

# 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 January'22
- ❖ Maize Vessel Position
- ❖ International Market Scenario
- ❖ CBOT Corn Future Prices
- ❖ International Corn Outlook
- ❖ Monthly Spot Price Comparison

**OUTLOOK AND REVIEW:****DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded firm during the month of February 2022 compared to previous month and corresponding period last year, major reason was decreased supply during the last month. For the month of March'22, Agriwatch expects that Maize would trade with firm to steady sentiment as Rabi arrivals in current scenario seems likely to be delayed.

**MAIZE TRADE SCENARIO**

Maize in Nizamabad market is being traded at Rs. 2,100 per quintal. Loose Maize in market of Davangere, Karnataka is being traded between Rs. 2,100 to Rs. 2,300 per quintal.

Good quality Maize with optimum moisture content is being traded in Bihar between Rs. 2,100 to Rs. 2,300 per quintal. Average quality Maize sourced from Bihar is being supplied to Kharagpur, Kolkata and Siliguri to fulfil the demand of poultry industry at the rate of Rs. 2,250 per quintal. Sourced from Bihar, Bangladesh is buying Maize at Rs. 2,250 per quintal. Arrivals in major markets are very little leading to hike in prices at various spot markets. At Chhindwara market maize is being traded between Rs. 1920 per quintal to Rs. 2030 per quintal.

**INTERNATIONAL CORN MARKET SUMMARY**

Maize on CBOT rose by US\$ 29.03 per MT to US\$ 275.48 per MT for March, 2022 contract compared to the previous month, as the impact of ongoing Ukraine-Russia War.

USDA in its February month report, decreased its World Maize Ending Stock Estimate by 0.84 MMT to 302.222 MMT for February'22/ 2021-22, however USDA kept its World Maize Production Estimates same at 120.534 MMT for February '22/ 2021-22. USDA kept its Ending Stock Estimates same at 39.11 MMT for February'22/ 2021-22. Also USDA kept its Ending Stock Estimates for Argentina same at 2.12 MMT February'22/ 2021-22 and for Brazil USDA decreased its Ending Stock Estimates by 0.90 MMT to 5.32 MMT for February'22/ 2021-22.

**RABI MAIZE SOWING UPDATES**

According to latest sowing data, as of 4th February 2022, acreage cover under Rabi Maize in India has reached at 19.31 lakh hectare as compared to 17.51 lakh hectare previous year same time. Highest acreage cover seen in Bihar at 5.96 lakh hectare, followed by Maharashtra and Tamil Nadu at 3.37 lakh hectare and 1.91 lakh hectare respectively.

In Andhra Pradesh, as of 16th Feb 2022, Rabi Maize cover has reached 1.95 lakh hectare as compared to 1.53 lakh hectare for same time last year. In Telengana, as of 16th Feb 2022, Rabi Maize cover has been reached at 1.92 lakh hectare as compared to 1.79 lakh hectare for same time last year.

**INDIA MAIZE BALANCE SHEET**

<b>Maize Year-(Oct-Sep)</b>	<b>2020-21</b>	<b>2021-22*</b>
Opening Stocks (MMT)	3.41	2.33
Production (MMT)	24.88	25.19
Imports (MMT)	0.02	0.15
<b>Total Supply (MMT)</b>	<b>28.31</b>	<b>27.67</b>
Export (MMT)	3.47	2.38
Domestic Consumption (MMT)	22.52	22.75
<b>Total Demand (MMT)</b>	<b>25.98</b>	<b>25.13</b>
<b>Ending Stock (MMT)</b>	<b>2.33</b>	<b>2.53</b>
<b>Monthly Use</b>	<b>2.17</b>	<b>2.09</b>
<b>Stock to Use Ratio</b>	<b>8.96%</b>	<b>10.07%</b>

- The 2021-22 season, beginning October 2021, started with an opening stock of 2.33 MMT and is expected to end in September 2022 with 2.53 MMT.
- Total Maize production in India is estimated at around 25.19 MMT, with current Rabi production estimates of 7.48 MMT in 2021-22 against our total annual demand of 25.13 MMT, including exports.

***As the Ending stocks are expected to be higher than in 2020-21, Indian Maize prices would take cue from that.***

- **F=AW Forecast**

**CONSUMPTION BREAK UP**

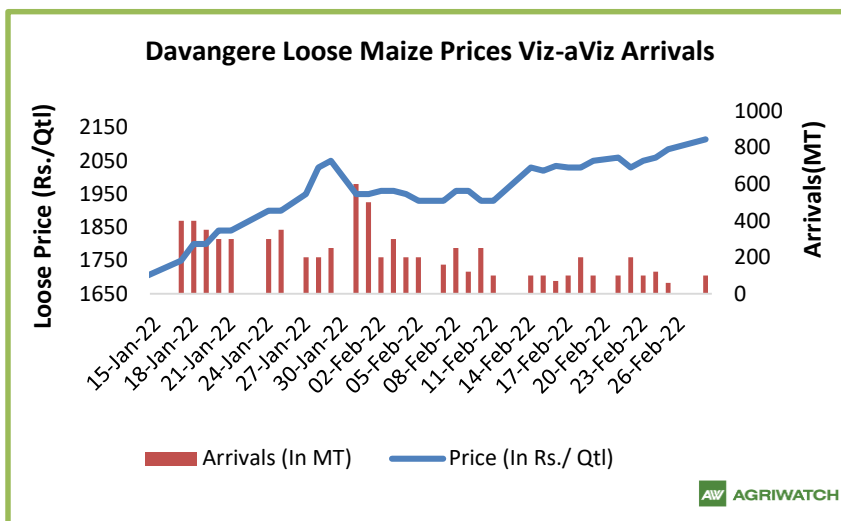
(Quantity in MMT)

<b>Consumption Break Up</b>	<b>2020-21</b>	<b>2021-22F</b>
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

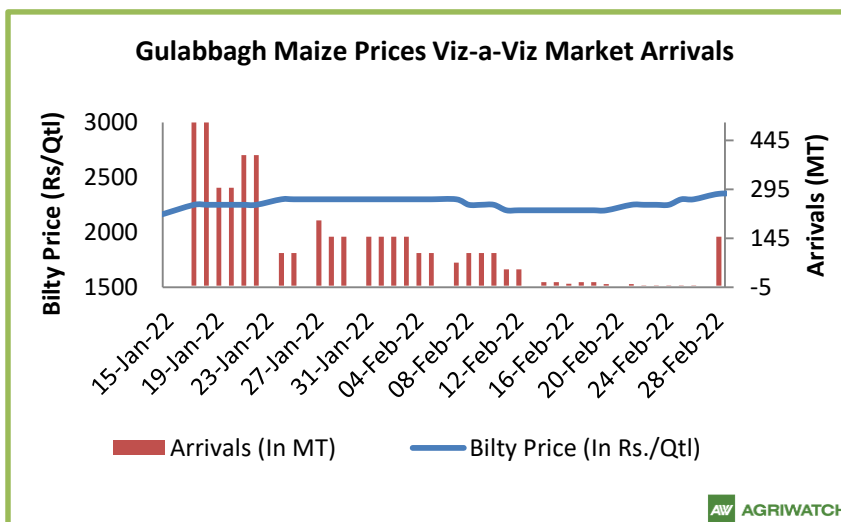
#### Karnataka

In Karnataka, maize is likely to trade with a firm bias in coming month. Arrivals in Davangere market have decreased continuously and are expected to remain low in coming weeks. Agriwatch expects that maize would trade in a range of Rs. 1,900 - 2,250 per quintal (loose price) during the month of March'22.



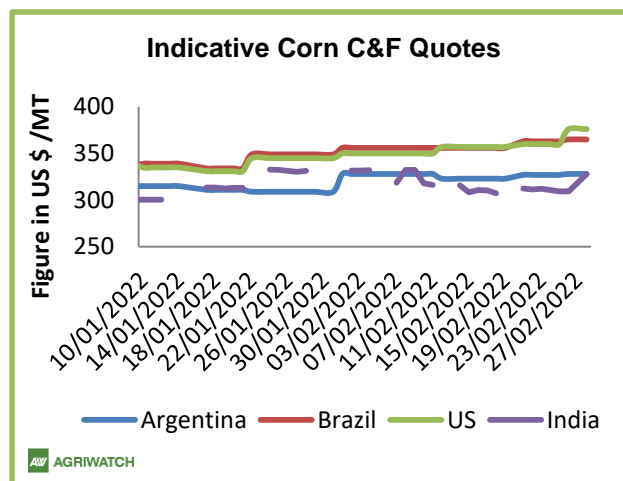
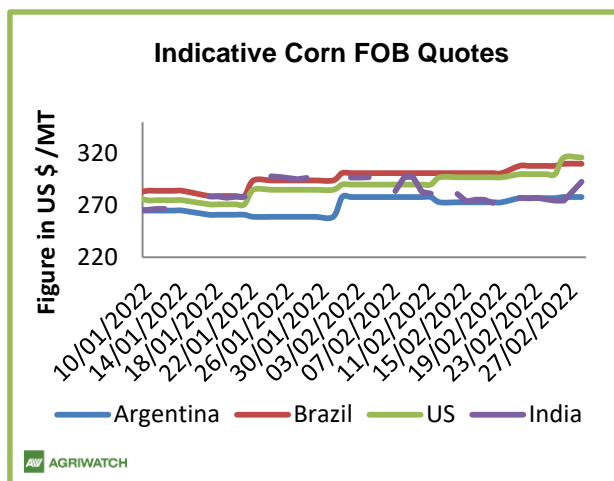
#### Bihar

In Naugachia region of Bihar, Maize is being traded at Rs. 2,325 per quintal (Bilty Price). In Gulabghat also, it is being traded at Rs. 2,350 per quintal (Bilty Price). It is expected that maize would trade firm in near term due almost no arrivals and also no expectation of new Rabi maize arrivals in near term. Agriwatch expects that maize in Gulabghat would trade in a range of Rs. 2,000 – Rs.2,500 per quintal (Bilty Price) during the month of March'22.



### **DOMESTIC PRICE OUTLOOK:**

Maize cash markets traded firm during the month of February'2022 compared to previous month and corresponding period last year, due to decreased supply during the last month as well as hike in international maize prices which too also provided support to domestic maize market. For the month of March'22, Agriwatch expects that Maize would trade with firm to steady sentiment as Rabi arrivals in current scenario seems to be delayed. Rabi arrivals in current scenario seems to be delayed due to late sowing in major Rabi maize producing states like Bihar and west Bengal, and arrivals are expected to reach market by April.

**ON THE EXPORT-IMPORT FRONT:**


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.81)				
As on February 28, 2022	Argentina	Brazil	US	India
<b>FOB</b>	278.00	310.00	316.00	292.84
<b>C&amp;F</b>	328.00	365.00	376.00	327.84

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

Corn prices in international market rose drastically over past weeks. If current situation of Ukraine-Russia lasts longer, flow of corn across the countries from Black Sea ports would be hampered, specifically to African countries. Ukraine is the world's third largest corn exporter. In this scenario a supply pressure would be created on U.S, Brazil and Argentina. On other hand these countries are already expecting a lower corn crop due to dry weather conditions.

In case of severe shortage of GM Corn in the international market, importers would turn towards Non-GM Corn suppliers like India, which would lead to increase in the demand of India corn and also hike in domestic Maize prices as well.

This would lead to further increase in FoB prices of all the countries including India due to increase in the prices of crude oils following more requirement of Bio-diesel and Ethanol in Countries like America. FOB and C&F rates are expected to increase. FOB prices for these countries are expected to be in the range of 275.00 US\$/MT to 330.00 US\$/MT, under present circumstances.

**INDIA MAIZE EXPORTS DURING JANUARY'22:**

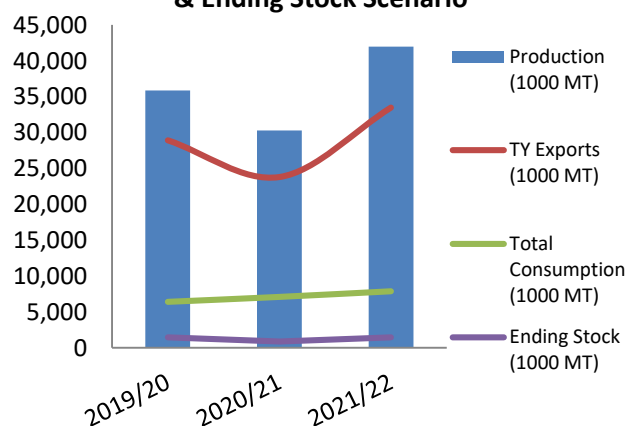
As per the trade sources, India exported around 3,00,747 MT of Maize in January 2022 at an average FoB of US\$ 288.31 per MT, out of which, 96,590 MT was exported to Bangladesh at an average FoB of US\$ 296.94 per MT. And 1,20,289 MT was exported to Bhutan at an average FoB of US\$ 288.88 per MT. Around 41,415 MT was exported to Malaysia at an average FoB of US\$ 273.68 per MT and approximately 33,488 MT was exported to Nepal at an average FoB of US\$ 277.97 per MT.

### MAIZE VESSEL POSITION:

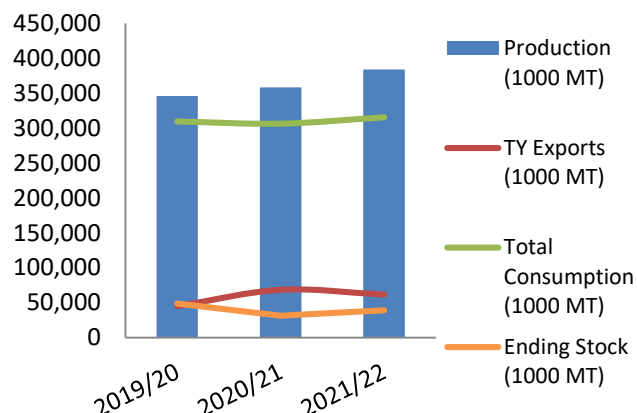
As per the source, 33,000 metric tonne (MT) of Maize Vessel KALIXENOS is waiting at berth for loading at Tuticorin port since 21st Feb 2022. Also, 36,000 MT of Maize Vessel OCEAN REEF is waiting at berth for loading at Vizag port since 9th Feb 2022. And, 31,500 MT of Maize Vessel GOLDEN EAGLE has completed loading at Krishnapathnam port.

### INTERNATIONAL MARKET SCENARIO:

**Ukraine Production, Consumption ,Export & Ending Stock Scenario**

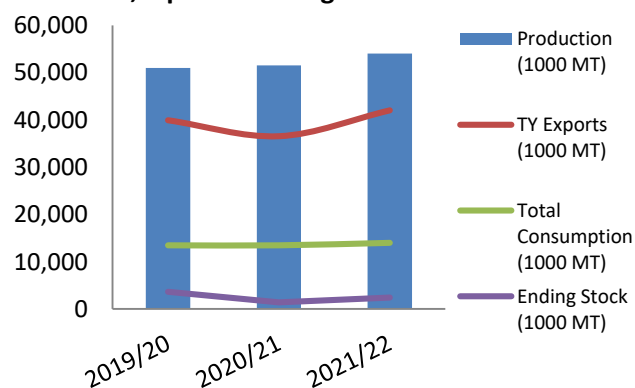


**U.S Production, Consumption,Export & Ending Stock Scenario**



USDA in its February month report, decreased its World Maize Ending Stock Estimate by 0.84 MMT to 302.222 MMT for February'22/ 2021-22, however USDA kept its World Maize Production Estimates same at 120.534 MMT for February '22/ 2021-22. USDA kept its Ending Stock Estimates same at 39.11 MMT for February'22/ 2021-22. Also USDA kept its Ending Stock Estimates for Argentina same at 2.12 MMT February'22/ 2021-22 and for Brazil USDA decreased its Ending Stock Estimates by 0.90 MMT to 5.32 MMT for February'22/ 2021-22.

**Argentina Production, Consumption ,Export & Ending Stock Scenario**



## March, 2022

All the Ukraine Sea ports are closed amid Ukraine-Russia situation, as the result all the shipments are at halt and under current circumstances there seems no hope of situation getting better soon anytime near. This would definitely bring down the exports taking place from Ukraine. If prevailing situation sustains for longer duration and it would take months for things to get back to normal, than we can expect Ukraine corn exports to be even less than usual yearly exports.

According to IGC for 2021/2022 estimated corn exports for U.S is 63.5 MT, followed by Brazil at 37.8 MT and Argentina at 35.3 MT. Ukraine corn export estimates according to IGC for 2021/2022 estimates are projected at 32.5 MT. Indian corn export estimates as per IGC for 2021/2022 stands at 1.3 MT.

U.S. Maize exports have reached to 24.21 million metric tonnes (MMT) for the 2021-22 Marketing Year, with the exports of 1.88 MMT for the period of 11th Feb 2022 – 17th Feb 2022, these exports were up by 17 percent from the previous week and up by 41 percentage from the prior 4-week average, to the destinations like China (555,200 MT), Japan (388,100 MT), Mexico (351,700 MT), Canada (172,500 MT), and Guatemala (101,200 MT).

### CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	February 28,2022	January 31,2022	Change
Corn CBOT Prices	Mar-22	275.48	246.45	29.03
	May-22	273.31	245.86	27.45
	July-22	267.11	243.79	23.32
	Sep-22	244.08	230.5	13.58
	Dec-22	238.38	225.78	12.60

### INTERNATIONAL CORN OUTLOOK:

Maize on CBOT rose by US\$ 29.03 per MT to US\$ 275.48 per MT for March, 2022 contract compared to the previous month, as the impact of ongoing Ukraine-Russia War. AgriWatch expects that ongoing Ukraine-Russia war and dry weather-related conditions in Brazil and Argentina would continue to provide support to Corn on CBOT. However, any improvement in the ongoing international crisis situation might be followed by the correction in Corn prices on CBOT.

### Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2022-Feb	2022-Jan	2021-Feb	% Change from Prev. Month	% Change from Prev. Year
Delhi	2215	1983	1480	11.70	49.66
Davangere	2102	1864	1414	12.77	48.66
Shimoga	1892	1749	1331	8.18	42.15
Bagalkot	1939	1821	1462	6.48	32.63
Gadag	1774	1755	1402	1.08	26.53
Nizamabad	1947	1905	1441	2.20	35.11
Khanna	2090	1964	1386	6.42	50.79
Sangli (NCDEX Quality)	2140	2004	1586	6.79	34.93
Gulabbagh(NCDEX Quality)	2223	2149	1512	3.44	47.02
Naugachia	2219	2146	1325	3.40	67.47
Erode (NCDEX Quality)	2143	1944	1622	10.24	32.12

- All market prices are monthly average of loose prices

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