
Domestic Market Updates:

- Market sentiments remained mixed today. Prices in Gulabghat remained unchanged however, Davangere market was closed today due to 4th Saturday of the month.
- As per the 3rd Advance Estimates of agricultural year 2022-23, by the Ministry of Agriculture and Farmers Welfare, the total production of maize has been revised upto 359.13 LMT which is 3.75% higher than the 2nd advance estimate which was 346.13 and a significant increase of 21.83 LMT compared to the last year.
- According to traders and exporters, there is a persistent lack of demand for Indian corn (maize) in the global market, despite a notable decline in prices by \$15 per tonne over the last month. Export prices for corn have decreased by approximately 15 percent since April 1st. This subdued demand is occurring in conjunction with corn prices remaining below the minimum support price (MSP) of ₹1,962 per quintal. It is noteworthy that the international market has experienced a softening trend, as evidenced by declining prices in Argentina and South America.
- As per the press release issued by the Indian Meteorological Department (IMD), it has been projected that the commencement of the Southwest Monsoon over the mainland region, specifically in Kerala, is expected to be postponed compared to the usual onset date. The anticipated date for the onset of the Southwest Monsoon over Kerala is forecasted to be around the 4th of June, 2023, with a model error margin of plus or minus four days.
- As per trade sources, in Naugachia mandi of Bihar, farmers are hesitant to sell their crop in market at current market prices, they are waiting for the prices to go up.
- 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.
- 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.

- 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 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.

Spot Prices at Key market

| Centre | Grade | Prices (Rs./qtl) | | | Arrivals in Quintal | | |
|------------|---------------|------------------|-----------|--------|---------------------|-----------|--------|
| | | 27-May-23 | 26-May-23 | Change | 27-May-23 | 26-May-23 | Change |
| New Delhi | Hybrid | 2000 | 2000 | Unch | NA | NA | - |
| Koppal | Loose | 1980 | 1980 | Unch | 2000 | 2000 | Unch |
| Davangere | Loose | Closed | 2050 | - | Closed | 480 | - |
| Ranebennur | Hybrid/Local | NR | NR | - | NR | NR | - |
| Bagalkot | Hybrid/Local | NR | 2050 | - | NR | 216 | - |
| Gadag | Local | NR | 1935 | - | NR | 12 | - |
| Hubli | Local | NR | 1905 | - | NR | 23 | - |
| Shimoga | Hybrid/Local | NR | 2000 | - | NR | 55 | - |
| Nizamabad | Bilty | Closed | 1950 | - | Closed | NA | - |
| Karimnagar | Local | NA | NA | - | NA | NA | - |
| Khammam | Local | NA | NA | - | NA | NA | - |
| Sangli | Feed | 2130 | 2130 | Unch | NA | NA | - |
| Naugachia | Bilty | 1750 | 1750 | Unch | 2000 | 2500 | -500 |
| Kolkata | Mill Delivery | 1900 | 1900 | Unch | NA | NA | - |
| Gulababagh | Local | 1820 | 1820 | Unch | 26000 | 26000 | Unch |
| | Bilty | 2150 | 2150 | Unch | | | |

| | | | | | | | |
|-------------------|-------------|--------|------|------|--------|------|------|
| Ahmedabad | Feed | NR | 2100 | - | NR | NA | - |
| | Starch | NR | 2050 | - | | | |
| Khanna | Local | 1900 | 1900 | Unch | 900 | 1500 | -600 |
| | Bilty | 1980 | 1990 | -10 | | | |
| Ludhiana | Local | NA | NA | - | NA | NA | - |
| | Bilty | NA | NA | - | | | |
| Jalgaon | Bilty | NA | NA | - | NA | NA | - |
| Chhindwara | Loose price | Closed | 2000 | - | Closed | 30 | - |

International Market Updates:

- The Korea Feed Association (KFA), based in South Korea, recently acquired approximately 68,000 tonnes of animal feed corn through a private transaction on Tuesday. The corn is expected to be sourced from either South America or South Africa. Notably, the procurement was carried out without the issuance of an international tender. The purchase was made by the KFA's Busan section from trading house Viterra at an approximate price of \$258.75 per tonne cost and freight (c&f), in addition to a surcharge of \$1.25 per tonne for supplementary port unloading services. The delivery of the corn to South Korea is scheduled for around October 20th.
- As per trade sources, the export of Brazilian maize is expected to gather momentum from June onwards with the harvest of this year's second maize crop, commonly known as "safrinha." Given the substantial harvest in Brazil, this year's exports are likely to be priced lower than those of other exporters. As the largest maize importer globally, China stands to benefit from the affordability of Brazilian maize and has already cancelled orders for more expensive imports from the US. In November 2022, China lifted the ban on the import of Brazilian maize due to phytosanitary concerns, further paving the way for increased imports from Brazil.
- As per trade sources, the forecast for Argentina's present corn crop may undergo another cut, falling below the previously estimated 36 million tonnes, due to the enduring effects of a severe drought. Argentina is a significant agricultural player in South America and is the third-largest exporter of corn globally.
- On 4th May, 2023, a rare cargo of 55,000 mt South African corn arrived at Machong port, surpassing all previous imports from that origin to China, as per trade sources. The cargo was booked a month or two ago and was deemed attractive for shipment dates, although South American corn is currently winning the competition. South Africa was approved for corn imports by China years ago, but only 37,800 mt was imported in the past decade. State company Cofco held a ceremony to mark the occasion, and more such shipments can be expected as Cofco has signed a yearly committed volume with South Africa. Additionally, China has widened its list of

approved import origins, including Brazil, from which 3.8 million mt of corn was imported between November 2022 and February 2023. South Africa expects a bumper corn crop of 15.89 million mt in 2023/24 MY, 12% higher than the five-year average result.

- 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 up by 5.22 USD to 237.78 USD per MT as compared to previous day's closing price for Jul-23 contract.
- The CBOT July corn futures contract is anticipated to undergo a resistance test at \$5.91-1/2 per bushel. A successful breach above this level may potentially result in an upward movement towards \$6.02-1/4. It is noteworthy that the contract has already surpassed a descending trendline, indicating a positive shift in momentum that suggests the possibility of further advances in the near future.

| CBOT Corn Daily Futures Price Listing (USD/MT) as on 26 th May 2023 | | | | | |
|--|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| Jul-23 | 232.37 | 238.87 | 231.58 | 237.78 | 5.22 |
| Sep-23 | 200.68 | 208.65 | 200.19 | 208.26 | 7.28 |
| Dec-23 | 202.94 | 210.92 | 202.45 | 210.42 | 7.28 |
| Mar-24 | 206.68 | 214.36 | 206.19 | 213.87 | 6.99 |
| May-24 | 208.85 | 216.33 | 208.46 | 215.74 | 6.59 |

Outlook and Recommendation:

- As per trade sources, in Naugachia, Bihar, the quality of maize arriving is good currently with negligible moisture content, but farmers are reluctant to sell their crop at current market prices, however, there is good demand coming from stockists and millers, however in Davangere, there is lull demand from all the sectors.
- The market has showed minor recovery from all time low prices and in the upcoming week it is expected to show steady to slightly firm sentiments.

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