

---

### **Domestic Market Updates:**

- Market sentiments remained bearish today. Prices in both Gulabbagh and Davangere remained unchanged today.
- 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.
- During the week under review, it is observed that the arrivals pressure in Gulabbagh and Naugachia has reached its peak, and this trend is anticipated to persist until the middle of May. However, stability in prices is expected from mid-May onwards. The loading of rakes is being facilitated for Bengal, Punjab, and South India, while the cattle feed and starch industry are presently thriving. The elevated influx of maize from Bihar has exerted downward pressure on prices in Karnataka and M.P. Consequently, market sentiments are projected to remain subdued over the forthcoming 15-day period.
- The Telangana Government has made the decision to procure maize produced during the Rabi (Yasangi) season at a minimum support price of ₹1,962 per quintal. This move is in response to untimely rains that have caused damage to the crop, and traders who are taking advantage of the farming community. This season, maize has been raised in over 6.48 lakh acres, and the estimated production is around 17.37 lakh tonnes. Unfortunately, the standing crop has been extensively damaged due to untimely rains and hailstorms, which have occurred in over half a dozen spells, primarily during the harvesting stage and pre-harvesting stage, including the stocks brought to market yards. During the first spell of untimely rains on March 16, the agriculture department reported damage to about 1,29,500 acres, with nearly 90,000 acres experiencing a loss of over 33%. Recently, the State Government issued orders for disbursing crop loss at ₹10,000 per acre.
- During the week under review, arrival pressure was notably high in benchmark markets as well as other markets. However, in Bihar, due to moisture content of 16-17% in freshly harvested maize crop stockists, millers and private players were hesitant to buy it. But expectedly, they

might start buying actively starting from next week as the month of Ramazan has also ended. So, it might show a fall of 100 INR/ quintal but after that expectedly, it will make a comeback of 100-200 INR and might continue being traded at a stable price.

- 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		
		03-May-23	02-May-23	Change	03-May-23	02-May-23	Change
New Delhi	Hybrid	2060	2060	Unch	NA	NA	-
Koppal	Loose	1860	1860	Unch	NA	NA	-
Davangere	Loose	NR	1900	-	NR	2400	-
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	NR	-	NR	NR	-
Gadag	Local	NR	1860	-	NR	105	-
Hubli	Local	1805	1800	5	21	45	-24
Shimoga	Hybrid/Local	NR	1850	-	NR	299	-
Nizamabad	Bilty	1925	1925	Unch	NA	NA	-
Karimnagar	Local	NA	1555	-	NA	42	-
Khammam	Local	NA	NA	-	NA	NA	-
Sangli	Feed	2073	2048	25	NA	NA	-
Naugachia	Bilty	1750	1750	Unch	3000	5000	-2000
Kolkata	Mill Delivery	2100	2100	Unch	NA	NA	-
Gulabghagh	Local	1770	1770	Unch	NA	20000	-
	Bilty	2100	2100	Unch			
Ahmedabad	Feed	2000	2000	Unch	6000	NA	-
	Starch	2000	1950	50			
Khanna	Local	2090	NA	-	1050	NA	-
	Bilty	2150	NA	-			
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 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.
- 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 0.59 USD to 251.17 USD per MT as compared to previous day's closing price for May-23 contract.

CBOT Corn Daily Futures Price Listing (USD/MT) as on 2 <sup>nd</sup> May 2023					
Contract Month	Open	High	Low	Close	Change
May-23	252.65	256.68	250.19	251.17	<b>-0.59</b>
Jul-23	230.11	232.47	227.65	228.34	<b>-1.77</b>
Sep-23	206.09	207.86	203.73	205.01	<b>-1.18</b>
Dec-23	206.68	208.75	203.93	204.62	<b>-2.17</b>
Mar-24	210.92	212.69	207.96	208.65	<b>-2.07</b>

### 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.

### 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.*