

---

### **Domestic Market Updates:**

- Maize price remained steady to firm today in most of the markets. Local price in Gulabghat increased by Rs. 20 to Rs.1830 per quintal however, in Davangere price remained unchanged today.
- The Cabinet Committee on Economic Affairs (CCEA) has released the final MSP for the crop year 2023-24 ( July-June). MSP for maize this year is Rs. 2090/quintal which is higher by Rs. 128 than previous year's MSP of Rs. 1962 per quintal. Agriwatch expects that this increase in MSP will encourage farmers to increase sowing area under maize hence, resulting in overall acreage.
- As per trade sources, in Bihar, local buying for maize is there from stockists and private players but currently there is subdued demand from other states, however, it is expected that after 15-20 days demand from other states might increase.
- As per trade sources, there is subdued demand persisting in Naugachia market of Bihar from all sectors, due to which market prices are stable there. However, maize crop from Khagaria line is expected to arrive in the markets in next 15-20 days due to which prices might go down by Rs. 100-200 per quintal.
- As per the 3<sup>rd</sup> 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 2<sup>nd</sup> 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 1<sup>st</sup>. 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.
- 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.

### Spot Prices at Key market

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		15-Jun-23	14-Jun-23	Change	15-Jun-23	14-Jun-23	Change
New Delhi	Hybrid	1825	1825	Unch	NA	NA	-
Koppal	Loose	1980	1960	20	40000	5000	35000
Davangere	Loose	2055	2055	Unch	300	300	Unch
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	2010	2015	-5	269	198	71
Gadag	Local	NR	NR	-	NR	NR	-
Hubli	Local	NR	NR	-	NR	NR	-
Shimoga	Hybrid/Local	1900	1900	Unch	667	236	431
Nizamabad	Bilty	NA	1950	-	NA	NA	-
Karimnagar	Local	1675	1605	70	32	20	12
Khammam	Local	NA	NA	-	NA	NA	-

<b>Sangli</b>	Feed	2153	2156	<b>-3</b>	NA	NA	-
<b>Naugachia</b>	Bilty	1730	1750	<b>-20</b>	2000	2000	<b>Unch</b>
<b>Kolkata</b>	Mill Delivery	1900	1900	<b>Unch</b>	NA	NA	-
<b>Gulabbagh</b>	Local	1830	1810	<b>20</b>	26000	20000	<b>6000</b>
	Bilty	2150	2150	<b>Unch</b>			
<b>Ahmedabad</b>	Feed	2000	2000	<b>Unch</b>	NA	10000	-
	Starch	2000	2000	<b>Unch</b>			
<b>Khanna</b>	Local	1750	1750	<b>Unch</b>	NA	15000	-
	Bilty	1800	1800	<b>Unch</b>			
<b>Ludhiana</b>	Local	1725	1725	<b>Unch</b>	NA	10000	-
	Bilty	1825	1825	<b>Unch</b>			
<b>Jalgaon</b>	Bilty	NA	NA	-	NA	NA	-
<b>Chhindwara</b>	Loose price	1775	1850	<b>-75</b>	NA	NA	-

### International Market Updates:

- As per June's WASDE report, the corn production in Ukraine has experienced an increase, primarily due to expanded cultivation areas. In terms of the 2022/23 season, corn production has been revised downward for Argentina, while Brazil has seen an increase. Looking at foreign barley production in 2023/24, there has been a slight rise, driven by growth in Ukraine, the European Union (EU), and Turkey. However, this growth has been partially offset by reductions in India and Iran. Significant changes in global trade patterns for the 2023/24 season include Ukraine's larger corn exports and increased corn imports for the EU. Conversely, corn exports have been adjusted downward for Argentina and the United States, but raised for Ukraine, Brazil, and South Africa in the 2022/23 season. Foreign corn ending stocks have remained largely unchanged compared to the previous month, with increases observed for Paraguay and Zambia, offset by reductions in Mexico and South Africa. At a global level, corn ending stocks stand at 314.0 million tons, representing a modest increase of 1.1 million tons from the previous month.
- Algeria has recently initiated an international tender for the procurement of 1.4 LMT of feed-grade maize. The shipment is scheduled to be divided into four parts, with each part consisting of 35,000 MT. The deadlines for the respective shipments are as follows: the first shipment is expected to be delivered by June 30, 2023, the second shipment by July 1-15, 2023, the third shipment by July 15-31, 2023, and the fourth shipment by August 1-15, 2023. It is important to note that the deadline for submitting bids has already expired.
- Certain regions within the U.S. Corn Belt have experienced prolonged periods of aridity over the past month, exerting strain on the well-being of corn and soybean crops. This situation presents an initial obstacle to the government's ambitious projections for record yields. Presently,

approximately 64% of the U.S. corn crop is reported to be in good or excellent condition, reflecting a decline from the previous week's figure of 69% and falling below the lowest estimation by industry experts, which stood at 65%.

- 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 Viterro 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 20<sup>th</sup>.
- 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 4<sup>th</sup> 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 May,23 WASDE report, the corn crop is anticipated to reach a historic milestone of 15.3 billion bushels, marking a notable surge of over 10 percent compared to the previous year, attributable to expanded acreage and enhanced yield rates. This projection for yield, standing at

181.5 bushels per acre, takes into account weather patterns adjusted to reflect the customary progress of planting and the weather conditions during the summer growing season. These estimates are derived from historical data spanning the years 1988 to 2022. With a slight increase in beginning stocks, the total corn supplies are forecasted to reach 16.7 billion bushels, a level not seen since the 2017/18 period.

- 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.
- 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 further by 1.87 at 239.26 USD per MT as compared to previous day's closing price for Jul-23 contract.
- During this week's cooler and humid weather and the significant short-term overbought status of corn following a 4-day rally of \$0.40 justifies some correction.

CBOT Corn Daily Futures Price Listing (USD/MT) as on 14 <sup>th</sup> June 2023					
Contract Month	Open	High	Low	Close	Change
Jul-23	240.25	243.59	236.80	239.26	<b>-1.87</b>
Sep-23	214.56	216.13	211.70	214.56	<b>-0.39</b>
Dec-23	215.44	217.71	213.57	216.23	<b>-0.79</b>
Mar-24	219.97	221.25	217.21	219.77	<b>-0.79</b>
May-24	221.25	222.92	218.99	221.55	<b>-0.59</b>

### 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.

### 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.*