

Maize Monthly Research Report

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April, 2022**OUTLOOK AND REVIEW:****DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded firm during the month of March 2022 compared to previous month and corresponding period last year; good domestic and international demand were major contributors in this firm trend. For the month of April'22, Agriwatch expects that Maize would trade steady to firm sentiment in initial days and steady to slightly weak by the month end as expectation of new crop arrivals by the end would weigh on market sentiments.

MAIZE TRADE SCENARIO

Maize in benchmark Nizamabad market was being traded at Rs. 2,325 per quintal and poultry feed quality Maize was being supplied to Hyderabad and Tamil Nadu at Rs. 2,400 to Rs. 2,450 per quintal (delivered basis). Loose Maize in Davangere and Karnataka was being traded at Rs. 2,180 per quintal.

As per the sources Maize with (14- 15) % moisture content was being traded in Bihar between Rs. 2,300 to Rs. 2,400 per quintal. Average quality Maize sourced from Bihar was being supplied to Kolkata and Siliguri to fulfil the demand of poultry feed industry between the range of Rs. 2,550 – Rs.2,600 per quintal. Bangladesh was buying Maize sourced from Bihar between Rs. 2,400 per quintal to Rs. 2,600 per quintal to fulfill its feed demand. At Chhindwara market Maize was being traded between Rs. 2,100 per quintal to Rs. 2,200 per quintal.

FIRST ADVANCE ESTIMATE OF RABI PRODUCTION

Agriwatch's first advance estimate for the Maize production in 2021-22 Rabi season is 7.45 MMT with average yield of 3.68 MT per hectare, which is same as that of last year.

INTERNATIONAL CORN MARKET SUMMARY

Maize on CBOT rose by US\$ 4.23 per MT to US\$ 294.77 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.

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2020-21	2021-22*
Opening Stocks (MMT)	3.41	2.33
Production (MMT)	24.88	25.16
Imports (MMT)	0.02	0.15
Total Supply (MMT)	28.31	27.64
Export (MMT)	3.47	2.21
Domestic Consumption (MMT)	22.52	22.75
Total Demand (MMT)	25.98	24.96
Ending Stock (MMT)	2.33	2.68
Monthly Use	2.17	2.08
Stock to Use Ratio	8.96%	10.73%

- 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 2.68 MMT.
- Total Maize production in India is estimated at around 25.19 MMT, with current Rabi production estimates of 7.45 MMT in 2021-22 against our total annual demand of 24.96 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)

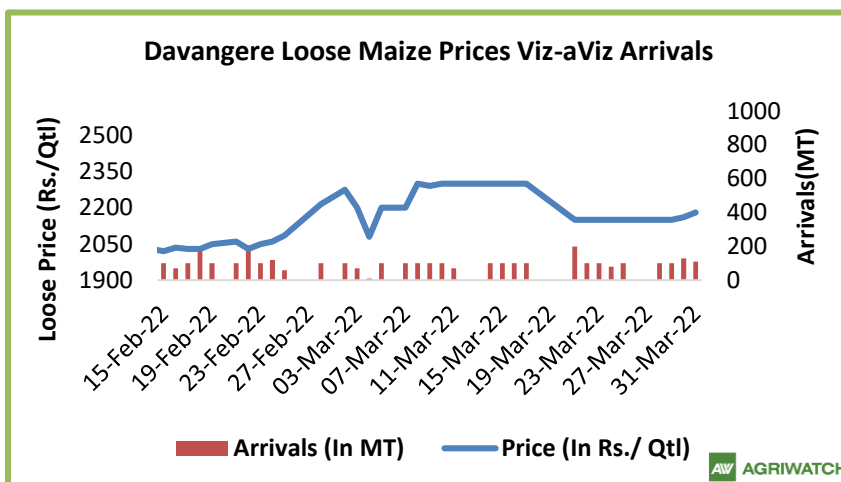
Consumption Break Up	2020-21	2021-22F
Poultry & Cattle Feed	14.05	14.18
Starch & Brewery	04.66	4.71
Human Consumption	01.86	1.90
Seed	00.27	0.27
Shortage & Wastage	00.99	0.98
Storage & Moisture Loss	00.72	0.71
Total Domestic Consumption	22.52	22.75

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STATE - WISE MARKET DYNAMICS

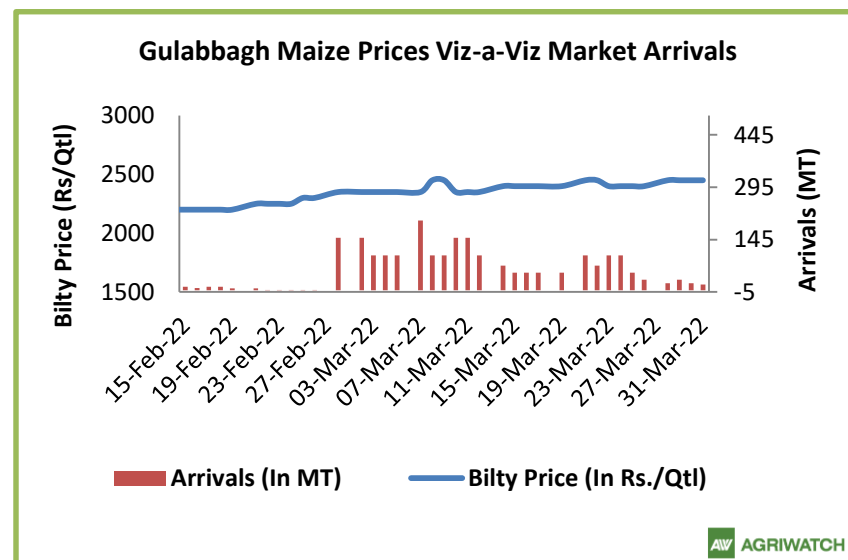
Karnataka

In Karnataka, maize is likely to trade sideways in coming month. Arrivals in Davangere market have been very limited during the last month. Agriwatch expects that maize would trade in a range of Rs. 1,900 - 2,250 per quintal (loose price) during the month of April'22.



Bihar

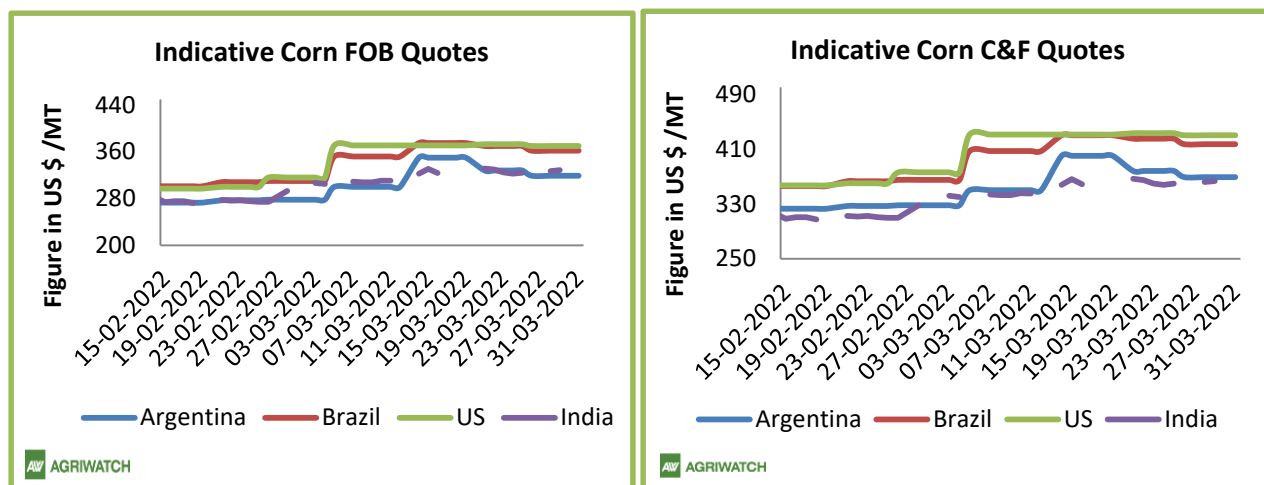
In Naugachia region of Bihar, Maize is being traded at Rs. 2,400 per quintal (Bilty Price). In Gulabghagh, it is being traded at Rs. 2,450 per quintal (Bilty Price). It is expected that maize would trade firm in the near term due to limited arrivals of good quality produce and since there is a reasonable domestic as well as international demand to support Maize markets. Agriwatch expects that maize in Gulabghagh would trade in a range of Rs. 2,000 – Rs.2,600 per quintal (Bilty Price) during the month of April'22.



DOMESTIC PRICE OUTLOOK:

Maize cash markets traded firm during the month of March'2022 compared to previous month and corresponding period last year; good domestic and international demand were major contributors in this firm trend. For the month of April'22, Agriwatch expects that Maize would trade with steady to firm sentiment in initial days, since arrivals of good quality new Maize is expected to be minimal in the markets accompanied with good demand from feed industry and also shortage of Maize in international market would provide support to domestic Maize market in near term. While, by the month end Maize is expected to trade with steady to slightly weak as expectation of new crop arrivals by the end would weigh on market sentiments.

Under current circumstances buying for long term is not recommended.

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ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.98)				
As on March 29, 2022	Argentina	Brazil	US	India
FOB	319.00	362.00	370.00	328.38
C&F	369.00	417.00	430.00	363.38

As evident from the above chart and table, there has been a reasonable export parity for Indian maize, while Argentina remains the close competitor especially after relaxation of pesticides norms on Argentine Corn by EU.

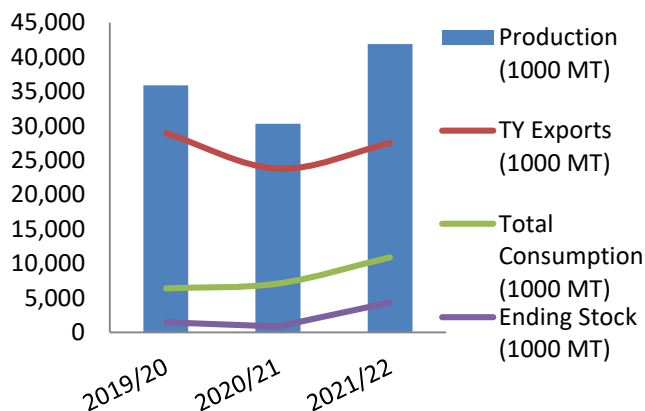
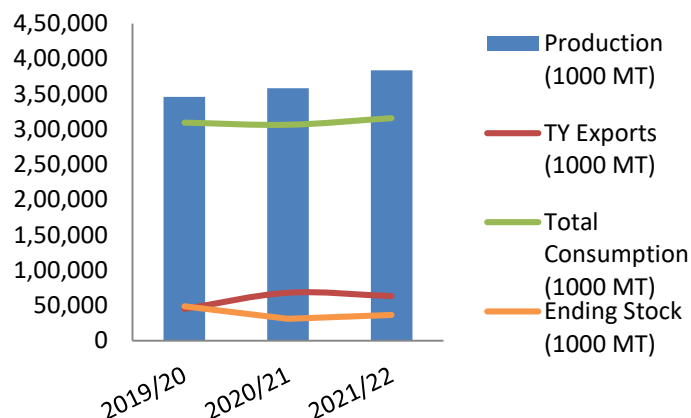
Although Ukraine has uplifted the ban on its Corn exports, however taking in consideration the on-going War and restrictions imposed on several ports in Black Sea region even if the current situation changes, would take months for Corn production and supply to get back on track in the Black Sea region. Also upcoming season's Corn plantation in Ukraine seems to be reduced by fifty percent and there is also an expectation of Corn shortage in Africa.

INDIA MAIZE EXPORTS DURING FEBRUARY'22:

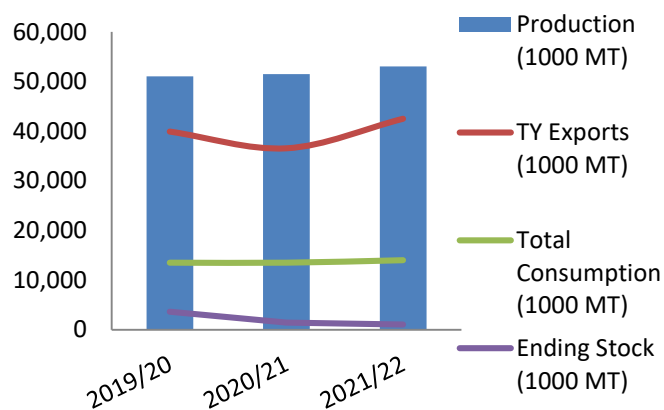
As per the trade sources, India exported around 2,44,521 MT of Maize in February 2022 at an average FoB of US\$ 305.84 per MT, out of which, 1,36,328 MT was exported to Vietnam at an average FoB of US\$ 271.77 per MT. And 57,990 MT was exported to Bangladesh at an average FoB of US\$ 306.30 per MT. Around 19,032 MT was exported to Malaysia at an average FoB of US\$ 290.89 per MT and approximately 24,757 MT was exported to Nepal at an average FoB of US\$ 304.50 per MT.

MAIZE VESSEL POSITION:

As per the source, 39,000 metric tonne (MT) Maize Vessel MEGALOHARI has been lined up and was expected to arrive on port by 4th April 2022. Also 33,000 MT of Maize Vessel KALIXENOS has completed loading at Tuticorin port and left the port and 36,000 MT of Maize Vessel OCEAN REEF has completed loading at Vizag port and left the port during March'2022.

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INTERNATIONAL MARKET SCENARIO:
Ukraine Production, Consumption ,Export & Ending Stock Scenario

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


USDA in its March month report, decreased its World Maize Ending Stock Estimate by 1.25 MMT to 300.97 MMT for March '22/ 2021-22, and also reduced its World Maize Production Estimates by 0.79 at 120.614 MMT for March '22/ 2021-22. USDA also reduced the Ending Stock Estimates for U.S.A by 2.54 at 36.57 MMT, Argentina by 1.40 MMT to 1.02 MMT and for Brazil it decreased its Ending Stock Estimates by 0.10 MMT to 5.22 MMT for March '22/ 2021-22.

Argentina Production, Consumption ,Export & Ending Stock Scenario


U.S. Maize exports have reached at 32.18 million metric tonne (MMT) for the 2021-22 Marketing Year, with the exports of 1.88 MMT for the period of 18th March 2022 – 24th March 2022, these exports were up by 26 percent from the previous week and 24 percent also from the prior 4-week average, to the destinations like China (457,600 MT), Japan (432,200 MT), Mexico (335,200 MT), Colombia (170,800 MT), and Canada (96,800 MT).

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.

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CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	March 31,2022	February 28,2022	Change
Corn CBOT Prices	Mar-22	294.77	290.54	4.23
	May-22	288.57	283.45	5.12
	July-22	274.1	265.15	8.95
	Sep-22	269.18	258.26	10.92
	Dec-22	269.48	259.54	9.94

INTERNATIONAL CORN OUTLOOK:

Maize on CBOT rose by US\$ 4.23 per MT to US\$ 294.77 per MT for March, 2022 contract compared to the previous month, as the impact of ongoing Ukraine-Russia War and various other international issues going on between different nations. Although, in current dynamics stating clear expectations of higher or lower price movement of Corn on CBOT remains unclear.

Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2022-Mar	2022-Feb	2021-Mar	% Change from Prev. Month	% Change from Prev. Year
Delhi	2453	2215	1558	10.74	57.45
Davangere(Bilty Price)	2310	2102	1500	9.90	54.00
Shimoga	2045	1892	1522	8.09	34.36
Bagalkot	2182	1939	1466	12.53	48.84
Gadag	2035	1774	1450	14.71	40.34
Nizamabad (Bilty Price)	2259	1947	1415	16.02	59.65
Khanna	2254	2090	1402	7.85	60.77
Sangli (NCDEX Quality)	2391	2140	1691	11.73	41.40
Gulabgh(NCDEX Quality)	2389	2223	1453	7.47	64.42
Naugachia	2328	2219	1314	4.91	77.17
Erode (NCDEX Quality)	2429	2143	1680	13.35	44.58

- All market prices are monthly average of loose prices

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