

# Maize Monthly Research Report

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**REVIEW AND OUTLOOK:**

May-22 started with Maize trading in domestic market at fairly high prices on the account of strong export demand alongside the decent domestic demand from feed as well as starch industry . By the mid-month, Maize prices started to fall down on the account of the phenomena of fear-psychosis following wheat export ban. After this the joint plea presented by Poultry feed association and starch association to ban/limit Maize exports, demand decreased further and prices of Maize fell by a noticeable margin.

During May -22 Rabi Maize arrivals registered across various spot markets in the country were of decent quantity. However, unexpected pre-monsoon showers in the North-eastern parts and Southern parts of the country lead to declined arrivals of Maize. Also pre-monsoon showers in Southern India and parts of Bihar lead to reduced arrivals since, harvesting of standing crop was interrupted. Overall prices during May-22 remained firm until joint plea presented by Poultry feed association and starch association to ban/limit Maize exports, after which sudden drop in the prices were noticed.

Corn on CBOT fell by 23.62 USD to 296.64 USD per MT for July'22 contract, as compared to previous month, as the result of spill-over effect from the fall in Wheat prices. Also, after Ukraine resuming its Corn exports through Romania and Belarus ports.

**OUTLOOK**

For the month of June'22, Agriwatch expects that Maize would trade sideways on the account of arrivals containing high moisture.

**INDIA MAIZE BALANCE SHEET**

<b>Maize Year-(Oct-Sep)</b>	<b>2020-21</b>	<b>2021-22*</b>
Opening Stocks (MMT)	<b>3.41</b>	<b>2.33</b>
Production (MMT)	24.88	24.63
Imports (MMT)	0.02	0.15
<b>Total Supply (MMT)</b>	<b>28.31</b>	<b>27.11</b>
Export (MMT)	3.47	2.18
Domestic Consumption (MMT)	22.52	22.75
<b>Total Demand (MMT)</b>	<b>25.98</b>	<b>24.93</b>
<b>Ending Stock (MMT)</b>	<b>2.33</b>	2.18
<b>Monthly Use</b>	2.17	2.08
<b>Stock to Use Ratio</b>	<b>8.96%</b>	<b>8.75%</b>

According to ongoing estimates for current marketing year it is expected that this year would end with the ending stocks of 2.18 MMT against the opening stock of 2.33 MMT. As of now supply-demand scenario seems to be restrained, which would support domestic Maize market in an overall lookup.

- **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>

### RABI MAIZE HARVESTING AND PRODUCTION ESTIMATES

On the account of unexpected pre monsoon showers in northern districts of Bihar, the harvesting of Rabi Maize was interrupted during third and fourth week of May'22 and also it has affected the standing crop. Reportedly, there are losses due to rainfall event and it is likely that the yields were affected to the tune of 5-7% in Bihar. Also, there would be quality issues mainly due to impact of fungus due to the recent rainfall events. As of now it's expected that in ongoing season total Rabi Maize production across India can be estimated around 6.92 MMT.

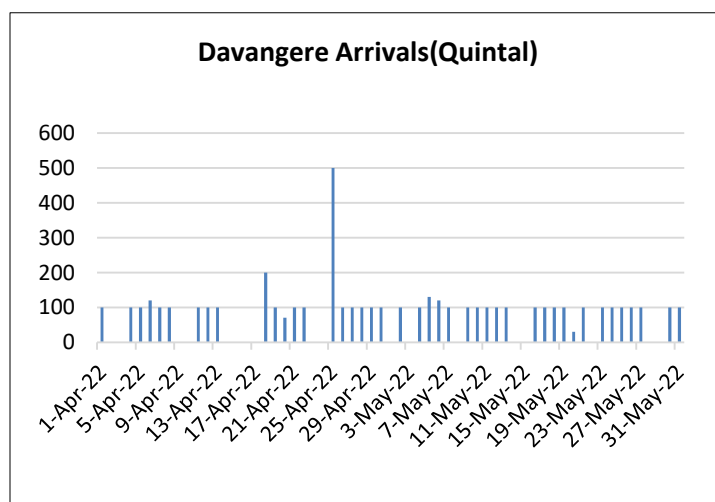
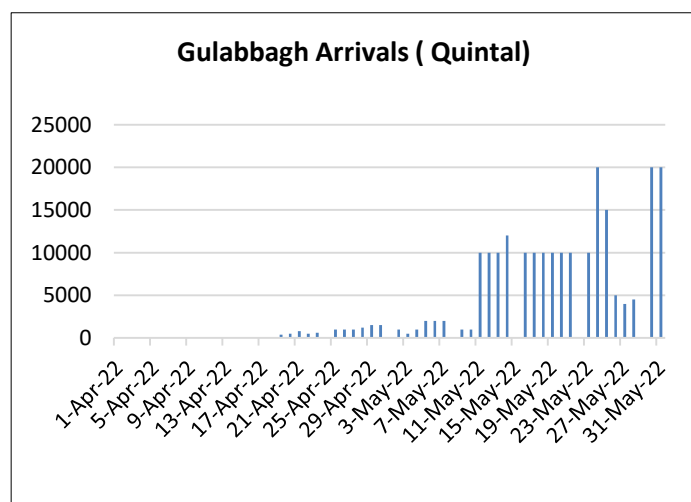
### DOMESTIC MARKET DYNAMICS

May-22 started with Maize trading in domestic market at fairly high prices on the account of strong export demand alongside the decent domestic demand from feed as well as starch industry . By the mid-month, Maize prices started to fall down on the account of the phenomena of fear-psychosis following wheat export ban. After this the joint plea presented by Poultry feed association and starch association to ban/limit Maize exports, demand decreased further and prices of Maize fell by a noticeable margin across the markets in the country. When compared to April -22 average spot prices for Maize at major spot markets displayed a weak trend. Whereas, Maize market displayed a firm sentiment during May-22 as compared to that of May-21, on the account of prevailing tight-supply demand scenario in the domestic market.

#### ➤ Arrivals :

During May -22 Rabi Maize arrivals registered across various spot markets in the country were of decent quantity. However, unexpected pre-monsoon showers in the North-eastern parts and Southern parts of the country lead to declined arrivals of Maize. Also pre-monsoon showers in Southern India and parts of Bihar lead to reduced arrivals since, harvesting of standing crop was interrupted.

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



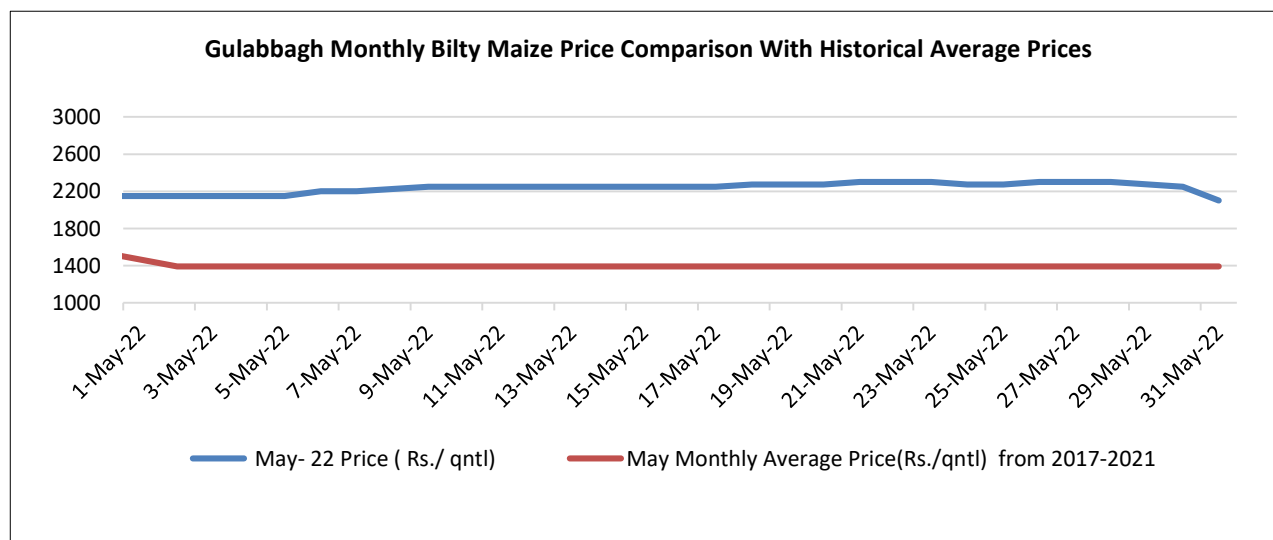
June, 2022

## ➤ Domestic Price Scenario ;

Overall prices during May-22 remained firm until joint plea presented by Poultry feed association and starch association to ban/limit Maize exports, after which sudden drop in the prices were noticed.

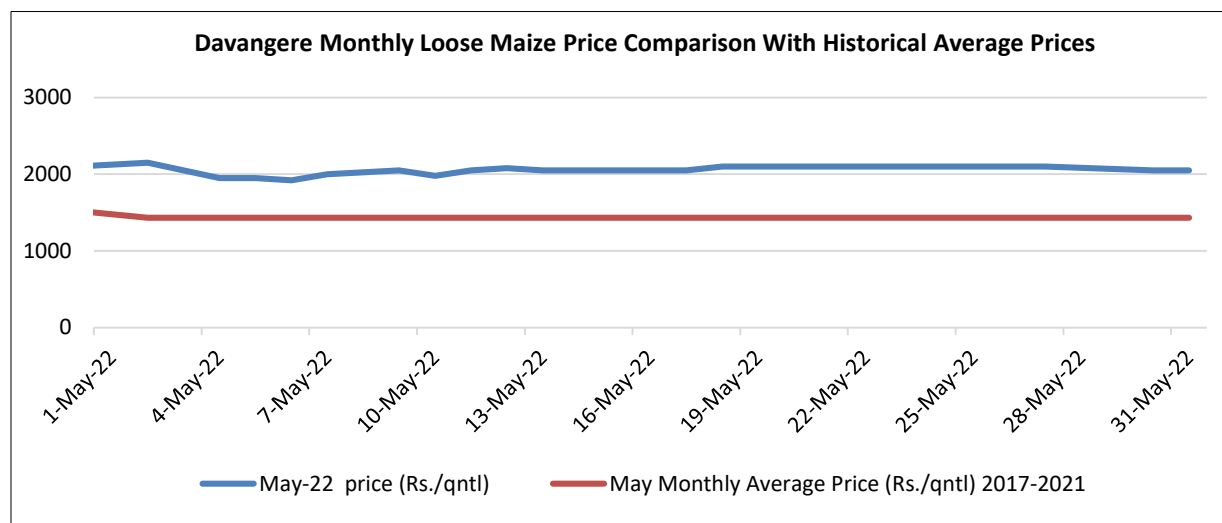
## Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2022-May	2022-Apr	2021-May	% Change from Prev. Month	% Change from Prev. Year
Delhi	2430	2517	1642	-3.46	47.99
Davangere(Bilty Price)	2155	2290	1650	-5.90	30.61
Shimoga	2160	2161	1642	-0.05	31.55
Bagalkot	2138	2279	1543	-6.19	38.56
Gadag	1909	2091	1291	-8.70	47.87
Nizamabad (Bilty Price)	2151	2375	1601	-9.43	34.35
Khanna	2346	2444	1605	-4.01	46.17
Sangli (NCDEX Quality)	2409	2472	1776	-2.55	35.64
Gulabbagh(NCDEX Quality)	2246	2344	1493	-4.18	50.44
Naugachia	2168	1819	1436	19.19	50.97
Erode (NCDEX Quality)	2427	2152	1831	12.78	32.55



June, 2022

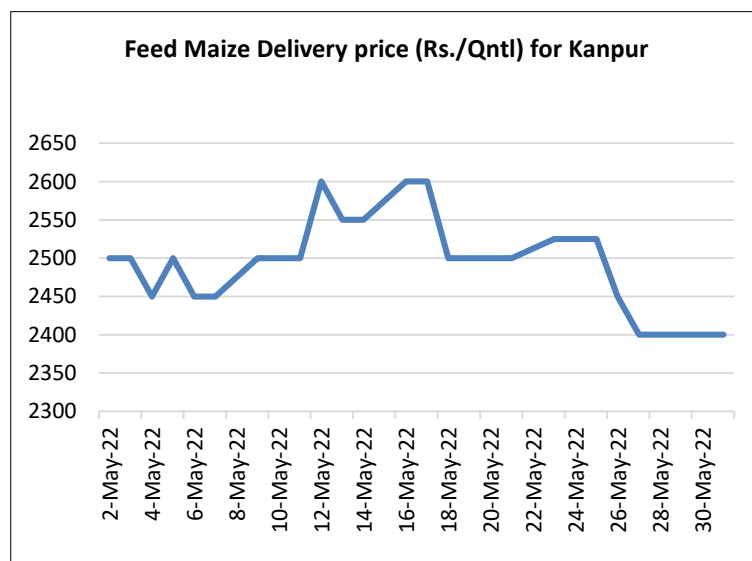
At benchmark market Gulabghat for Rabi Maize, average monthly prices were registered 4 % down as compared to that of previous month this year. Highest price for Gulabghat was registered at Rs. 2,300 per quintal (Bilty Maize). By month end these prices fell to Rs. 2,100 per quintal. For the upcoming month Bilty prices at Gulabghat is expected to remain between Rs. 1,950 per quintal to Rs. 2,300 per quintal.



At benchmark market Davangere, average monthly prices were registered 6 % down as compared to that of previous month this year. Highest price for Davangere was registered at Rs. 2,150 per quintal ( Loose Maize). By month end these prices fell to Rs. 2,050 per quintal. For the upcoming month loose prices at Davangere, is expected to remain between Rs. 1,900 per quintal to Rs. 2,200 per quintal.

## ➤ India Maize Trade Scenario ;

For the May-22 a decent to good demand of Maize was observed in domestic industry as well as from the side of the exporters. By mid-month exporters and buyers decided to remain away from the market awaiting GOI's discussion on Maize export ban. As per the sources delivery price of feed Maize to Kanpur and Kolkata, sourced from Bihar varied between Rs. 2,600 to Rs. 2,400 per quintal. Prices fell to Rs. 2,400 per quintal by May end due to unwillingness of buyers and exporters to engage in buying.

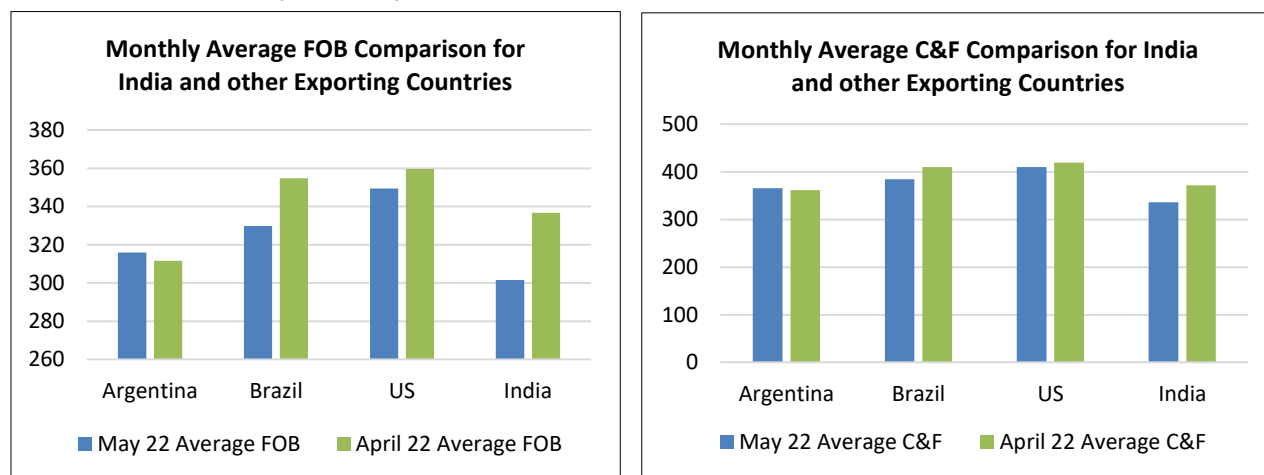


However, during first two week of May-22 according to the trade sources, Maize sourced from Bihar and West Bengal is being supplied to Bangladesh at the delivery rate of Rs. 2,600 per quintal. Also, Bihar is supplying Maize to Kolkata and Siliguri at the rate of Rs. 2,450 per quintal. Also, Maize sourced from Davangere, Karnataka is being delivered for feed purpose to Tamil Nadu and Maharashtra at the rate of Rs. 2,500 to Rs. 2,550 per quintal and Rs. 2,400 to Rs. 2,450 per quintal respectively.

➤ **India Maize Export Scenario ;**

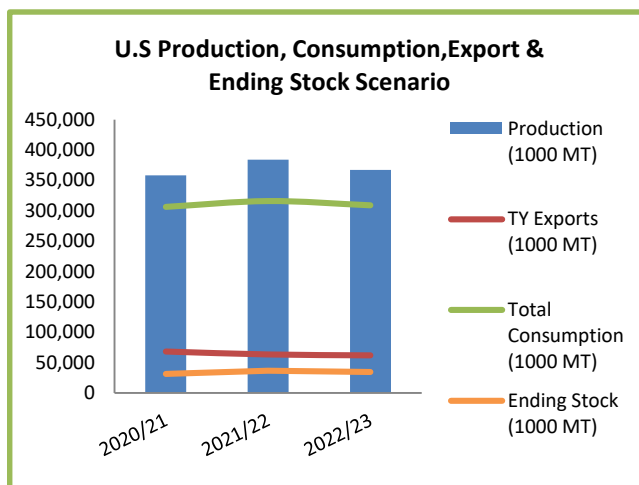
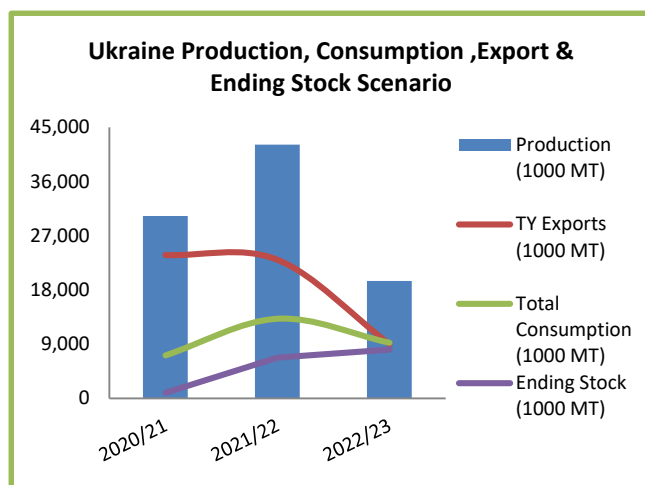
As, per the trade sources, India exported 100126.39 MT of Maize during March 2022, at the average FOB of around 436.59 USD/MT. Also according to sources Maize exports during April 2022 were around 251281.92 MT with the average FOB of around 340.86 USD/MT. As of now exports of Maize from India seems to remain sluggish awaiting GOI's decision on Maize export ban plea.

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

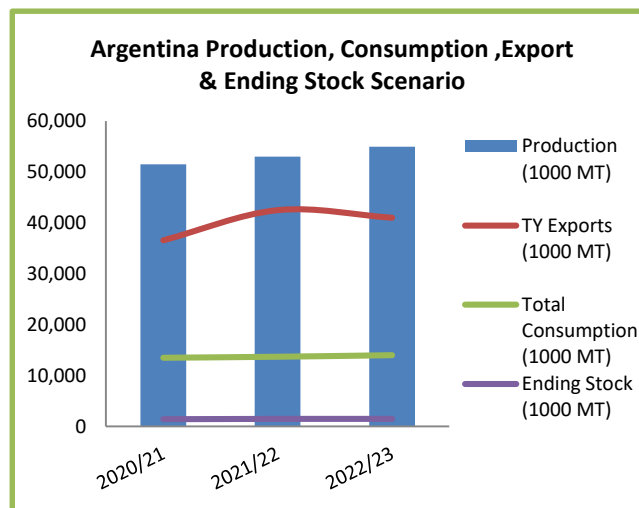


It is expected that Indian Maize exports is likely to maintain a clear parity with other exporting countries. It is expected that the FOB as well as the C&F prices of India at lower side moving ahead which would keep the demand for Indian Maize at higher side amid cheaper prices compared to other countries. Currently, Argentina remains a close competitor of India.

There is continuous demand for Maize from neighboring countries like Bangladesh, Nepal and Vietnam. Still exporters are restraining themselves from buying Maize at present since, they are in wait of decision over the export ban/limiting plea.

**INTERNATIONAL MARKET SCENARIO**


USDA in its May month report, decreased its World Maize Ending Stock Estimate by 4.25 MMT to 305.128 MMT for May'22/ 2022-23, and also, decreased its World Maize Production Estimates by 4.30 at 1180.71 MMT for May'22/ 2022-23. USDA also decreased its World Maize Ending Stock Estimate for U.S.A at 34.53 MMT, whereas U.S.D.A increased its Ending Stock Estimates for Argentina by to 1.49 MMT and for Brazil it decreased its Ending Stock Estimates to 7.95 MMT May'22/ 2022-23.



As per U.S Corn planting report as of 31st May 2022, corn planting stood at 86%, which is lower by 8% as compared to last year and lower by 1% as compared to four year's average as well. Also 61 % of Corn has emerged as compared to 79 % for the same time duration last year.

U.S. Maize exports have reached at 44.72 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.82 MMT for the period of 13th May 2022 – 19th May 2022, these exports were up by 34 percent from the previous week and up by 15 percent for prior 4-week average, to the destinations China (793,000 MT), Japan (352,200 MT), Mexico (308,500 MT), Canada (75,500 MT), and South Korea (63,300 MT).

China has released its interest regarding imports of Corn from Brazil Corn replacing imports from U.S, in order to overcome existing Corn shortage. This has led to fall in the prices of U.S Corn in the international market.



Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	May 31 ,2022	April 29 ,2022	Change
<b>Corn CBOT Prices</b>	<b>July-22</b>	296.64	320.26	<b>-23.62</b>
	<b>Sep-22</b>	285.42	302.35	<b>-16.93</b>
	<b>Dec-22</b>	280.11	295.75	<b>-15.65</b>
	<b>Mar-23</b>	282.07	297.23	<b>-15.16</b>

Corn on CBOT fell by 23.62 USD to 296.64 USD per MT for July'22 contract, as compared to previous month, as the result of spill-over effect from the fall in Wheat prices. Also, after Ukraine resuming its Corn exports through Romania and Belarus ports. In near future it is expected that due to speculations related possible improved supply along with strong international feed demand it's expected that Corn on CBOT would trade range bound to weak.

#### **DOMESTIC PRICE OUTLOOK:**

For the month of June'22, Agriwatch expects that Maize would trade sideways on the account of arrivals containing high moisture. However market sustains in wait and watch scenario till the time government release it's confirm statement over the demand of Maize export ban/limit.

Under current circumstances any further decline in prices to the level between 2,000 to 1,900 Rs. per quintal by Mid-June would give a buying opportunity with expectation of a good return in medium to long term.

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