

Maize Monthly Research Report

Contents

- ❖ Review and Outlook
- ❖ India maize balance sheet
- ❖ Consumption Break-Up
- ❖ Kharif Maize Sowing
- ❖ Domestic Market Dynamics
 - Arrivals
 - Domestic Price Scenario
 - India Maize Trade Scenario
 - India Maize Export Scenario
 - India Maize Export Parity
- ❖ International Market Scenario
- ❖ Domestic Price Outlook

REVIEW AND OUTLOOK:

June-22 started with Maize trading in domestic market at prices trading weak as compared to that of prevailing during May-22 on the account of sluggish domestic and export demand from feed as well as starch industry. However during second half of the month with good export demand and emergence of fair domestic demand from feed industry catalyzed by reducing arrivals, prices took a firm route. At benchmark market Gulabghat for Rabi Maize, average monthly prices were registered 2.2 % down as compared to that of previous month this year. Highest price for Gulabghat was registered at Rs. 2,250 per quintal (Bilty Maize).

During June-22 Rabi Maize arrivals registered across various spot markets in the country saw a week on week consecutive decline in the quantity, since Rabi harvesting was coming to an end with the time. However, unexpected pre-monsoon showers in the North-eastern parts and Southern parts of the country lead to declined arrivals of Maize.

Corn on CBOT fell by 3.84 USD to 292.80 USD per MT for July'22 contract, as compared to previous month, as the result of increase in the world production and ending stocks estimates by USDA in its June 22 monthly report. Also, ease related to tight global supply related concerns on the account of cooling weather progress in U.S and rapid harvest of second crop of Brazilian Corn, has created a pressure on Corn on CBOT.

OUTLOOK

Agriwatch expects that in the month of July, 2022 Maize would trade range-bound, on the account of finishing Rabi Maize availability in the market and normal domestic as well as export demand. However, upcoming Sawan fasting season is expected to reduce demand of feed Maize from poultry industry. Agriwatch expects that Maize (Bilty) in Nizamabad would trade in a range of Rs. 2,100-Rs. 2,450 per quintal during the month of July 22.

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2020-21	2021-22*
Opening Stocks (MMT)	3.41	2.33
Production (MMT)	24.88	24.63
Imports (MMT)	0.02	0.15
Total Supply (MMT)	28.31	27.11
Export (MMT)	3.47	2.35
Domestic Consumption (MMT)	22.52	22.75
Total Demand (MMT)	25.98	25.10
Ending Stock (MMT)	2.33	2.00
Monthly Use	2.17	2.09
Stock to Use Ratio	8.96%	7.98%

According to ongoing estimates for current marketing year it is expected that this year would end with the ending stocks of 2.00 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)

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

KHARIF MAIZE SOWING UPDATES

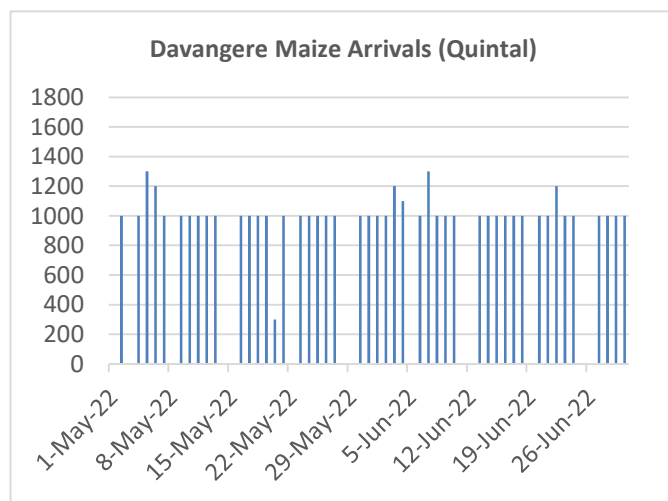
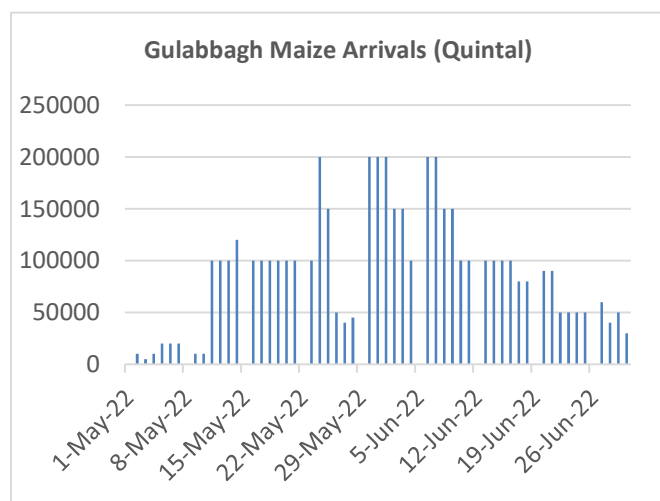
As per the latest update of Agriculture department, GoI, India marked a decline in Maize area coverage till 1st July 22 as compared to same period last year due to deficit and uneven distribution of monsoon rains over key states. Till last week Maize has been sown in 19.03 lakh Ha. compared to 22.09 lakh Ha. same period last year, which is 13.86 % less. As per the report, largest area coverage under Maize was in Karnataka at around 7.18 Lakh hectares as compared to 7.47 Lakh hectares during same period last year.

DOMESTIC MARKET DYNAMICS

June-22 started with Maize trading in domestic market at prices trading weak as compared to that of prevailing during May-22 on the account of sluggish domestic and export demand from feed as well as starch industry. However during second half of the month with good export demand and emergence of fair domestic demand from feed industry catalyzed by reducing arrivals, prices took a firm route. When compared to May -22 average spot prices for Maize at major spot markets displayed a mixed trend. Whereas, Maize market displayed a firm sentiment during June-22 as compared to that of Jun-21, on the account of prevailing tight-supply demand scenario in the domestic market.

➤ Arrivals :

During June-22 Rabi Maize arrivals registered across various spot markets in the country saw a week on week consecutive decline in the quantity, since Rabi harvesting was coming to an end with the time. However, unexpected pre-monsoon showers in the North-eastern parts and Southern parts of the country lead to declined arrivals of Maize. During last two weeks of the month due to heavy rain shower, farmers started bringing stocked Maize to the market, fearing spoilage of the stocked stuff.

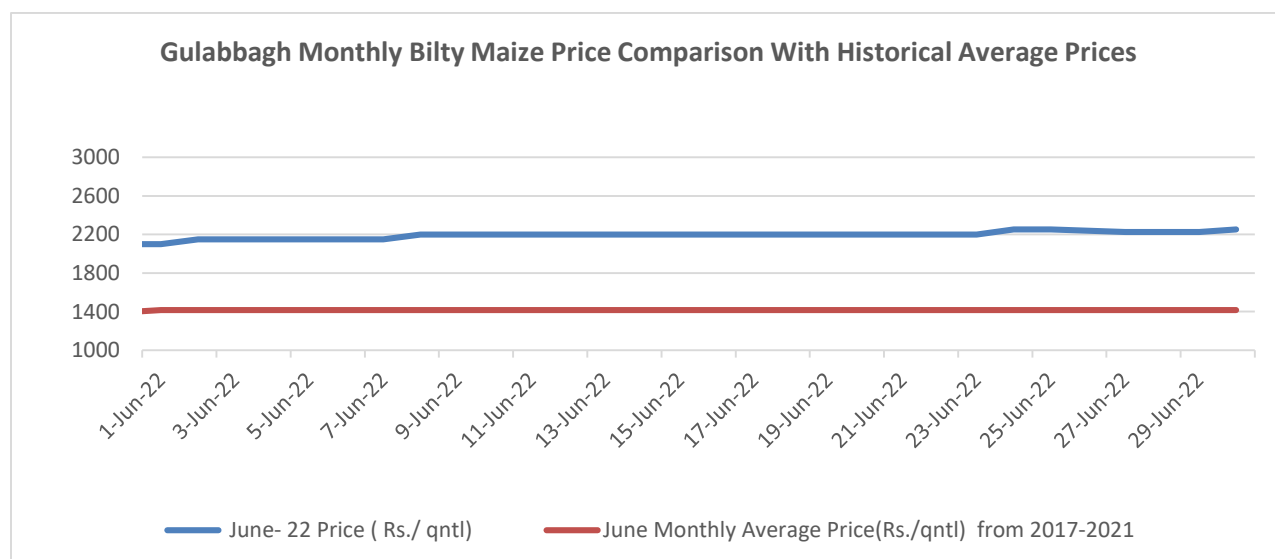


➤ Domestic Price Scenario ;

Overall prices during June-22 remained range bound to firm with month proceeding.

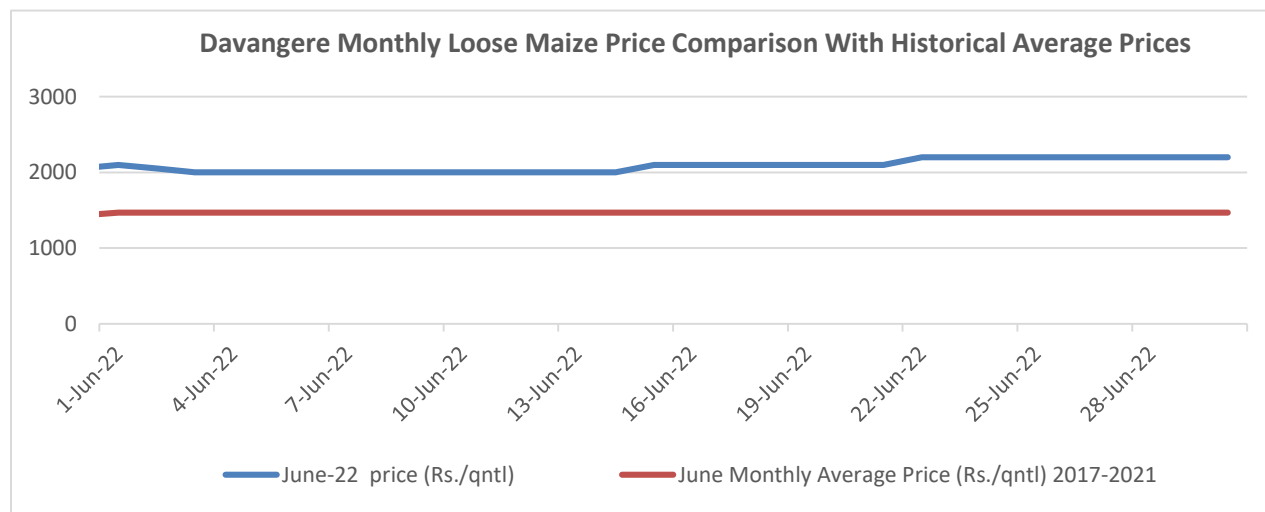
Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2022-June	2022-May	2021-June	% Change from Prev. Month	% Change from Prev. Year
Delhi	2195	2430	1643	-9.67	33.60
Davangere(Bilty Price)	2189	2155	NA	1.58	NA
Shimoga	2170	2160	1838	0.46	18.06
Bagalkot	2198	2138	1637	2.81	34.27
Gadag	2080	1909	NA	8.96	NA
Nizamabad (Bilty Price)	2236	2151	1642	3.95	36.18
Khanna	2159	2346	1490	-7.97	44.90
Sangli (NCDEX Quality)	2495	2409	1930	3.57	29.27
Gulabbagh(NCDEX Quality)	2195	2246	1586	-2.27	38.40
Naugachia	2191	2168	1468	1.06	49.25
Erode (NCDEX Quality)	2483	2427	1944	2.31	27.73



July, 2022

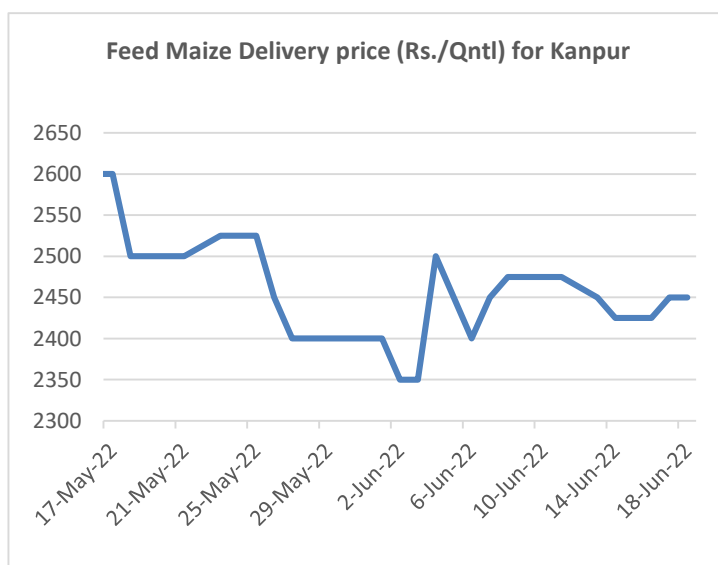
At benchmark market Gulabghat for Rabi Maize, average monthly prices were registered 2.2 % down as compared to that of previous month this year. Highest price for Gulabghat was registered at Rs. 2,250 per quintal (Bilty Maize). For the upcoming month Bilty prices at Gulabghat is expected to remain between Rs. 2,000 per quintal to Rs. 2,350 per quintal.



At benchmark market Davangere, average monthly prices were registered around 2% up as compared to that of previous month this year. Highest price for Davangere was registered at Rs. 2,200 per quintal (Loose Maize). By month end these prices rose to Rs. 2,200 per quintal. For the upcoming month loose prices at Davangere, is expected to remain between Rs. 1,980 per quintal to Rs. 2,300 per quintal.

➤ India Maize Trade Scenario ;

For the June-22 a decent to slightly weak demand of Maize was observed in domestic industry as well as from the side of the exporters, due to disparity in terms of inter- state delivery of Maize. As per trade sources, the demand from feed industry and starch industry reportedly improved during the past week. As per the sources, Hyderabad feed makers are buying Maize from Nizamabad, Telangana at the delivery rate of Rs. 2,650 per quintal. As the Rabi Maize supply is about to end and the flow of supplies have reduced in Bihar markets, the previously stocked is being released in the Southern markets of the country. From Gulabghat, Bihar Maize for poultry purpose was being supplied to Siliguri and Kolkata at that delivery rate between Rs. 2,350 per quintal to Rs. 2,450 per quintal.

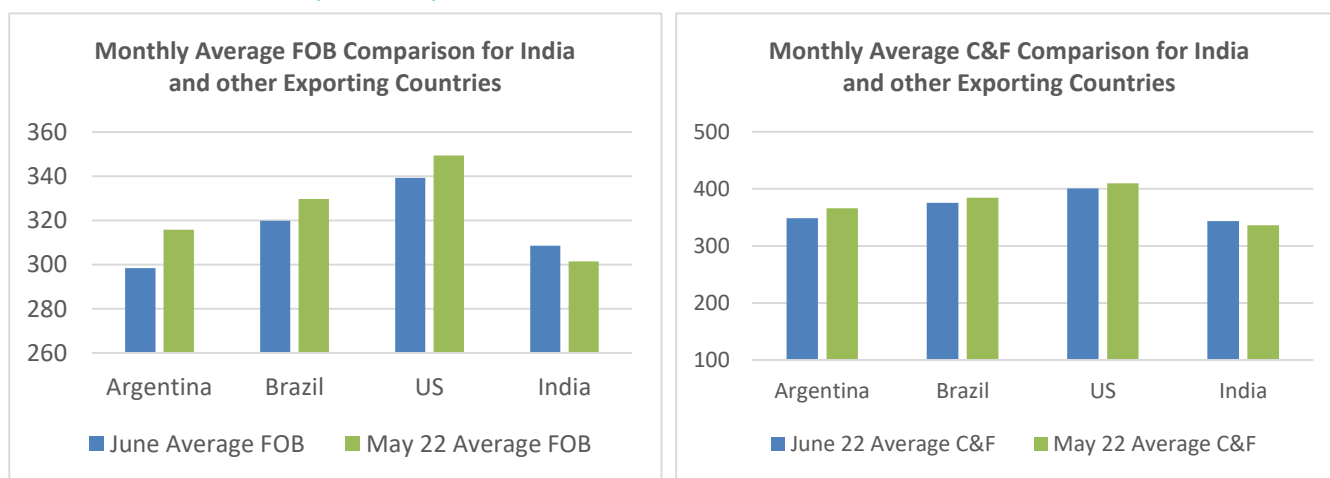


July, 2022

➤ India Maize Export Scenario ;

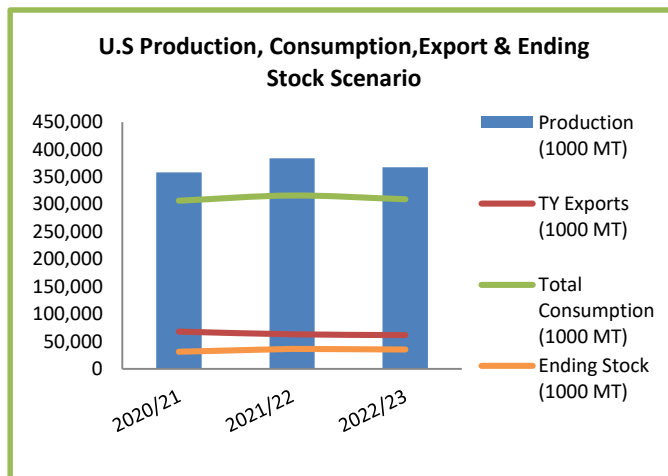
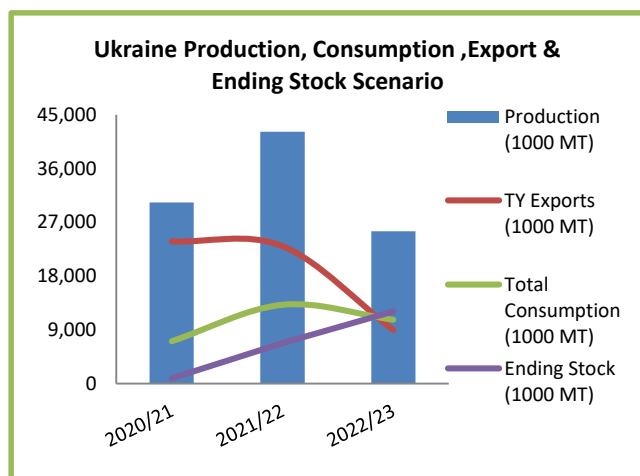
According to GOI sources Maize exports during April 2022 were around 251281.92 MT with the average FOB of around 340.86 USD/MT. Also, as per the Trade sources India exported around 93,773 MT of Maize during May 2022 with the average FOB of around 327.21 USD/MT. Also, out of this around 52,359 MT of Maize was exported to Bangladesh with an average FOB of around 327.83 USD/MT and 34,790 MT of Maize was exported to Nepal with an average FOB of around 297.85 USD/MT.

➤ India Maize Export Parity ; (USD/MT)

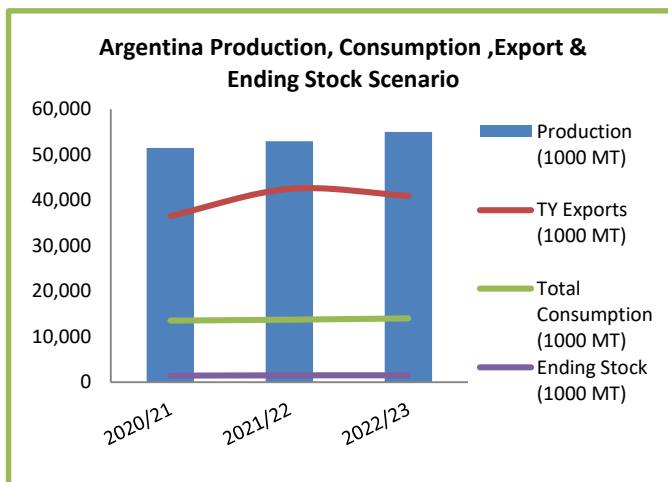


It is expected that Indian Maize exports is likely to maintain a clear parity with other exporting countries. It is expected that the FOB as well as the C&F prices of India at lower side moving ahead which would keep the demand for Indian Maize at higher side amid cheaper prices compared to other countries,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

INTERNATIONAL MARKET SCENARIO



USDA in its June month report, increased its World Maize Ending Stock Estimate by 5.31 MMT to 310.445 MMT for June '22/ 2022-23, and also, increased its World Maize Production Estimates by 5.0 at 1185.806 MMT for June '22/ 2022-23. USDA also increased its World Maize Ending Stock Estimate for U.S.A at 35.55 MMT, whereas USDA increased its Ending Stock Estimates for Ukraine at 12.07 MMT and kept its Ending Stock Estimates for Argentina same at 1.49 MMT for June '22/ 2022-23.



As per U.S Corn planting report as of 27th June 2022, 67 % of Corn was in good to excellent condition this week against 70 % during past week and 64 % for the same time period during last year. Also, 4 % of Corn crop was in silking stage.

U.S. Maize exports have reached at 51.47 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.25 MMT for the period of 17th June 2022 – 23rd June 2022, these exports were up by 9 percent from previous week but down by 9 percent from prior 4-week average, to the destinations Japan (425,900 MT), Mexico (296,300 MT), China (207,700 MT), South Korea (69,800 MT), and Guatemala (66,800 MT).

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	June 30 ,2022	May 31 ,2022	Change
Corn CBOT Prices	July-22	292.80	296.64	-3.84
	Sep-22	247.53	285.42	-37.89
	Dec-22	243.99	280.11	-36.12
	Mar-23	246.54	282.07	-35.53

Corn on CBOT fell by 3.84 USD to 292.80 USD per MT for July'22 contract, as compared to previous month, as the result of increase in the world production and ending stocks estimates by USDA in its June 22 monthly report. Also, ease related to tight global supply related concerns on the account of cooling weather progress in U.S and rapid harvest of second crop of Brazilian Corn, has created a pressure on Corn on CBOT. However, AgriWatch expects that for upcoming term Corn on CBOT would not suffer any further dip due to further overall tight global Corn supply during upcoming season.

DOMESTIC PRICE OUTLOOK:

Agriwatch expects that in the month of July, 2022 Maize would trade range-bound, on the account of finishing Rabi Maize availability in the market and normal domestic as well as export demand. However, upcoming Sawan fasting season is expected to reduce demand of feed Maize from poultry industry. Agriwatch expects that Maize (Bilty) in Nizamabad would trade in a range of Rs. 2,100-Rs. 2,450 per quintal during the month of July 22.

Under current circumstances any further decline in prices to the level between 2,000 to 1,900 Rs. per quintal by Mid-July would give a buying opportunity with expectation of a good return in medium to long term. Also, stockiest can consider the price level of Rs. 2,550 to Rs. 2,650 suitable for selling their stock.

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