

---

### Domestic Market Updates:

- Throughout the day, price remains rangebound throughout the day in most of the market. However there are some decline in arrivals at Khanna market in Punjab.
- Over the year, Kerala state on India's southwest coast is typically subject to rainfall beginning around June 1st, gradually progressing northwards to cover the entire country by July 8th. However, this year witnessed a disruption caused by the formation of the severe cyclone Biparjoy in the Arabian Sea, resulting in a delayed onset of monsoon rains and disrupting its progress. As a consequence, only one-third of the country had been affected by rainfall until the previous week. Nevertheless, the precipitation resumed during the weekend, and by Tuesday, it had extended to other parts of the country, except for specific regions in the northern states of Punjab and Haryana.
- MARKFED procured 2.77 Lakh quintals of maize in Telangana's Warangal district at MSP of Rs 1,962 per quintal, resulting in a total value of Rs 54.40 crore. This procurement of maize has been started from the current rabi season with the establishment of 31 procurement centers, they have efficiently completed the procurement process in the district under the supervision of MARKFED.
- As per NFSM GOI data, kharif Maize sowing reached up to 7.6 Lakh Ha. till 23rd June, 2023 which is down by 22% as compare to same time last year.
- 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 stockiest 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 4<sup>th</sup> 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

### Spot Prices at Key market

Centre	Grade	Prices (Rs. /qtl)			Arrivals in Quintal		
		30-Jun-23	29-Jun-23	Change	30-Jun-23	29-Jun-23	Change
New Delhi	Hybrid	1950	1950	Unch	NA	NA	-
Koppal	Loose	2160	Closed	-	3000	Closed	-
Davangere	Loose	2200	NR	-	300	NR	-
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	NR	-	NR	NR	-
Gadag	Local	NR	NR	-	NR	NR	-
Hubli	Local	NR	NR	-	NR	NR	-
Shimoga	Hybrid/Local	NR	NR	-	NR	NR	-
Nizamabad	Bilty	NR	NR	-	NR	NR	-
Karimnagar	Local	NA	NA	-	NA	NA	-
Khammam	Local	1850	NA	-	3	NA	-
Sangli	Feed	2293	2297	-4	NA	NA	-
Naugachia	Bilty	2000	2000	Unch	500	500	Unch
Kolkata	Mill Delivery	1900	1900	Unch	NA	NA	-
Gulababagh	Local	1975	NR	-	24000	NR	-
	Bilty	2200	NR	-			
Ahmedabad	Feed	2150	2150	Unch	NA	5000	-
	Starch	2000	2000	Unch			
Khanna	Local	1750	1780	-30	12000	13500	-1500
	Bilty	1850	1850	Unch			
Ludhiana	Local	1800	1800	Unch	12000	12000	Unch
	Bilty	1850	1850	Unch			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	1800	1825	-25	NA	NA	-

### International Market Updates:

- Over the next two weeks, a series of rainstorms is predicted in the southern and central Midwest. These rainfall events have the potential to stabilize or improve the deteriorating crop conditions that have been occurring for weeks. Furthermore, they will replenish the soil moisture just in time for the critical pollination period of the corn crop, which is expected to take place in late July.
- Corn prices experienced a further decline due to rainfall in the central regions of the US corn belt, which has been severely affected by drought. The speculative gains observed in June have entirely diminished.

- The ongoing harvest of Brazil's record-breaking second corn crop in Mato Grosso is progressing, with the challenge of high moisture in the grains, which is expected to extend the harvest into July and August. The estimated production of 46 million tons is influencing the pace of harvesting and logistical operations.
- Corn harvesting in Brazil continues at a slower pace compared to the previous year; however, the upcoming hot weather will facilitate accelerated progress. This situation exerts additional pressure on stock prices, as they remained unaffected yesterday despite the worsening condition of crops in the United States.
- According to USDA, there was a 5% decline in the proportion of corn crops rated as good or excellent in the United States, currently standing at 50% (compared to 67% last year). In Illinois, which is situated at the heart of the corn belt, only 26% of the crops are considered to be in good condition, while in Michigan, that number is 28%.
- Even with rainfall over the weekend in the northern Corn Belt, the quality of U.S. corn and soybean crops is currently at the second-lowest level ever recorded. Persistent drought conditions have led to significant declines in key areas of the Corn Belt on a weekly basis, just as the corn crop enters a crucial developmental stage.
- As reported by USDA-NASS, the overall condition ratings for corn across the country dropped to just 50% in the good to excellent category this week. This marks a five-point decline within a week, indicating that this year's corn crop has only been rated worse once before in history, which was in 1988.
- According to the Crop Estimates Committee (CEC), South African farmers projecting to increase of 5.7% in maize harvest for the 2022-23 season compared to the previous season. The CEC's third summer crop forecast anticipates a harvest of 16.35 million tonnes for 2023, representing a rise from the 15.47 million tonnes harvested in the previous season.
- The Mexican government has implied a 50% tariff on imports of white corn, showing a move towards policies and a desire to prevent genetically modified grain from entering the country's tortilla production. This decision follows a six-month period during which duties were waived, and is intended to address inflationary concerns.
- 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 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 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.

- 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.
- The Corn export for the week ending June 22 amounted to 542,727 metric tonnes. The cumulative inspections year-to-date stand at 32,477,480 metric tonnes, which is 31.5% lower compared to the previous year. This accounts for 72.0% of the USDA's projected total for the 2022-23 marketing year, in contrast to the five-year average of 76.8%.
- Closing price of Corn on CBOT down by \$3.54 to 228.73 USD per MT as compared to previous day's closing price for Jul-23 contract.

CBOT Corn Daily Futures Price Listing (USD/MT) as on 29 <sup>th</sup> June 2023					
Contract Month	Open	High	Low	Close	Change
Jul-23	232.96	237.59	225.97	228.73	<b>-3.54</b>
Sep-23	210.52	211.90	205.11	206.09	<b>-3.05</b>
Dec-23	212.20	213.87	207.18	208.06	<b>-3.25</b>
Mar-24	216.03	217.61	211.21	212.10	<b>-3.15</b>
May-24	217.71	219.38	213.38	214.07	<b>-3.15</b>

#### 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.