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**Domestic Market Updates:**

- Most of the markets remained rangebound today amid high arrival pressure. In Gulabbagh market, local prices went down by Rs. 30, however in Davangere market prices remained unchanged today.
- As per trade sources, despite a significant drop in corn (maize) prices below the minimum support price of ₹1,962 a quintal, shipments from India, particularly to the South-East and Gulf region, have not yet increased. Traders are holding off on making any moves, waiting for the market to stabilise after a decline of over 10% in prices over the last couple of weeks. The modal price, which represents the rate at which most trades occur, has fallen to approximately ₹1,850 in Davangere, a crucial market in Karnataka. Consequently, exporters have reduced their offer quotes by \$25 per tonne to \$280 free-on-board at present.
- 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 |           |        |
|------------|---------------|------------------|-----------|--------|---------------------|-----------|--------|
|            |               | 21-Apr-23        | 20-Apr-23 | Change | 21-Apr-23           | 20-Apr-23 | Change |
| New Delhi  | Hybrid        | 2160             | 2180      | -20    | NA                  | NA        | -      |
| Koppal     | Loose         | 1960             | 1960      | Unch   | 2000                | 2000      | Unch   |
| Davangere  | Loose         | NR               | 2000      | -      | NR                  | 1200      | -      |
| Ranebennur | Hybrid/Local  | NR               | NR        | -      | NR                  | NR        | -      |
| Bagalkot   | Hybrid/Local  | 2025             | NR        | -      | 292                 | NR        | -      |
| Gadag      | Local         | 1905             | NR        | -      | 80                  | NR        | -      |
| Hubli      | Local         | 1900             | NR        | -      | 59                  | NR        | -      |
| Shimoga    | Hybrid/Local  | NR               | NR        | -      | NR                  | NR        | -      |
| Nizamabad  | Bilty         | 1950             | 1980      | -30    | NA                  | NA        | -      |
| Karimnagar | Local         | NA               | NA        | -      | NA                  | NA        | -      |
| Khammam    | Local         | NA               | NA        | -      | NA                  | NA        | -      |
| Sangli     | Feed          | 2143             | 2133      | 10     | NA                  | NA        | -      |
| Naugachia  | Bilty         | 1950             | 1950      | Unch   | 2000                | 2000      | Unch   |
| Kolkata    | Mill Delivery | 2300             | 2300      | Unch   | NA                  | NA        | -      |
| Gulabbagh  | Local         | 1870             | 1900      | -30    | 17000               | 16000     | 1000   |
|            | Bilty         | 2150             | 2150      | Unch   |                     |           |        |
| Ahmedabad  | Feed          | 2125             | 2100      | 25     | NA                  | 40000     | -      |
|            | Starch        | 2100             | 2100      | Unch   |                     |           |        |
| Khanna     | Local         | 2100             | 2100      | Unch   | 900                 | 900       | Unch   |
|            | Bilty         | 2160             | 2170      | -10    |                     |           |        |
| Ludhiana   | Local         | NA               | NA        | -      | NA                  | NA        | -      |
|            | Bilty         | NA               | NA        | -      |                     |           |        |
| Jalgaon    | Bilty         | NA               | NA        | -      | NA                  | NA        | -      |
| Chhindwara | Loose price   | 2125             | 2125      | Unch   | 50                  | 50        | Unch   |

### International Market Updates:

- As per April WASDE report, this month's 2022/23 U.S. corn outlook is for reductions to imports and food, seed, and industrial (FSI) use, with unchanged ending stocks. Corn imports are lowered 10 million bushels based on observed trade to date. Feed and residual use is unchanged at 5.275

billion based on indicated disappearance during the December-February quarter. FSI is lowered 10 million bushels reflecting cuts to corn used for glucose and dextrose and starch. With supply and use falling by the same amount, ending stocks are unchanged at 1.342 billion bushels. The season-average farm price is unchanged at \$6.60 per bushel. Foreign corn production is forecast down as cuts for Argentina, the EU, Serbia, and Uruguay are partially offset by an increase for Russia. For Argentina, production is lowered as continued heat during March diminishes yield prospects for late-planted corn, despite locally beneficial precipitation during the month. EU corn production is reduced, mostly reflecting declines for Hungary, Italy, and Bulgaria that are partly offset by increases for Germany and Poland. Russia corn production is higher reflecting increases to both area and yield. Foreign barley production is higher on an increase for the EU.

- 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 23<sup>rd</sup> February 2023 to 2<sup>nd</sup> 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.
- 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.

- Closing price of Corn on CBOT went down by 3.35 USD to 261.31 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 20 <sup>th</sup> April 2023 |        |        |        |        |        |
|----------------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                                                                   | Open   | High   | Low    | Close  | Change |
| Mar-23                                                                           | 264.55 | 265.34 | 260.42 | 261.31 | -3.35  |
| May-23                                                                           | 250.58 | 250.87 | 244.87 | 246.45 | -4.13  |
| Jul-23                                                                           | 223.61 | 223.91 | 219.77 | 221.45 | -2.36  |
| Sep-23                                                                           | 221.25 | 221.84 | 218.10 | 219.48 | -2.17  |
| Dec-23                                                                           | 224.40 | 224.99 | 221.55 | 222.92 | -1.97  |

### Outlook and Recommendation:

- Arrivals have started coming into the markets from this week due to which prices are going down.
- During the week under review, tremendously high arrival pressure was felt in benchmark markets as well as other markets, which has resulted in downward price movement. However, in Gulabghat mandi, due to high moisture content, private players, millers and stockists are not quite active right now but it is expected that after Ramazan, good quality maize will start coming which might result in decline in prices further.

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