

### Domestic Market Updates:

- Spot prices remained almost steady at most of the significant markets. Local maize and bilty maize prices went down by 30 and 20 respectively whereas Davangere market remained closed today.
- As per sources, weather issues have reduced the quality of Ukraine's corn crop. Ukraine is now in the middle of a protracted winter harvest. Large temperature changes make it difficult for farmers to work and reduce quality of maize thus calculating probable weather-related losses by 10% or 15%. Last month, it was claimed that due to a decrease in the harvestable land brought on by Russia's invasion, Ukraine's maize production could drop from 41.9 million tonnes in 2021 to 22–23 million tonnes in 2022.
- As of data released on 20<sup>th</sup> January, 2023 by India's Agriculture Department, GOI indicates that the country would have somewhat more Rabi Maize land covered this year than at the same time last year. Maize has currently been planted on 21,09 lakh hectares (ha), or around 18.87% more land, than at this time last year, when 17,74 lakh hectares were used for this purpose.
- As per reports, the maize harvest has accelerated in the Tirupur district's Udumalai and Kudimangalam districts of Tamil Nadu, and farmers there are distressed as a result of the decline in prices. The price of maize is low in local markets when it is purchased in large quantities by chicken feed producers from other states like Bihar, Andhra Pradesh, Karnataka, etc. However, the yield in those states dropped last season for a variety of reasons, including rain damage. Maize commanded high prices in the neighborhood markets as a result. Due to the extensive harvesting taking place in the region, the availability of resources has grown and the price has begun to decline. Currently, a quintal of maize worth Rs. 2,800 is available for Rs. 2,300. Farmers worry that prices may decrease further if the supply rises because the harvest has only just begun.

### Spot Prices at Key market

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		28-Jan-23	27-Jan-23	Change	28-Jan-23	27-Jan-23	Change
New Delhi	Hybrid	2400	2420	-20	NA	NA	-
Koppal	Loose	2190	2190	Unch	500	500	Unch
Davangere	Loose	Closed	2200	-	Closed	300	-
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	2100	-	NR	88	-
Gadag	Local	NR	2065	-	NR	11	-
Hubli	Local	2120	2139	-19	15	9	6

<b>Shimoga</b>	Hybrid/Local	NR	2233	-	NR	289	-
<b>Nizamabad</b>	Bilty	Closed	NR	-	Closed	NR	-
<b>Karimnagar</b>	Local	NA	NA	-	NA	NA	-
<b>Khammam</b>	Local	NA	NA	-	NA	NA	-
<b>Sangli</b>	Feed	2339	2339	Unch	NA	NA	-
<b>Naugachia</b>	Bilty	2400	2400	Unch	NA	NA	-
<b>Kolkata</b>	Mill Delivery	2600	2600	Unch	NA	NA	-
<b>Gulabghagh</b>	Local	2350	2380	-30	3000	2000	1000
	Bilty	2630	2650	-20			
<b>Ahmedabad</b>	Feed	NR	NR	-	NR	NR	-
	Starch	NR	NR	-			
<b>Khanna</b>	Local	2400	2400	Unch	900	750	150
	Bilty	2500	2500	Unch			
<b>Ludhiana</b>	Local	NA	NA	-	NA	NA	-
	Bilty	NA	NA	-			
<b>Jalgaon</b>	Bilty	2500	2500	Unch	2600	2600	Unch
<b>Chhindwara</b>	Loose price	NA	2167	-	NA	2167	-

### International Market Updates:

- China imported 870,000 t of corn from Brazil in December, bringing the total for 2022 down to 20.62 Mt from 28.4 Mt the year before. Brazil, the second-largest exporter in the world, is adding to the diversification of Chinese purchasing channels. China had previously relied on the US and Ukraine to supply the majority of its maize import needs, but these relationships are now shaky due to the conflict in Ukraine and the difficult state of relations with the US. Brazil's inclusion on the shopping list will reduce geopolitical risk and improve supply security. With Brazil in the southern hemisphere and China in the northern, the harvest windows are also quite favourable, greatly reducing seasonality problems.
- U.S. Maize exports have reached at 11.09 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.71 MMT for the period of 5<sup>th</sup> January 2023 to 12<sup>th</sup> January 2023. Exports of 715,700 MT were up 85 percent from the previous week, but down 8 percent from the prior 4-week average. The destinations were primarily to Mexico (290,500 MT), China (275,400 MT), Japan (55,500 MT), Costa Rica (32,300 MT), and Canada (24,300 MT).
- As per latest WASDE report released on 12<sup>th</sup> January, 2023, the projection for 2022–2023 shows decreased production, food, seed, and industrial (FSI), feed, residual use, exports, and ending stocks for U.S. corn. A 1.6-million-acre reduction in harvested area more than offset an improvement in yield, bringing the expected corn production down by 200 million bushels to

13.730 billion bushels. Reduced by 185 million bushels to 13.915 billion, total corn consumption. Due to the poor rate of shipping through December, exports are decreased by 150 million bushels to 1.925 billion. Corn stocks for 2022–23 is reduced by 15 million bushels because supply is decreasing faster than consumption. China's corn production is expected to expand, somewhat offsetting Argentina and Brazil's losses in foreign corn production. Argentina's production is down due to decreases in area and yield brought on by heat and dry conditions in December and early January that dampen maize planting prospects in the country's important central growing regions. Due to the dry circumstances for first-crop corn in several areas of southern Brazil, Brazil's corn production for 2022–2023 has been reduced. According to the most recent area and yield data, corn production in China is greater.

- As per news reports, in 2023, the world corn market is expected to see a period of elevated prices as the conflict in Ukraine continues to hinder the nation's capacity to export grain. Industries like the animal feed sector maintain a steady demand for the commodity. Although production has grown by about 11% over the past five years, it has not yet caught up to demand, which is currently at 14%. Late planting in the United States and dry weather in Latin America, which could damage their maize production, are further causes of price increases. The U.S. and China both have increasing demand. Only 126,727 MT of corn were purchased by China from Ukraine as compared to 1.26 MT in 2021. Between January and May, grain shipments to China from all origins decreased by 2.9%. The disruption of Ukraine's grain exports also had an impact on prices. 15% of the world's grain exports come from this nation. The Black Sea route, which has been severely disrupted by the war, was used to ship the majority of the corn. Road and rail lines to Europe have far lower shipping capacities.
- According to a contract that China and the Republic of Brazil signed in 2022, China has now received its first supply of grain. 68 thousand tonnes of the produce were just delivered to Guangdong province in safety (South China).
- According to news reports, following a decline in the maize production due to drought, Kenya's imports of are now more than doubled to 519,611.30 tonnes in the first nine months of 2022. During the same time period last year, the nation imported 214,100.9 tonnes of maize. This is the country's largest import of maize since 2017. The lack of the dietary staple has caused retail prices of maize flour to soar, leaving 5.1 million people in need of food assistance.
- According to reports, a record maize crop in Brazil is anticipated to be harvested in 2022–2023, which typically drives down prices, but the forecast of strong demand on global markets points to continued port differentials. With an expected increase in planted area to 22.3 ha from 21.6 ha, the overall corn crop for 2022–23 is predicted to be 125.8 MT, significantly higher than the

estimated 113.1 MT for the crop in 2021–22. Brazilian corn exports are predicted by market participants to reach 44–46 MT in 2023.

- Closing price of Corn on CBOT went down by 0.89 USD to 265.64 USD per MT as compared to previous day's closing price for Mar-23 contract.

CBOT Corn Daily Futures Price Listing (USD/MT) as on 27 <sup>th</sup> January 2023					
Contract Month	Open	High	Low	Close	Change
Mar-23	266.42	268.10	265.24	265.64	<b>-0.89</b>
May-23	265.74	267.31	264.65	265.05	<b>-0.79</b>
Jul-23	261.41	262.98	260.91	261.11	<b>-0.59</b>
Sep-23	239.06	240.15	237.78	237.98	<b>-1.38</b>
Dec-23	232.77	233.75	231.39	231.49	<b>-1.28</b>

### Outlook and Recommendation:

- Arrivals from late kharif crop have started in Tamil Nadu which will lead to correction of prices.
- In many mandis prices are going down due to low demand and tight supply as well as the inferior quality of maize is also responsible for it.
- However, on the long run, prices will only subside by end of march to beginning of May.
- Exports also are on the weaker side due to disparity even with the neighboring countries.

### Disclaimer

*The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2023 Indian Agribusiness Systems Ltd.*