyant export sales, which countered the downward trend linked to the rapidly advancing harvest. The gap with upcoming maturities is also narrowing, a sign of this strong demand.

By 20/10, 65% of US maize had been harvested, compared with 52% on average at that date.

Last week in the United States, export contracts reached 3.6 Mt, exceeding operators' expectations for the second week running. This marks one of the best sales weeks in the last 20 years, a sign of very strong export demand for US maize, which could eventually reduce stocks. The usual buyers, notably Mexico, are taking advantage of the grain's excellent competitiveness to make massive purchases. China is also present with a purchase of 16 Kt of American maize, a first for the 2024/25 campaign. However, China could also be one of the buyers not identified by the USDA, who have stepped up their purchases in recent weeks. There has also been a return of rain to the American Midwest, which should help to raise the level of the Mississippi, which has been affected by drought.

US ethanol production also remains buoyant, driven by record export figures. The Israeli bombing of Iran explicitly avoided oil production, so the price of a barrel of oil did not soar.

In its monthly report for the 2024/25 marketing year, the IGC left world production stable (1224 Mt) and revised world consumption upwards by 1 Mt to a new record (1231 Mt). At 279 Mt, world stocks are at one of their lowest levels for 10 years.

In Brazil, President Lula recently passed a law raising the target for incorporating ethanol into petrol from 30% to 35%. Maize ethanol production has risen sharply in recent years, to complement sugarcane ethanol, and now accounts for 20% of national production. The industry currently consumes around 15 Mt of maize, competing with the export market. This figure is set to double in the long term, with 20 plants under construction or planned, compared with 22 in operation to date.

EUROPE: Demand is growing in the Mediterranean

Demand for maize is set to strengthen in the Mediterranean region with the announcement of a reduction in customs duties in Turkey on a quota of 1 Mt to stabilise domestic prices, while Egypt is considering incorporating maize flour into subsidised bread to limit the growth of its wheat imports.

In Ukraine, freight prices have risen slightly (by \$2-3/t) as a result of the latest Russian attacks. After rising for several months, the price of Ukrainian maize delivered to Odessa has fallen slightly, reflecting the advanced stage of the harvest and a fall in demand.

To be monitored:

- US elections
- Sowing South America
- EU outlook