

Maize Monthly Research Report

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REVIEW AND OUTLOOK:

Maize cash markets mostly featured a mixed sentiment during the month of April'22 as compared to previous month however, traded firm when compared from the corresponding period last year. Increasing arrivals after mid-April'22, along with good export demand mainly attributed to the price trend of major Maize cash markets.

Supply-demand scenario during April-22 remained balanced. During month start lowered arrivals lead to higher prices of Maize in domestic market. As arrivals progressed with days passing by, prices fell down reasonably at various spot markets and at delivery locations as well.

Maize on CBOT rose by US\$ 33.56 per MT to US\$ 322.13 per MT for May, 2022 contract compared to the previous month, on the account of speculations related to tight global supplies and increased tensions related to Ukraine-Russia situation, worsening the worldwide corn supply. AgriWatch expects that on the account of slowed U.S Corn plantings and disrupted exports from Black Sea region would sustain Corn on CBOT with a firm bias.

OUTLOOK

For the month of May'22, Agriwatch expects that Maize would trade with sideways sentiment till mid-May on the account of subsequently increasing arrivals. After fourth night of May arrivals are expected to reach its peak with which prices are expected to decline further.

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%

According to ongoing estimates for current marketing year it is expected that this year would end with the ending stocks of 2.68 MMT against the opening stock of 2.33 MMT. As of now supply-demand scenario seems to be somewhat restrained, which would support domestic Maize market in an overall lookup.

- **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

RABI MAIZE HARVESTING AND PRODUCTION ESTIMATES

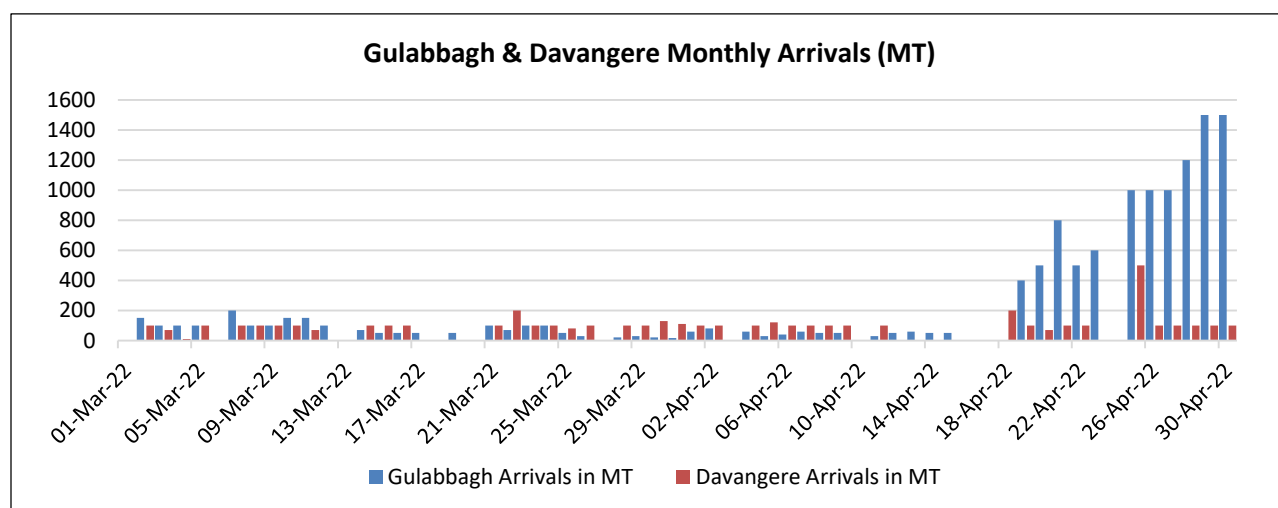
Rabi Maize harvesting, this year started by mid-April against the usual harvest time of Rabi Maize of mid-March, on the account of delayed sowing this year. As of now 45%-50% harvesting has been completed in Bihar and in U.P harvesting of Rabi Maize started by the end week of April and seems to be progressing in an appropriate pace. It is expected that if weather conditions remain favorable for harvesting by second to third week of May Rabi Maize harvesting would be completed.

DOMESTIC MARKET DYNAMICS

April - 22 started with Maize trading in domestic market at fairly high prices on the account of shortage that sustained in market against demand during that particular time period. By the month end, Maize prices started to fall down, as new Rabi Maize started hitting the markets. When compared to March -22 average spot prices for Maize at major spot markets traded sideways. Whereas, overall Maize market displayed firm sentiment during April-22 as compared to that of April-21, on the account of strong international demand and supply shortage.

➤ Arrivals :

During April -22 arrivals of Rabi Maize started to hit the markets by 3rd week of the month. During month start arrivals were very low to almost nil in the markets as harvesting was delayed. However, after first fourth night sufficient quantity of new stuff was present in market to catch up with the strong ongoing international as well as domestic demand.



Amongst various spot markets of Bihar Gulabbagh received maximum arrival quantity of new Rabi Maize followed by Naguchia.

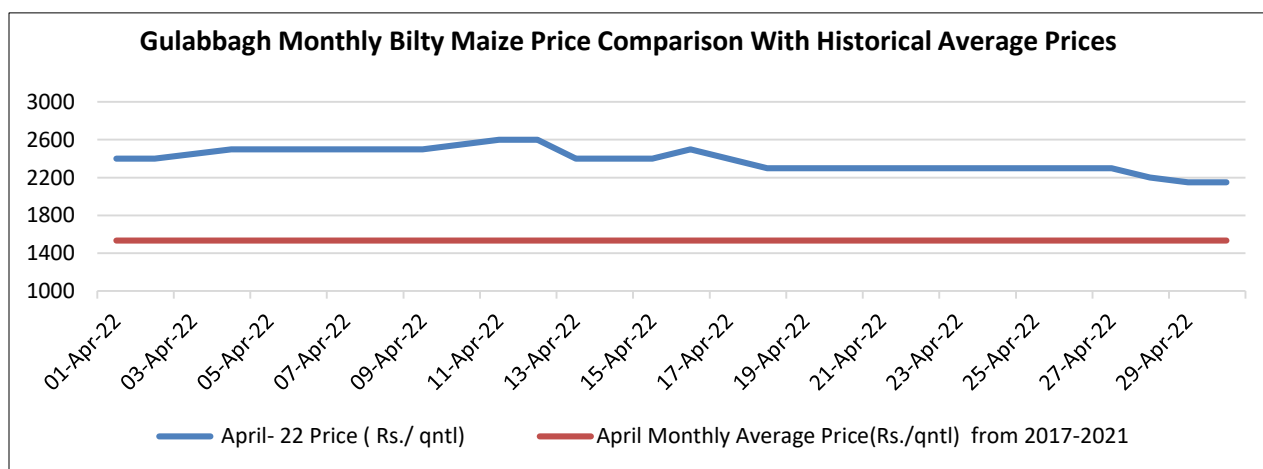
It can be expected that by Mid-May month, arrivals of Rabi Maize would be at peak specifically in Bihar and related spot markets as per the seasonality.

➤ **Domestic Price Scenario ;**

Overall prices during April-22 remained firm until decent quantity of Rabi Maize were registered in the markets. Besides new arrivals being major reason for the decline in Maize spot market prices by month end slowed domestic demand from poultry industry due to unwillingness of buyers to buy Maize at than persisting higher prices.

Monthly Spot Price Comparison

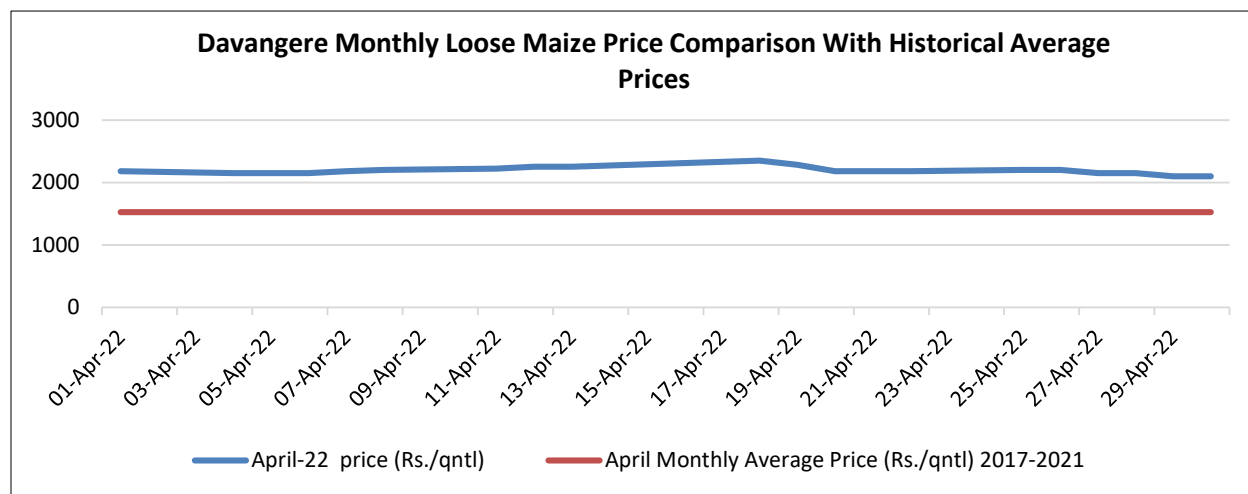
Month-wise Average prices of Maize at various markets					
Market	2022-Apr	2022-Mar	2021-Apr	% Change from Prev. Month	% Change from Prev. Year
Delhi	2517	2453	1523	2.61	65.27
Davangere(Bilty Price)	2290	2310	1563	-0.87	46.51
Shimoga	2161	2045	1576	5.67	37.12
Bagalkot	2279	2182	1510	4.45	50.93
Gadag	2091	2035	1316	2.75	58.89
Nizamabad (Bilty Price)	2375	2259	1400	5.14	69.64
Khanna	2444	2254	1572	8.43	55.47
Sangli (NCDEX Quality)	2472	2391	1696	3.39	45.75
Gulabbagh(NCDEX Quality)	2344	2389	1483	-1.88	58.06
Naugachia	1819	2328	1413	-21.86	28.73
Erode (NCDEX Quality)	2152	2429	1784	-11.40	20.63



At benchmark market Gulabbagh for Rabi Maize, average monthly prices were registered 1.8 % down as compared to that of previous month this year. Highest price for Gulabbagh was registered at Rs. 2,600

May, 2022

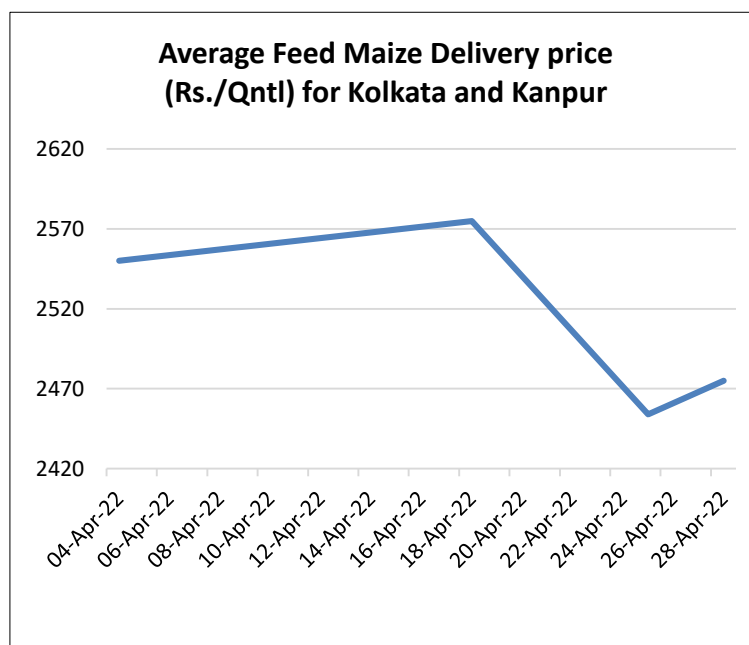
per quintal (Bilty Maize). By month end these prices fell to Rs. 2,150 per quintal. For the upcoming month Bilty prices at Gulabgah is expected to remain between Rs. 1,900 per quintal to Rs. 2,200 per quintal.



At benchmark market Davangere, average monthly prices were registered 1 % down as compared to that of previous month this year. Highest price for Davangere was registered at Rs. 2,350 per quintal (Loose Maize). By month end these prices fell to Rs. 2,100 per quintal. For the upcoming month Bilty prices at Davangere, is expected to remain between Rs. 1,800 per quintal to Rs. 2,100 per quintal.

➤ India Maize Trade Scenario ;

For the April-22 a decent to good demand of Maize was observed in domestic as well as international market. In domestic market during the month start domestic feed Maize demand remained slow due to festivities like Ramadan and Navaratri. Another reason which added to slow initial demand of feed Maize in domestic market was unwillingness of feed producers to buy Maize at than persisting higher prices. As per the sources delivery price of feed Maize to Kanpur and Kolkata, sourced from Bihar varied between Rs. 2,575 to Rs. 2,545 per quintal. Prices fell to Rs. 2,545 per quintal by April end due to new Rabi Maize arrivals reaching Bihar spot markets.



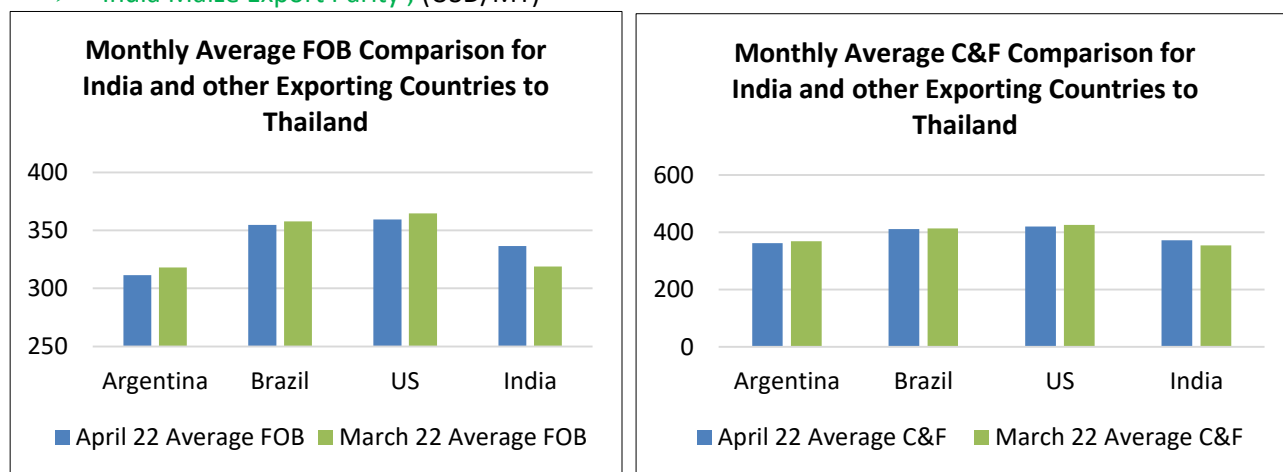
Also, starch Maize delivery prices for Ahmedabad, sourced from Bihar remained between Rs. 2,400 to Rs. 2,600 per quintal. Also feed Maize being sourced from Nizamabad, Telengana was being delivered to Hyderabad and Tamil Nadu feed producers at delivery price between Rs. 2,400 to Rs. 2,550 per quintal. For the upcoming May 22 it's expected that decent demand of domestic feed Maize would be maintained, since prices would remain affordable for feed producers to buy feed Maize on the account of increasing arrivals of Rabi Maize. Also upcoming wedding season will add to the demand of domestic Maize consumption.

Following the current demand trend it's expected that international demand of Indian Maize would also be maintained by fair degree for upcoming month on the account of Maize shortage going on in international market. It is expected that Maize requirement would continue from neighboring countries like Bangladesh, Vietnam, Nepal, Thailand and Sri Lanka.

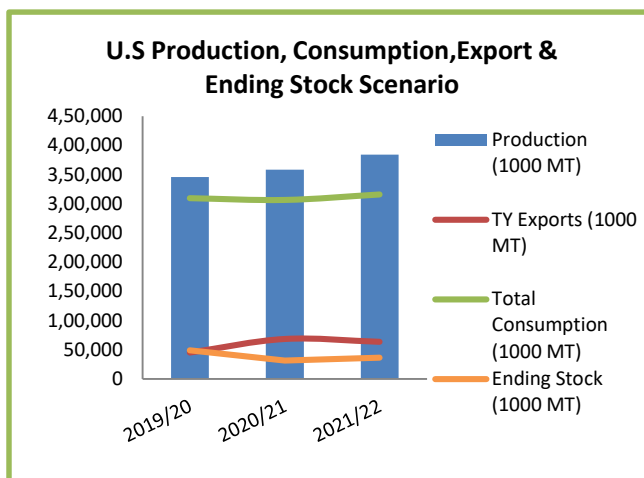
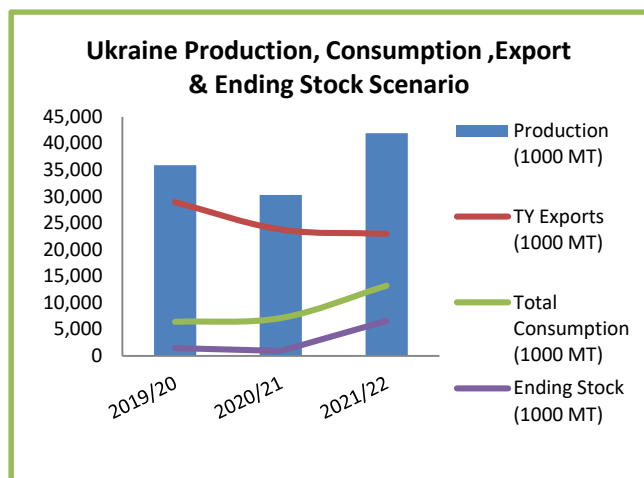
➤ **India Maize Export Scenario ;**

As per the sources during month of April 22, around 1,24,100 MT of Maize vessels were loaded for exports, out of which around 85,140 MT was loaded during previous week. Maximum loading took place at Vizag port. After observing ongoing international demand, volume of exports and the seasonality, on an average we expect approximately 2,00,000 MT Maize exports during April '22. There is continuous demand for Maize from neighboring countries like Bangladesh and Vietnam. Maize is being sourced from Bihar to fulfill the Maize demand from Bangladesh and Vietnam. Seeing, ongoing demand and seasonality we can expect exports of more than 2,00,00 MT for May' 22 as well.

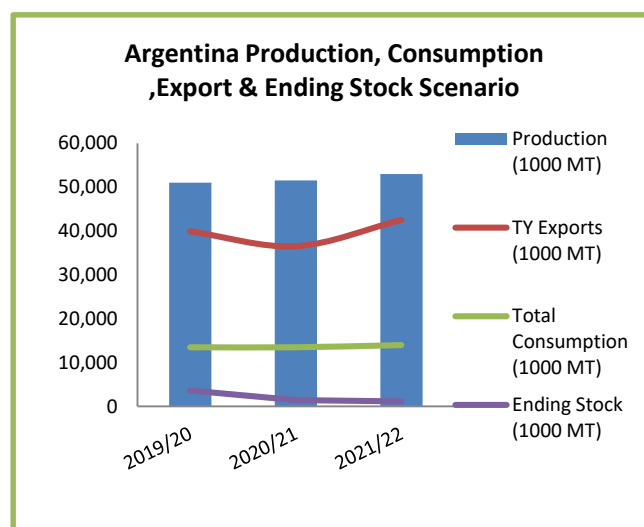
➤ **India Maize Export Parity ; (USD/MT)**



It is expected that Indian Maize exports is likely to maintain a clear parity with other exporting countries. Easing domestic prices on rising Rabi supplies is expected to keep the FOB as well as the C&F prices of India at lower side moving ahead which would keep the demand for Indian Maize at higher side amid cheaper prices compared to other countries. Currently, Argentina remains a close competitor of India. With Thailand deciding to uplift the restrictions on imports of Maize and Wheat to fulfill its feed demand, all the exporting countries would be under pressure of fulfilling the export requirements.

INTERNATIONAL MARKET SCENARIO


USDA in its March month report, increased its World Maize Ending Stock Estimate by 4.48 MMT to 305.458 MMT for April'22/ 2021-22, and also increased its World Maize Production Estimates by 4.30 at 121.045 MMT for April'22/ 2021-22. USDA also kept the Ending Stock Estimates for U.S.A unchanged at 36.57 MMT, whereas U.S.D.A increased its Ending Stock Estimates for Argentina by 0.15 MMT to 1.18 MMT and for Brazil it decreased its Ending Stock Estimates by 0.07 MMT to 5.15 MMT for April'22/ 2021-22.



U.S. Maize exports have reached at 38.13 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.56 MMT for the period of 15th April 2022 – 21st April 2022, these exports were up by 31 percent from the previous week and remained unchanged for prior 4-week average, to the destinations like Japan (385,600 MT), Mexico (337,800 MT), China (266,200 MT), Colombia (73,900 MT), and South Korea (60,100 MT). Supply chain disruption and lockdown situations in China, along with War related tensions in Europe can be held accountable for reduced U.S Corn supplies.

According to sources there has been a continuous dry weather over Brazil. This dry weather is expected to affect the second crop production in Brazil. Also in U.S corn planting is moving ahead with very slow pace as compared to normal. As per U.S Corn planting report as of 25th April 2022, corn planting stood at 7%, which is lower by 9% as compared to last year and lower by 8% as compared to four year's average as well.

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	April 29 ,2022	March 31,2022	Change
Corn CBOT Prices	May-22	322.13	288.57	33.56
	July-22	320.26	274.1	46.16
	Sep-22	302.35	269.18	33.17
	Dec-22	295.75	269.48	26.27

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DOMESTIC PRICE OUTLOOK:

Maize cash markets mostly featured a mixed sentiment during the month of April'22 as compared to previous month however, traded firm when compared from the corresponding period last year. Increasing arrivals after mid-April'22, along with good export demand mainly attributed to the price trend of major Maize cash markets.

For the month of May'22, Agriwatch expects that Maize would trade sideways till mid-May on gradually increasing new Rabi crop arrivals thereafter, the pressure of arrival is very likely to increase which would weigh on prices. Given the higher prices compared to last year, farmers are very likely to regularly sell their produce. However, considering the ongoing export demand for Maize along with expectation of fair domestic demand from feed industries, any major fall in prices would be restricted.

Under current circumstances any further decline in prices to the level between 1,850 to 1,900 Rs. per quintal by mid-May would give a buying opportunity with expectation of a good return in medium to long term.

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