

# Maize Monthly Research Report

## Contents

- ❖ Outlook and Review
- ❖ Maize Trade Scenario
- ❖ International Corn Market Summary
- ❖ India Maize Balance Sheet
- ❖ Consumption Break-Up
- ❖ State Wise Market Dynamics
- ❖ Domestic Price Outlook
- ❖ On the Export-Import Front
- ❖ Maize Exports during August'21
- ❖ Maize Vessel Position
- ❖ International Market Scenario
- ❖ CBOT Corn Future Prices
- ❖ International Corn Outlook
- ❖ Monthly Spot Price Comparison

**October, 2021****OUTLOOK AND REVIEW:****DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets showed steady to narrow range bound trend during the month of September 2021 compared to previous month and Maize cash markets trend during the month of September 2021 was almost similar to corresponding period last year. For the month of October 2021, Agriwatch expects that Maize would trade range bound with a subsequently increasing firm bias. Also, Maize crop has been destroyed in various parts of U.P, Maharashtra, A.P and M.P due to unfavorable weather conditions, and production estimates happens to be lower than what is required, this will provide support to Maize market in coming weeks, with new arrivals to start soon in October.

According to sources till 17th September 2021, maize crop covered 81.52 lakh hectare of area in India against 80.24 lakh hectare of area during same period previous year. Till 17 th September 2021 largest area covered by maize till date, was in M.P that is 15.15 lakh hectare, followed by Karnataka and Maharashtra at 13.89 lakh hectare and 8.70 lakh hectares respectively.

As per the primary damage reports 11,138 hectare of area under maize cover has been affected in various parts of Andhra Pradesh due to “Gulab” cyclone. States like Odisha, Maharashtra, M.P and Gujarat experienced severe crop damage in past week due to “Gulab”.

**MAIZE TRADE SCENARIO**

Sources revealed that Maize in Nizamabad market is being traded at Rs. 1,900 per quintal. Maize is being supplied to Hyderabad between Rs.1,950-Rs.2,000 per quintal for feed purpose sourced from Nizamabad. Demand from poultry has improved in India in past weeks. Also, good quality Maize is being traded in Bihar between Rs.1,800 to Rs. 1,900 per quintal. New crop arrivals have started in Bihar and Karnataka markets. Whereas, Maize is being supplied to Bangladesh between Rs. 1,950-Rs. 2,100 per quintal for poultry purpose sourced from West Bengal.

**INTERNATIONAL CORN MARKET SUMMARY**

Maize on CBOT rose by US\$ 0.98 per MT to US\$ 211.31 per MT for December, 2021 contract compared to the previous month. Agriwatch expects that Maize crop condition related concerns in U.S. and Brazil, would support CBOT Maize.

USDA increased its World Maize Ending Stock Estimate by 1.29 MMT to 297.626 MMT for September’21/ 2021-22, USDA also increased its World Maize Production Estimates by 1.16 MMT to 1197.767 MMT for September’21/ 2021-22. USDA also increased the Maize Ending stock estimates for U.S at 35.77 MMT for September’21/ 2021-22. USDA increased its Maize Ending Stock Estimates for Argentina, to 2.62 MMT for September’21/ 2021-22, although USDA kept it’s Maize Ending Stock Estimates same for Brazil at 8.43 MMT for September’21/ 2021-22.

### INDIA MAIZE BALANCE SHEET

| Maize Year-(Oct-Sep)       | 2020-21      | 2022-22*     |
|----------------------------|--------------|--------------|
| Opening Stocks (MMT)       | 3.41         | 2.06         |
| Production (MMT)           | 24.51        | 23.68        |
| Imports (MMT)              | 0.02         | 0.15         |
| <b>Total Supply (MMT)</b>  | <b>27.94</b> | <b>25.89</b> |
| Export (MMT)               | 3.37         | 1.29         |
| Domestic Consumption (MMT) | 22.52        | 22.75        |
| <b>Total Demand (MMT)</b>  | <b>25.88</b> | <b>24.04</b> |
|                            |              |              |
| <b>Ending Stock (MMT)</b>  | <b>2.06</b>  | <b>1.85</b>  |
| <b>Monthly Use</b>         | 2.16         | 2.00         |
| <b>Stock to Use Ratio</b>  | 7.96%        | 7.69%        |

- The 2021-22 season, beginning October 2021, started with an opening stock of 2.06 MMT and is expected to end in September 2022 with 1.85 MMT.
- Total Maize production in India is estimated at around 23.68 MMT in 2021-22 against our total annual demand including exports of 24.04 MMT.
- ***As the Ending stocks are expected to be lower than in 2020-21, Indian Maize prices would take clue from that.***
- F=AW Forecast

### CONSUMPTION BREAK UP

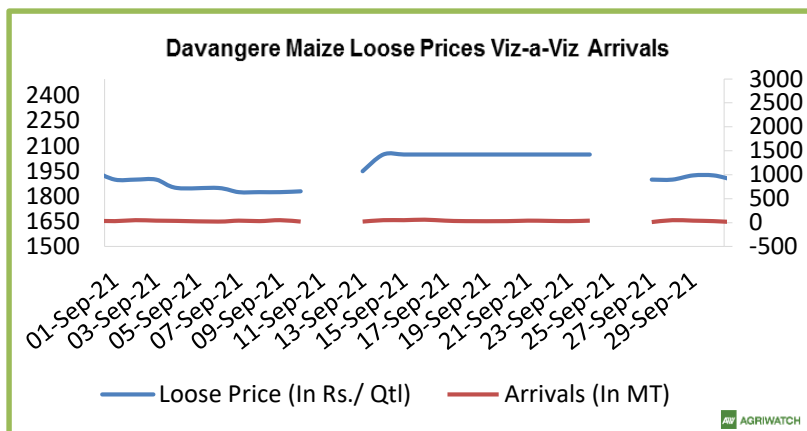
(Quantity in MMT)

| Consumption Break Up              | 2020-21      | 2021-22F     |
|-----------------------------------|--------------|--------------|
| Poultry & Cattle Feed             | 14.05        | 14.18        |
| Starch & Brewery                  | 04.66        | 4.71         |
| Human Consumption                 | 01.86        | 1.90         |
| Seed                              | 00.27        | 0.27         |
| Shortage & Wastage                | 00.99        | 0.98         |
| Storage & Moisture Loss           | 00.72        | 0.71         |
| <b>Total Domestic Consumption</b> | <b>22.52</b> | <b>22.75</b> |

### STATE - WISE MARKET DYNAMICS

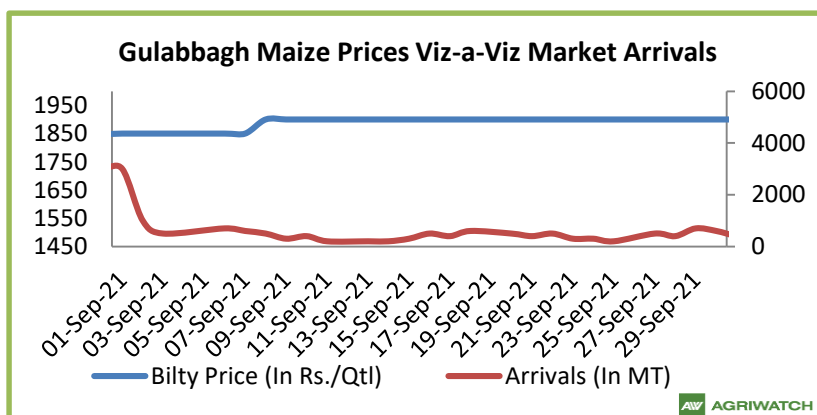
#### Karnataka

In Karnataka, maize is likely to trade with a slightly firm bias. Also, delayed arrivals and less production estimates than required will continue to support the maize market. Agriwatch expects that maize in Davangere would trade in a range of Rs.1,800-2,800 per quintal (loose price) during the month of September 2021.



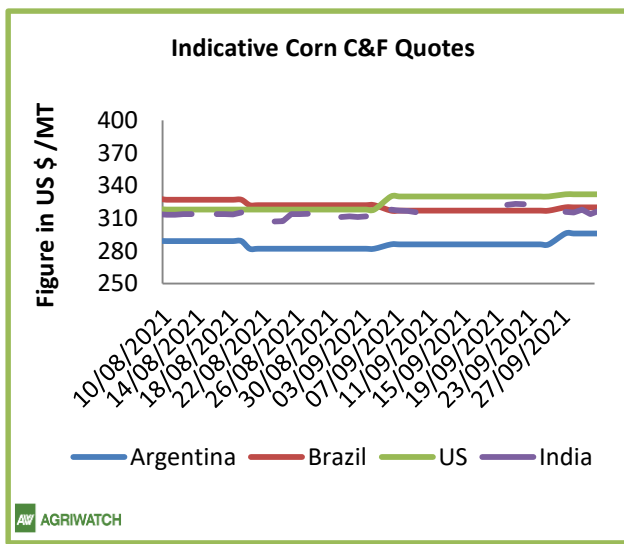
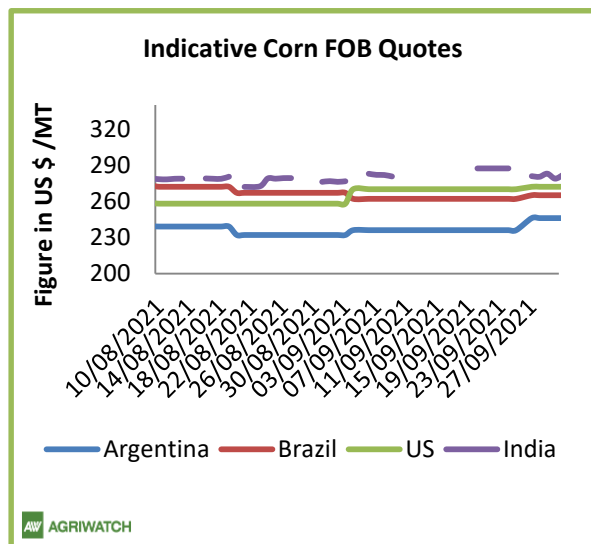
#### Bihar

In Gulabbagh region of Bihar, in the month of September Maize traded steady with almost steady bias between Rs.1,850-Rs.1,900 per quintal (Bilty Price). Maize in Gulabbagh would trade range bound in the Range of Rs.1,800-Rs.2,800 delayed arrivals and less production estimates than required will continue to support the maize market.



### **DOMESTIC PRICE OUTLOOK:**

Maize cash markets showed steady to narrow range bound trend during the month of September 2021 compared to previous month and Maize cash markets trend during the month of September 2021 was almost similar to corresponding period last year. For the month of October 2021, Agriwatch expects that Maize would trade range bound with a subsequently increasing firm bias. Also, Maize crop has been destroyed in various parts of U.P, Maharashtra, A.P and M.P due to unfavorable weather conditions, and production estimates happens to be lower than what is required, this will provide support to Maize market in coming weeks, with new arrivals to start soon in October.

**October, 2021**
**ON THE EXPORT-IMPORT FRONT:**


| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.26) |           |        |        |        |
|--|-----------|--------|--------|--------|
| As on September 30, 2021   | Argentina | Brazil | US     | India  |
| <b>FOB</b>   | 246.00    | 265.00 | 272.00 | 278.75 |
| <b>C&amp;F</b>   | 296.00    | 320.00 | 332.00 | 313.75 |

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed.

**MAIZE EXPORTS DURING AUGUST'21:**

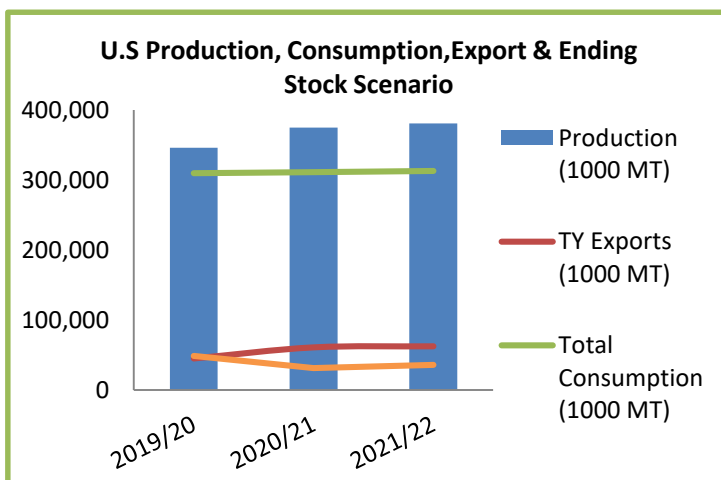
As per the trade sources, India exported around 1,46,823 MT of Maize in August 2021 at an average FoB of US\$ 268.88 per MT, out of which, 1,02,435 MT was exported to Bangladesh at an average FoB of US\$ 269.51 per MT, also 26,253 MT was exported to Malaysia at an average FoB of US\$ ,256.23 per MT and around 16,387 MT was exported to Nepal at an average FoB of US\$ 266.53 per MT. Around 308 MT was exported to Bhutan at an average FoB of US\$ 265.71 per MT.

**MAIZE VESSEL POSITION:**

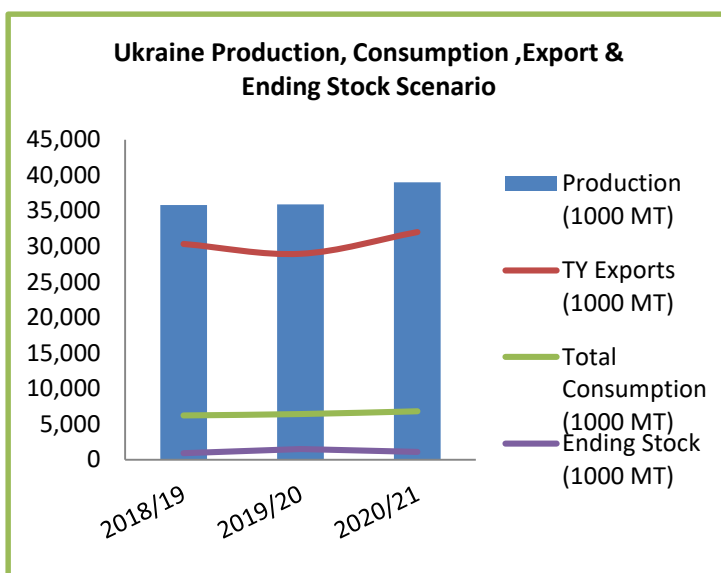
As per the sources 13,000MT of Maize Vessel BLUE LOTUS is waiting for loading on berth at Vizag port. And 23,100MT of Maize Vessel AQUALEO has completed loading at Hazira port on 30th August, 2021. Also 25,000MT of Maize Vessel CHARLENE completed loading, at Gangavaram port since 19th August, 2021. And 50,000MT of Maize Vessel FORTUNE WING, and 30,000 MT of Maize Vessel OCEAN CROWN have completed loading at Vizag port on 5th August, 2021.

### INTERNATIONAL MARKET SCENARIO:

U.S. Maize exports have reached to 15.21 MMT for the 2021-22 marketing year, with the exports of 6.76 MMT for the period of (16th Sep- 24th Sep) 2021, for the destinations like Mexico (262,200 MT), China (140,400 MT), Japan (107,900 MT), Honduras (49,500 MT), and Costa Rica (30,900 MT). Agriwatch expects that crop related concerns in U.S. and Brazil, would provide support to CBOT Maize.



USDA increased its World Maize Ending Stock Estimate by 1.29 MMT to 297.626 MMT for September'21/ 2021-22, USDA also increased its World Maize Production Estimates by 1.16 MMT to 1197.767 MMT for September'21/ 2021-22, estimates will support the global Maize market. USDA also increased the Ending stock estimates for U.S at 35.77 MMT for September'21/ 2021-22. USDA increased its Ending Stock Estimates for Argentina, to 2.62 MMT for September'21/ 2021-22, although USDA kept its Ending Stock Estimates same for Brazil at 8.43 MMT for September'21/ 2021-22.



In the U.S, as of 27<sup>th</sup> September, 2021, 59% crop is in good + excellent condition, which is 2% less than that of in last year for same duration and same as that of last week. Also, 74% of the crop is mature, and 97% crop is dented. Whereas 18% of the corn crop has been harvested as compared to 14% for same time duration last year.

**CBOT CORN FUTURE PRICES**

| Maize CBOT Monthly Futures Price Listing (\$/MT) |                |                    |                 |             |
|--|----------------|--------------------|-----------------|-------------|
|  | Contract Month | September 30, 2021 | August 31, 2021 | Change      |
| Corn CBOT Prices                                 | <b>Dec-21</b>  | 211.31             | 210.33          | <b>0.98</b> |
|  | <b>Mar-22</b>  | 214.36             | 213.67          | <b>0.69</b> |
|  | <b>May-22</b>  | 216.13             | 215.64          | <b>0.49</b> |
|  | <b>July-22</b> | 216.13             | 215.84          | <b>0.29</b> |
|  | <b>Sep-22</b>  | 207.86             | -               | -           |

**INTERNATIONAL CORN OUTLOOK:**

Maize on CBOT rose by US\$ 0.98 per MT to US\$ 211.31 per MT for December, 2021 contract compared to the previous month. Agriwatch expects that Maize crop condition related concerns in U.S. and Brazil, would support CBOT Maize.

**Monthly Spot Price Comparison**

| Month-wise Average prices of Maize at various markets |          |          |           |                           |                          |
|---|----------|----------|-----------|---------------------------|--------------------------|
| Market  | 2021-Sep | 2021-Aug | 2020- Sep | % Change from Prev. Month | % Change from Prev. Year |
| Delhi   | 1843     | 1823     | 1289      | 1.10                      | 42.98                    |
| Davangere   | 1958     | 1886     | 1388      | 3.82                      | 41.07                    |
| Shimoga   | 2240     | 2051     | 1338      | 9.22                      | 67.41                    |
| Bagalkot  | 1734     | 1780     | 1202      | -2.58                     | 44.26                    |
| Gadag   | 1226     | 1296     | 1106      | -5.40                     | 10.85                    |
| Nizamabad   | 1900     | 1894     | 1374      | 0.32                      | 38.28                    |
| Khanna  | 1770     | 1718     | 1148      | 3.03                      | 54.18                    |
| Sangli (NCDEX Quality)                                | 2100     | 2079     | 1437      | 1.01                      | 46.14                    |
| Gulabbagh(NCDEX Quality)                              | 1879     | 1841     | 1335      | 2.06                      | 40.75                    |
| Naugachia   | 1800     | 1819     | 1243      | -1.04                     | 44.81                    |
| Erode (NCDEX Quality)                                 | 2086     | 2152     | 1555      | -3.07                     | 34.15                    |

- All market prices are monthly average of loose prices

**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.asp>

© 2021 Indian Agribusiness Systems Ltd.