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### **Domestic Market Updates:**

- Most of the markets remained rangebound amid sluggish trade activity. Local prices at Gulabbagh went up by Rs. 30 however in Davangere market, prices went up by Rs. 50 today. However, new arrivals in both markets are expected in the month of April.
- As per trade sources, in Naugachia, Bihar, the stock is very less amid the demand from feed industry which has resulted in price hike.
- Due to a severe drought that has reduced production in traditional supplier Argentina, feed millers in Asia are increasing their corn purchases from India. Importers located in Malaysia and Vietnam are presently reserving approximately 200,000 tonnes of Indian corn every month.
- 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 by Ministry of Agriculture on 2<sup>nd</sup> February, 2023, maize has been sown in 22.67 lakh hectares this year, which is almost 16% more area compared to 19.48 lakh hectares last year.
- 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		
		20-Mar-23	18-Mar-23	Change	20-Mar-23	18-Mar-23	Change
New Delhi	Hybrid	2430	2430	Unch	NA	NA	-
Koppal	Loose	2150	2130	20	2000	1500	500
Davangere	Loose	2050	2000	50	600	420	180
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	2140	2130	10	68	229	-161
Gadag	Local	2150	2150	Unch	46	85	-39
Hubli	Local	NR	2075	-	NR	5	-
Shimoga	Hybrid/Local	2050	2110	-60	2050	248	1802
Nizamabad	Bilty	NA	Closed	-	NA	Closed	-
Karimnagar	Local	2030	NA	-	13	NA	-
Khammam	Local	NA	NA	-	NA	NA	-
Sangli	Feed	2345	2348	-3	NA	NA	-
Naugachia	Bilty	2300	2150	150	NA	NA	-
Kolkata	Mill Delivery	2600	2500	100	NA	NA	-
Gulabghagh	Local	2350	2320	30	800	1000	-200
	Bilty	2550	2550	Unch			
Ahmedabad	Feed	2425	2400	25	3000	3000	Unch
	Starch	2400	2400	Unch			
Khanna	Local	2175	2200	-25	900	NA	-
	Bilty	2270	2300	-30			
Ludhiana	Local	NA	NA	-	NA	NA	-
	Bilty	NA	NA	-			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	2150	Closed	-	50	Closed	-

### International Market Updates:

- As per trade sources, despite the risks posed by planting delays in some regions, Brazilian farmers are anticipated to achieve their highest ever corn production volume. For the 2022/2023 crop cycle, Brazil's total corn production is projected to increase by 11.93% to 126.63 million tonnes, driven by a 4.4% expansion in planted area and an anticipated surge in yields.
- U.S. Maize exports have reached at 16.08 million metric tonnes (MMT) for 2022-23 Marketing Year, with the exports of 1.05 MMT for the period of 23rd February 2023 to 2nd March 2023. Exports of 1,052,000 MT--a marketing-year high--were up 58 percent from the previous week and 74 percent from the prior 4-week average. The destinations were primarily to Mexico

(462,900 MT, including 10,200 MT - late), Colombia (169,600 MT), Japan (129,500 MT, including 101,700 MT - late), South Korea (104,900 MT), and Guatemala (39,600 MT).

- 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.
- As of March 2023, WASDE Report, the upcoming years of 2022/23 will witness significant shifts in global trade, particularly with regards to corn exports. Projections suggest that India, Ukraine, and Paraguay will see increased exports, while Argentina and the United States are expected to experience a reduction in this regard. On the other hand, Turkey, Iran, Malaysia, Chile, Colombia, Egypt, Morocco, Peru, and Taiwan are anticipated to witness a decrease in corn imports. Furthermore, foreign corn ending stocks are expected to decline from the previous month, primarily due to decreases in Ukraine and Brazil, which are partially offset by an increase in India. Overall, global corn ending stocks are projected to increase by 1.2 million tons, with a total of 296.5 million tons.
- 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.
- 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 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.

- Closing price of Corn on CBOT went further up by 0.59 USD to 249.69 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 17 <sup>th</sup> March 2023					
Contract Month	Open	High	Low	Close	Change
Mar-23	249.30	251.47	248.12	249.69	<b>+0.59</b>
May-23	242.61	244.58	241.72	243.20	<b>+0.59</b>
Jul-23	223.32	224.30	222.53	223.91	<b>+0.49</b>
Sep-23	219.87	221.25	219.68	220.95	<b>+1.08</b>
Dec-23	223.22	224.69	223.12	224.40	<b>+0.98</b>

### Outlook and Recommendation:

- Arrivals from Karnataka have started coming into the markets of Maharashtra resulted in increased demand and price fluctuation.
- During the week under review, market remained rangebound. Arrivals have declined in Madhya Pradesh, Maharashtra, Rajasthan, and Chhattisgarh. Meanwhile, in the last few days, mandis in Bihar have witnessed an increase of Rs. 30/40 per quintal. However, new maize from Bihar is not expected to arrive for another 20-25 days. In Punjab and Haryana, feed mills and poultry farms have no stocks, which could push the market up by another Rs. 50.

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