

### Domestic Market Updates:

- Spot prices remained rangebound at most of the significant markets. Prices at Gulabgh and Davangere remained unchanged today.
- As per the 2<sup>nd</sup> advance estimates of production of major agricultural crops released by the Union Ministry of Agriculture and Farmers Welfare on 14<sup>th</sup> February, 2023, the production of maize has been revised to 34.61 MMT up from the target of 33.2 MMT. Rabi maize production revised up from the target of 10.1 MMT to 10.78 MMT due to increased acreage in key rabi maize producing states amid favourable weather conditions whereas kharif maize production has been also revised from the target of 23.10 MMT to 23.83 MMT.
- As of latest data released on 2<sup>nd</sup> February, 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 22.67 lakh hectares (ha), or around 16% more land, than at this time last year, when 19.48 lakh hectares were used for this purpose.
- 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 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		
		25-Feb-23	24-Feb-23	Change	25-Feb-23	24-Feb-23	Change
New Delhi	Hybrid	2300	2340	-40	NA	NA	-

<b>Koppal</b>	Loose	2170	2170	Unch	2000	2000	Unch
<b>Davangere</b>	Loose	Closed	2150	-	Closed	300	-
<b>Ranebennur</b>	Hybrid/Local	NR	NR	-	NR	NR	-
<b>Bagalkot</b>	Hybrid/Local	NR	2120	-	NR	240	-
<b>Gadag</b>	Local	NR	NR	-	NR	NR	-
<b>Hubli</b>	Local	NR	NR	-	NR	NR	-
<b>Shimoga</b>	Hybrid/Local	NR	NR	-	NR	NR	-
<b>Nizamabad</b>	Bilty	Closed	NA	-	Closed	NA	-
<b>Karimnagar</b>	Local	NA	NA	-	NA	NA	-
<b>Khammam</b>	Local	NA	NA	-	NA	NA	-
<b>Sangli</b>	Feed	2336	2341	-5	NA	NA	-
<b>Naugachia</b>	Bilty	2150	2150	Unch	NA	NA	-
<b>Kolkata</b>	Mill Delivery	2500	2500	Unch	NA	NA	-
<b>Gulabghat</b>	Local	2250	2250	Unch	1000	3000	-2000
	Bilty	2550	2550	Unch			
<b>Ahmedabad</b>	Feed	Closed	NA	-	Closed	NA	-
	Starch	Closed	NA	-			
<b>Khanna</b>	Local	2200	2200	Unch	900	900	Unch
	Bilty	2275	2275	Unch			
<b>Ludhiana</b>	Local	NA	NA	-	NA	NA	-
	Bilty	NA	NA	-			
<b>Jalgaon</b>	Bilty	NA	NA	-	NA	NA	-
<b>Chhindwara</b>	Loose price	2165	2165	Unch	50	50	Unch

### International Market Updates:

- A few African nations are now looking for the coarse cereal, creating a fresh demand for India's corn (maize) exports, which have somewhat decreased over the past few days. Due to low freight costs, African nations, especially those in the east, are trying to import corn from India.
- U.S. Maize exports have reached at 13.67 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.67 MMT for the period of 2<sup>nd</sup> February 2023 to 9<sup>th</sup> February 2023. Exports of 670,500 MT were up 70 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to Mexico (386,000 MT), Saudi Arabia (73,500 MT), Guatemala (41,000 MT), El Salvador (35,800 MT), and Japan (35,600 MT)
- Argentina's agricultural output has been negatively impacted by a historic drought due to extreme temperatures brought on by global warming. Argentina, a major food exporter, has recently seen a string of heatwaves that, when paired with a persistent water constraint, have caused analysts to drastically lower their projections for the main crops of the country—soybeans, maize, and

wheat. But the La Nina weather phenomenon, which involves a cooling of the equatorial Pacific and lower rainfall in some areas of Argentina, can be used to explain the water deficit.

- As per February, 2023 WASDE report, Brazil, Ukraine, Paraguay, Turkey, and Indonesia are expected to export more corn than Argentina. Based on observed shipments to date, Brazil's exports are increased for the marketing year beginning in March 2022, while Argentina's exports are decreased. The EU will import more corn in 2022–2023, somewhat offsetting losses in Indonesia and Malaysia. In comparison to last month, foreign corn ending stocks are down, with decreases for Ukraine and Indonesia partially offsetting rises for Brazil and Canada. With 295.3 million tonnes, global corn ending inventories are down 1.1 million tonnes.
- As of 8<sup>th</sup> February, 2023, China surpassed traditional importers like Japan, Iran, and Spain to become the top destination for Brazilian maize exports by volume in January. Following Beijing's approval of Brazilian sales of the commodity in late November, Brazil sold 983,684 tonnes of corn to China during the time, marking the second consecutive full month of corn trading activity.
- 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 4.04 USD to 255.89 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 24 <sup>th</sup> February 2023					
Contract Month	Open	High	Low	Close	Change
Mar-23	260.03	260.81	255.80	255.89	-4.04
May-23	259.83	260.62	255.50	255.60	-3.94
Jul-23	256.29	256.98	251.37	251.47	-4.72
Sep-23	236.21	236.60	231.98	232.57	-3.64
Dec-23	230.50	231.09	226.07	226.86	-3.64

### Outlook and Recommendation:

- Arrivals from late kharif crop have started in local mandis of 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.

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