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### Domestic Market Updates:

- Throughout the day, price remains rangebound in most of the market. Amid, decreasing of arrivals in Gulabbagh, Bihar and Khanna, Punjab market.
- Maize sowing in South Indian states has increased this year by 20 to 25% and the shifting happening from Turmeric crop. However, the only issue is dry weather condition in Maize growing belts, and if there is no rainfall in next 8 to 10 days, crop may get dried. If rains occur, prices may come down July onward again.
- Stock stored from Kharif crop is almost exhausted while supply from Bihar for South India is halted now. However, it is being fulfilled from UP, Punjab and Haryana. Market has recovered to some extent and it may move further up if overall kharif area decreases and dry spell continue in maize growing belts in Andhra Pradesh and Telangana.
- As per IMD's projection the overall four-month season will receive an average amount of rainfall. However, June witnessed a 10% deficiency in rainfall across India, with certain states experiencing a much larger deficit of up to 60% compared to the normal levels. As a result of the delayed onset of the monsoon and its slow progression until the third week of June, mainly due to the impact of the severe cyclone Biparjoy, many regions in the country are in dire need of substantial rainfall in July.
- MARKFED procured 2.77 Lakh quintals of maize in Telangana's Warangal district at MSP of Rs 1,962 per quintal, resulting in a total value of Rs 54.40 crore. This procurement of maize has been started from the current rabi season with the establishment of 31 procurement centers, they have efficiently completed the procurement process in the district under the supervision of MARKFED.
- As per NFSM GOI data, kharif Maize sowing reached up to 7.6 Lakh Ha. till 23rd June, 2023 which is down by 22% as compare to same time last year.
- The Cabinet Committee on Economic Affairs (CCEA) has released the final MSP for the crop year 2023-24 ( July-June). MSP for maize this year is Rs. 2090/quintal which is higher by Rs. 128 than previous year's MSP of Rs. 1962 per quintal. Agriwatch expects that this increase in MSP will encourage farmers to increase sowing area under maize hence, resulting in overall acreage.
- As per trade sources, in Bihar, local buying for maize is there from stockiest and private players but currently there is subdued demand from other states, however, it is expected that after 15-20 days demand from other states might increase.

- As per trade sources, there is subdued demand persisting in Naugachia market of Bihar from all sectors, due to which market prices are stable there. However, maize crop from Khagaria line is expected to arrive in the markets in next 15-20 days due to which prices might go down by Rs. 100-200 per quintal.
- As per the 3<sup>rd</sup> Advance Estimates of agricultural year 2022-23, by the Ministry of Agriculture and Farmers Welfare, the total production of maize has been revised upto 359.13 LMT which is 3.75% higher than the 2<sup>nd</sup> advance estimate which was 346.13 and a significant increase of 21.83 LMT compared to the last year.
- According to traders and exporters, there is a persistent lack of demand for Indian corn (maize) in the global market, despite a notable decline in prices by \$15 per tonne over the last month. Export prices for corn have decreased by approximately 15 percent since April 1<sup>st</sup>. This subdued demand is occurring in conjunction with corn prices remaining below the minimum support price (MSP) of ₹1,962 per quintal. It is noteworthy that the international market has experienced a softening trend, as evidenced by declining prices in Argentina and South America.
- As per the press release issued by the Indian Meteorological Department (IMD), it has been projected that the commencement of the Southwest Monsoon over the mainland region, specifically in Kerala, is expected to be postponed compared to the usual onset date. The anticipated date for the onset of the Southwest Monsoon over Kerala is forecasted to be around the 4<sup>th</sup> of June, 2023, with a model error margin of plus or minus four days.
- In one day, National seminar on Maize to Ethanol, Hon'ble Minister Shri Goyal ji talked about fundamental issues behind maize to ethanol conversion. Although the production of maize in the country has been stable, the low demand for this crop has resulted in farmers receiving inadequate prices for their produce. The utilization of maize for ethanol production presents a potential solution to this issue, as it could increase the demand for maize and lead to improved prices for farmers. While current export demand has caused maize prices to rise, the general market price of maize remains below the Minimum Support Price (MSP), thereby discouraging cultivation of this crop. Ethanol production could provide consistent demand for maize, ensuring better prices for farmers and potentially encouraging greater cultivation of this crop, which has a lower water consumption rate than paddy.

### Spot Prices at Key market

| Centre     | Grade | Prices (Rs. /qtl) |           |        | Arrivals in Quintal |           |        |
|------------|-------|-------------------|-----------|--------|---------------------|-----------|--------|
|            |       | 04-Jul-23         | 03-Jul-23 | Change | 04-Jul-23           | 03-Jul-23 | Change |
| New Delhi  | 1950  | 1950              | 1950      | Unch   | NA                  | NA        | -      |
| Koppal     | 2260  | 2260              | 2260      | Unch   | 3000                | 3000      | Unch   |
| Davangere  | 2300  | 2350              | 2300      | 50     | 300                 | 420       | -120   |
| Ranebennur | NR    | NR                | NR        | -      | NR                  | NR        | -      |
| Bagalkot   | 2170  | 2201              | 2170      | 31     | 304                 | 586       | -282   |
| Gadag      | NR    | NR                | NR        | -      | NR                  | NR        | -      |
| Hubli      | NR    | NR                | NR        | -      | NR                  | NR        | -      |
| Shimoga    | 2000  | NR                | 2000      | -      | NR                  | 30        | -      |
| Nizamabad  | 2000  | 2000              | 2000      | Unch   | NA                  | NA        | -      |
| Karimnagar | 0     | NA                | NA        | -      | NA                  | NA        | -      |
| Khammam    | 0     | NA                | 1750      | -      | NA                  | 2         | -      |
| Sangli     | 2339  | 2354              | 2339      | 15     | NA                  | NA        | -      |
| Naugachia  | 2000  | 2000              | 2000      | Unch   | 1000                | 1000      | Unch   |
| Kolkata    | 1900  | 1900              | 1900      | Unch   | NA                  | NA        | -      |
| Gulabbagh  | 1950  | 1950              | 1950      | Unch   | 20000               | 24000     | -4000  |
|            | 2200  | 2200              | 2200      | Unch   |                     |           |        |
| Ahmedabad  | 2200  | 2150              | 2200      | -50    | 4000                | 4000      | Unch   |
|            | 2100  | 2100              | 2100      | Unch   |                     |           |        |
| Khanna     | 1750  | 1750              | 1750      | Unch   | 12000               | 13500     | -1500  |
|            | 1820  | 1820              | 1820      | Unch   |                     |           |        |
| Ludhiana   | 1800  | 1800              | 1800      | Unch   | 20000               | 20000     | Unch   |
|            | 1850  | 1850              | 1850      | Unch   |                     |           |        |
| Jalgaon    | NA    | NA                | NA        | -      | NA                  | NA        | -      |
| Chhindwara | 1825  | 1825              | 1825      | Unch   | NA                  | NA        | -      |

### International Market Updates:

- According to the U.S. Department of Agriculture (USDA), 70% of crop production in the United States is located in drought-affected regions due to highly unfavorable crop conditions and reporting that 70% of crop production in the United States is located in drought-affected regions, the crop remains at significant risk of yield losses.
- Brazil, the second-largest global producer of ethanol, has witnessed a notable surge in the establishment of ethanol processing facilities in the Center-West region. While sugarcane remains the primary feedstock for ethanol production in Brazil, there is a growing trend of constructing corn ethanol plants in states like Mato Grosso, Mato Grosso do Sul, and Goiás. This shift is attributed to the rapid expansion of corn cultivation during the past decade in these

regions. The increasing annual corn harvest, coupled with the anticipated rise in ethanol demand both domestically and internationally, are the key driving forces behind the rapid expansion of ethanol processing plants.

- Over the next two weeks, a series of rainstorms is predicted in the southern and central Midwest. These rainfall events have the potential to stabilize or improve the deteriorating crop conditions that have been occurring for weeks. Furthermore, they will replenish the soil moisture just in time for the critical pollination period of the corn crop, which is expected to take place in late July.
- Corn prices experienced a further decline due to rainfall in the central regions of the US corn belt, which has been severely affected by drought. The speculative gains observed in June have entirely diminished.
- The ongoing harvest of Brazil's record-breaking second corn crop in Mato Grosso is progressing, with the challenge of high moisture in the grains, which is expected to extend the harvest into July and August. The estimated production of 46 million tons is influencing the pace of harvesting and logistical operations.
- Corn harvesting in Brazil continues at a slower pace compared to the previous year; however, the upcoming hot weather will facilitate accelerated progress. This situation exerts additional pressure on stock prices, as they remained unaffected yesterday despite the worsening condition of crops in the United States.
- According to USDA, there was a 5% decline in the proportion of corn crops rated as good or excellent in the United States, currently standing at 50% (compared to 67% last year). In Illinois, which is situated at the heart of the corn belt, only 26% of the crops are considered to be in good condition, while in Michigan, that number is 28%.
- Even with rainfall over the weekend in the northern Corn Belt, the quality of U.S. corn and soybean crops is currently at the second-lowest level ever recorded. Persistent drought conditions have led to significant declines in key areas of the Corn Belt on a weekly basis, just as the corn crop enters a crucial developmental stage.
- As reported by USDA-NASS, the overall condition ratings for corn across the country dropped to just 50% in the good to excellent category this week. This marks a five-point decline within a week, indicating that this year's corn crop has only been rated worse once before in history, which was in 1988.
- According to the Crop Estimates Committee (CEC), South African farmers projecting to increase of 5.7% in maize harvest for the 2022-23 season compared to the previous season. The CEC's

third summer crop forecast anticipates a harvest of 16.35 million tonnes for 2023, representing a rise from the 15.47 million tonnes harvested in the previous season.

- The Mexican government has implied a 50% tariff on imports of white corn, showing a move towards policies and a desire to prevent genetically modified grain from entering the country's tortilla production. This decision follows a six-month period during which duties were waived, and is intended to address inflationary concerns.
- Certain regions within the U.S. Corn Belt have experienced prolonged periods of aridity over the past month, exerting strain on the well-being of corn and soybean crops. This situation presents an initial obstacle to the government's ambitious projections for record yields. Presently, approximately 64% of the U.S. corn crop is reported to be in good or excellent condition, reflecting a decline from the previous week's figure of 69% and falling below the lowest estimation by industry experts, which stood at 65%.
- The Korea Feed Association (KFA), based in South Korea, recently acquired approximately 68,000 tonnes of animal feed corn through a private transaction on Tuesday. The corn is expected to be sourced from either South America or South Africa. Notably, the procurement was carried out without the issuance of an international tender. The purchase was made by the KFA's Busan section from trading house Viterra at an approximate price of \$258.75 per tonne cost and freight (c&f), in addition to a surcharge of \$1.25 per tonne for supplementary port unloading services. The delivery of the corn to South Korea is scheduled for around October 20<sup>th</sup>.
- As per trade sources, the export of Brazilian maize is expected to gather momentum from June onwards with the harvest of this year's second maize crop, commonly known as "safrinha." Given the substantial harvest in Brazil, this year's exports are likely to be priced lower than those of other exporters. As the largest maize importer globally, China stands to benefit from the affordability of Brazilian maize and has already cancelled orders for more expensive imports from the US. In November 2022, China lifted the ban on the import of Brazilian maize due to phytosanitary concerns, further paving the way for increased imports from Brazil.
- On 4<sup>th</sup> May, 2023, a rare cargo of 55,000 mt South African corn arrived at Machong port, surpassing all previous imports from that origin to China, as per trade sources. The cargo was booked a month or two ago and was deemed attractive for shipment dates, although South American corn is currently winning the competition. South Africa was approved for corn imports by China years ago, but only 37,800 mt was imported in the past decade. State company Cofco held a ceremony to mark the occasion, and more such shipments can be expected as Cofco has signed a yearly committed volume with South Africa. Additionally, China has widened its list of approved import origins, including Brazil, from which 3.8 million mt of corn was imported

between November 2022 and February 2023. South Africa expects a bumper corn crop of 15.89 million mt in 2023/24 MY, 12% higher than the five-year average result.

- As per May,23 WASDE report, the corn crop is anticipated to reach a historic milestone of 15.3 billion bushels, marking a notable surge of over 10 percent compared to the previous year, attributable to expanded acreage and enhanced yield rates. This projection for yield, standing at 181.5 bushels per acre, takes into account weather patterns adjusted to reflect the customary progress of planting and the weather conditions during the summer growing season. These estimates are derived from historical data spanning the years 1988 to 2022. With a slight increase in beginning stocks, the total corn supplies are forecasted to reach 16.7 billion bushels, a level not seen since the 2017/18 period.
- According to the latest report, corn exports for March reached 803.219 metric tons, a significant increase of 695.987 metric tons from the previous year's shipment of 107.232 metric tons. In February, exports hit 1.9 million metric tons, meeting the projected level and exceeding last year's shipment of 532,342 metric tons by 1.4 million metric tons. Japan was the primary purchaser, accounting for 23% of the volume, followed by Vietnam (10%), South Korea, and Colombia (9%). China received 8% of the exported volume. Cumulatively, January and February saw shipments of 486,500 metric tons and 70,000 metric tons, respectively.
- The Corn export for the week ending June 22 amounted to 542,727 metric tonnes. The cumulative inspections year-to-date stand at 32,477,480 metric tonnes, which is 31.5% lower compared to the previous year. This accounts for 72.0% of the USDA's projected total for the 2022-23 marketing year, in contrast to the five-year average of 76.8%.
- Closing price of Corn on CBOT up by \$1.08 to 219.38 USD per MT as compared to previous day's closing price for Jul-23 contract.

| CBOT Corn Daily Futures Price Listing (USD/MT) as on 29 <sup>th</sup> June 2023 |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| Contract Month  | Open   | High   | Low    | Close  | Change |
| Jul-23  | 219.87 | 223.71 | 217.81 | 219.38 | 1.08   |
| Sep-23  | 191.43 | 196.45 | 190.25 | 192.12 | -0.20  |
| Dec-23  | 193.79 | 198.81 | 192.41 | 194.28 | -0.49  |
| Mar-24  | 197.83 | 203.24 | 197.04 | 198.61 | -0.79  |
| May-24  | 201.66 | 205.90 | 199.89 | 201.17 | -0.98  |

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