
Domestic Market Updates:

- Throughout the day, price remained steady in most of the market as good rainfall activity over central Karnataka's major corn belt in the last week due to which sowing lag might reduce or to be at par compare to same period last year. However, rainfall expected to delay further sowing activities. Lower sowing occurs due to below average rainfall along with crop damage due to excess rains in Maharashtra.
- Due to insufficient rainfall in important maize-producing regions of Karnataka and Maharashtra, the prices of maize have gone up. Consequently, the poultry industry is expected to encounter greater cost pressures during a season characterized by reduced consumption and declining prices.
- Maize kharif sowing reached to 44 Lakh Ha. as the gap narrow down compare to same period last year. As, monsoon activity paced up from July onwards.
- Stock stored from Kharif crop is almost exhausted while supply from Bihar for South India is halted now. However, it is being fulfilled from UP, Punjab and Haryana. Market has recovered to some extent and it may move further up if overall kharif area decreases and dry spell continue in maize growing belts in Andhra Pradesh and Telangana.
- As per IMD's projection the overall four-month season will receive an average amount of rainfall. However, June witnessed a 10% deficiency in rainfall across India, with certain states experiencing a much larger deficit of up to 60% compared to the normal levels. As a result of the delayed onset of the monsoon and its slow progression until the third week of June, mainly due to the impact of the severe cyclone Biparjoy, many regions in the country are in dire need of substantial rainfall in July.
- 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.
- 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 3rd Advance Estimates of agricultural year 2022-23, by the Ministry of Agriculture and Farmers Welfare, the total production of maize has been revised up to 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.

Spot Prices at Key market

Centre	Grade	Prices (Rs. /qtl)			Arrivals in Quintal		
		22-Jul-23	21-Jul-23	Change	22-Jul-23	21-Jul-23	Change
New Delhi	Hybrid	2000	2000	Unch	NA	NA	-
Koppal	Loose	2360	2360	Unch	NA	NA	-
Davangere	Loose	Closed	2350	-	Closed	300	-
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	2285	-	NR	140	-
Gadag	Local	NR	NR	-	NR	NR	-
Hubli	Local	NR	2210	-	NR	10	-
Shimoga	Hybrid/Local	NR	2100	-	NR	2153	-
Nizamabad	Bilty	Closed	2200	-	Closed	NA	-
Karimnagar	Local	NA	NA	-	NA	NA	-

Khammam	Local	NA	1900	-	NA	18	-
Sangli	Feed	2466	2481	-15	NA	NA	-
Naugachia	Bilty	2100	2100	Unch	1000	1000	Unch
Kolkata	Mill Delivery	2000	2000	Unch	NA	NA	-
Gulabbagh	Local	2090	2090	Unch	25000	25000	Unch
	Bilty	2250	2250	Unch			
Ahmedabad	Feed	NR	NR	-	NR	NR	-
	Starch	NR	NR	-			
Khanna	Local	1700	1700	Unch	10500	10500	Unch
	Bilty	1850	1850	Unch			
Ludhiana	Local	1750	1750	Unch	4000	4000	Unch
	Bilty	1850	1850	Unch			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	1940	1940	Unch	NA	NA	-

International Market Updates:

- This week, the 2022/23 estimate for Brazil's corn production remained steady at 132.0 million tons. As of the previous week, around 36% of the safrinha corn had been harvested, showing a 9% advancement compared to the same period last year, as reported by AgRural. Mato Grosso leads the harvesting progress with 68% completion. However, recent wet weather conditions hindered the harvest in Parana and Mato Grosso do Sul. Fortunately, both states managed to avoid any frost damage over the weekend.
- Chicago corn futures continued to rise as prices were supported by predictions of dry weather in the U.S. Midwest. The forecasts indicating dry conditions for the remainder of July and early August in the United States, particularly for corn and beans, are contributing to the price support.
- For the second time in history, Brazil moves at world's top corn exporter in 2022-23. The first time happened it was in 2012-13 when a severe drought hit the United States. In the upcoming year, Brazil's corn exports are estimated to reach 56 million tonnes, significantly surpassing the United States' export volume of 41.9 million tonnes. Remarkably, Brazil achieved a record-breaking corn harvest of 133 million tonnes while U.S. production suffered a 10 percent reduction due to drought.
- Despite the shift to wetter weather in the U.S. Corn Belt and the unexpected increase in corn planting by U.S. farmers, Chicago-traded corn futures have shown resilience. In June, these factors initially led to a significant 21% drop in CBOT December corn CZ3 over the final seven trading days. However, the price stabilized shortly thereafter. In the week ending July 11, corn

prices rose by 1.6% as traders anticipated a reduction in yield projected by the U.S. Department of Agriculture.

- The United States is currently facing an unprecedented drought, which is driving up the prices of corn. Nevertheless, the availability of a surplus in Brazil is counteracting the price increase for this commodity.
- Last week, corn exports in India reached a total of 37.0 million bushels when considering both old and new crop sales. Old crop sales witnessed a significant increase of 86% compared to the previous week. The total sales surpassed the expectations of all analysts, whose estimates ranged from 3.9 million to 31.5 million bushels. However, the cumulative totals for the 2022/23 marketing year are still considerably lower compared to the previous year, with only 1.396 billion bushels sold so far.
- Following an unusually dry spell in June over U.S. Corn Belt, participants in the grain market are increasingly skeptical about the likelihood of corn and yields meeting the government's ambitious targets. The combination of recent weather conditions and the already high corn yield further supports these vice versa condition. Although it is unnoticed by USDA.
- This year, Mexico is projected to produce approximately 28.5 million metric tons of corn as it upholds its strategy to regulate the utilization of genetically modified corn. The production consists both white and yellow corn and indicates an increase of over 2 million metric tons.
- According to a USDA report, the projected corn acreage for the year is expected to be 94.1 million, indicating a growth of 2 million acres compared to the previous estimate. If, the weather remains favorable, then this would result in the country producing its largest crop in recent years.
- Brazil, the second-largest global producer of ethanol, has witnessed a notable surge in the establishment of ethanol processing facilities in the Center-West region. While sugarcane remains the primary feedstock for ethanol production in Brazil, there is a growing trend of constructing corn ethanol plants in states like Mato Grosso, Mato Grosso do Sul, and Goiás. This shift is attributed to the rapid expansion of corn cultivation during the past decade in these regions. The increasing annual corn harvest, coupled with the anticipated rise in ethanol demand both domestically and internationally, are the key driving forces behind the rapid expansion of ethanol processing plants.
- 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.
- 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 20th.
- 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.
- Closing price of Corn on CBOT down by \$4.04 to 207.47 USD per MT as compared to previous day's closing price for Sep-23 contract.

CBOT Corn Daily Futures Price Listing (USD/MT) as on 21 st July 2023					
Contract Month	Open	High	Low	Close	Change
Sep-23	211.21	212.10	205.70	207.47	-4.04
Dec-23	214.75	215.05	209.14	211.11	-3.94
Mar-24	219.18	219.28	213.47	215.54	-3.94
May-24	221.45	221.64	216.03	218.10	-3.84
Jul-24	222.14	222.43	216.92	218.99	-3.64

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