

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:

July-22 started with Maize trading in domestic market at prices trading firm as compared to that of prevailing during June-22 on the account of strong domestic and export demand from feed as well as starch industry. When compared to June-22 average spot prices for Maize at major spot markets displayed a firm trend. At benchmark market Gulabghat for Rabi Maize, average monthly prices were registered 4% up as compared to that of previous month this year. Highest price for Gulabghat was registered at Rs. 2,300 per quintal (Bilty Maize).

During July-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. During in some of the benchmark market like Davangere a steady arrivals were noticed on week on week basis since farmers started bringing stocked Maize to the market.

Corn on CBOT fell by 4.92 USD to 242.61 USD per MT for Sep'22 contract, as compared to previous month, as the result of increase in the world production and ending stocks estimates by USDA in its July 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.

OUTLOOK

Agriwatch expects that Maize would trade steady to range bound in a narrow zone in near term, and may attain firm bias later for August 22. Also, continuous ongoing buying in markets along with reduced or no arrivals accompanied with no near future arrivals of any new Maize crop in coming months will provide support to Maize market.

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	2.36
Domestic Consumption (MMT)	22.52	22.75
Total Demand (MMT)	25.98	25.11
Ending Stock (MMT)	2.33	1.99
Monthly Use	2.17	2.09
Stock to Use Ratio	8.96%	7.94%

According to ongoing estimates for current marketing year it is expected that this year would end with the ending stocks of 1.99 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

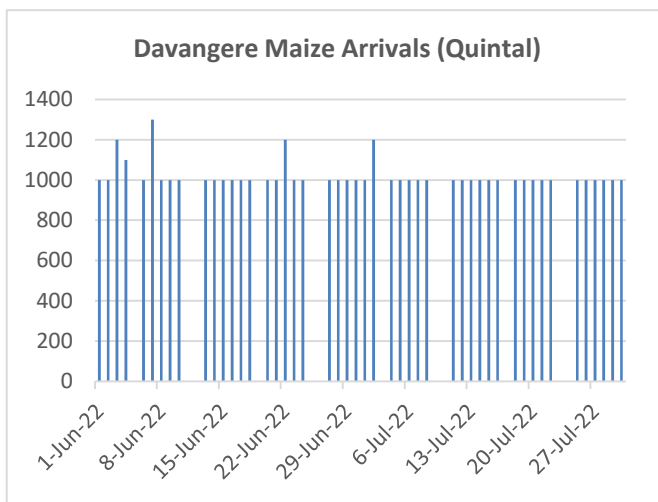
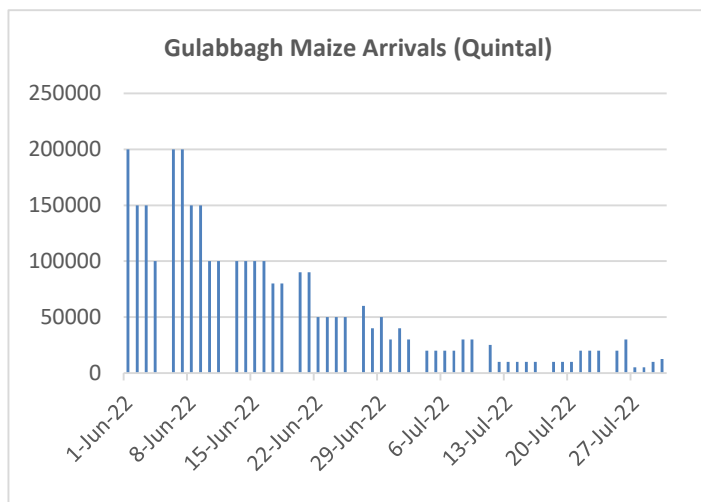
As per the latest update of Agriculture department, GoI, India marked a decline in Maize area coverage till 29th July 22 as compared to same period last year. Till last week Maize has been sown in 69.05 lakh Ha. compared to 72.49 lakh Ha. same period last year, which is approximately 3 % less compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 15.00 Lakh hectares as compared to 15.29 Lakh hectares during same period last year.

DOMESTIC MARKET DYNAMICS

July-22 started with Maize trading in domestic market at prices trading firm as compared to that of prevailing during June-22 on the account of strong domestic and export demand from feed as well as starch industry. When compared to June-22 average spot prices for Maize at major spot markets displayed a firm trend. Also, Maize market displayed a firm sentiment during July-22 as compared to that of July-21, on the account of prevailing tight-supply demand scenario in the domestic market.

➤ Arrivals :

During July-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. During in some of the bench mark market like Davangere a steady arrivals were noticed on week on week basis since farmers started bringing stocked Maize to the market.

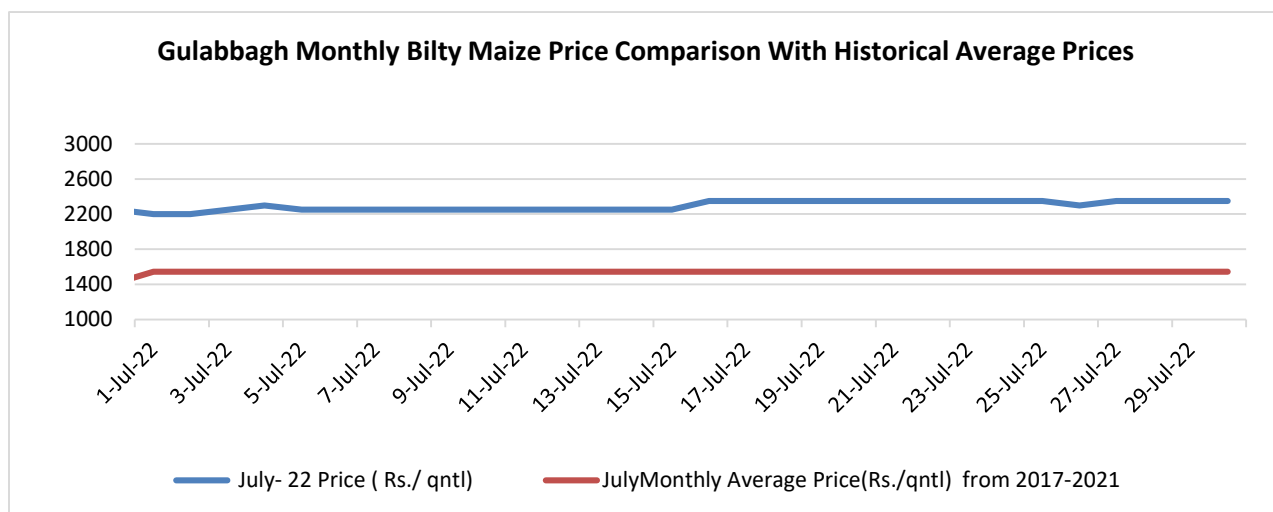


➤ Domestic Price Scenario ;

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

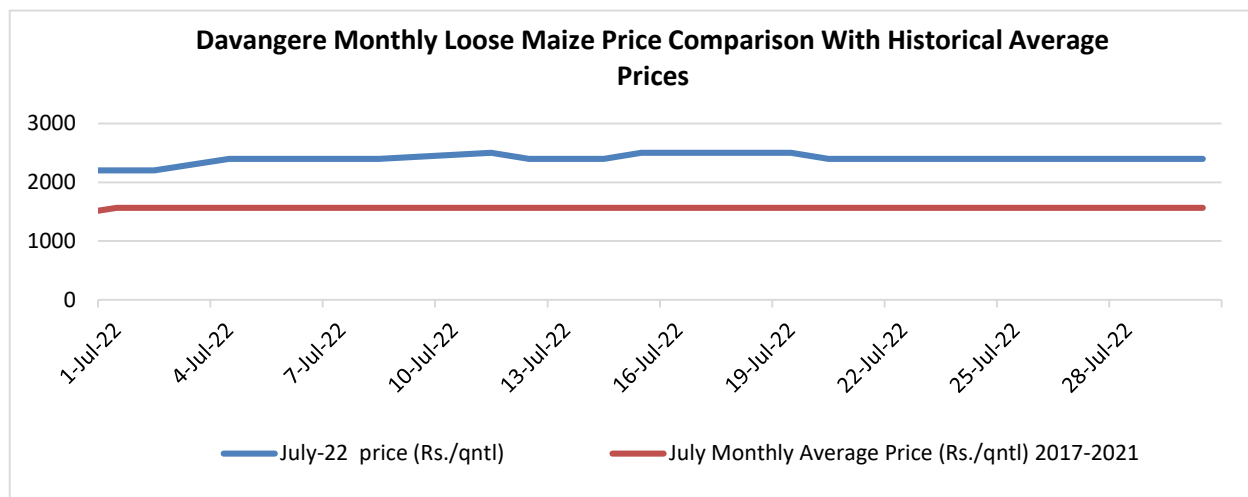
Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2022-July	2022-June	2021-July	% Change from Prev. Month	% Change from Prev. Year
Delhi	2198	2195	1739	0.14	26.39
Davangere(Bilty Price)	2575	2189	2056	17.63	25.24
Shimoga	2437	2170	1967	12.30	23.89
Bagalkot	2259	2198	1823	2.78	23.92
Gadag	1774	2080	1797	-14.71	-1.28
Nizamabad (Bilty Price)	2441	2236	1847	9.17	32.16
Khanna	2161	2159	1561	0.09	38.44
Sangli (NCDEX Quality)	2068	2636	2068	-21.55	0.00
Gulabbagh(NCDEX Quality)	2287	2195	1836	4.19	24.56
Naugachia	1776	2225	1776	-20.18	unch
Erode (NCDEX Quality)	2625	2483	2148	5.72	22.21



At benchmark market Gulabbagh for Rabi Maize, average monthly prices were registered 4% up as compared to that of previous month this year. Highest price for Gulabbagh was registered at Rs. 2,300 per quintal (Bilty Maize). For the upcoming month Bilty prices at Gulabbagh is expected to remain between Rs. 2,150 per quintal to Rs. 2,550 per quintal.

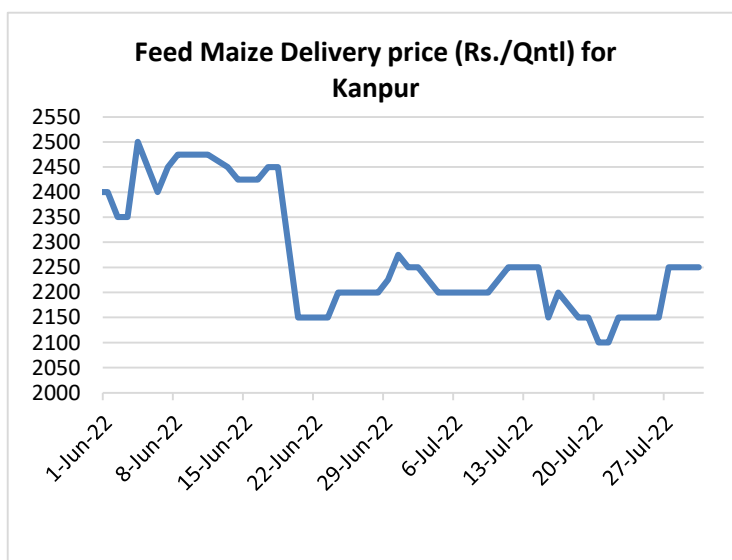
August, 2022



At benchmark market Davangere, average monthly prices were registered around 18% up as compared to that of previous month this year. Highest price for Davangere was registered at Rs. 2,500 per quintal (Loose Maize). For the upcoming month loose prices at Davangere, is expected to remain between Rs. 2,000 per quintal to Rs. 2,450 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. Poultry persons in Punjab and U.P were utilizing locally produced Zaid Maize rather than buying Maize sourced from Bihar due to more feasible prices. In M.P starch Maize is trading at the delivery rate of Rs. 2,200 to Rs. 2,400 per quintal of delivery rate.

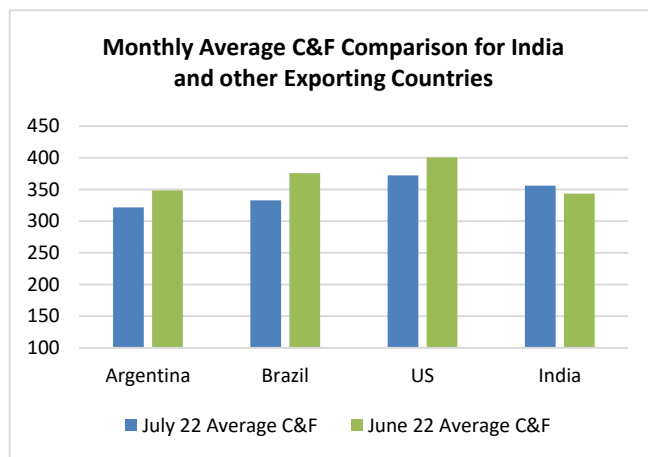
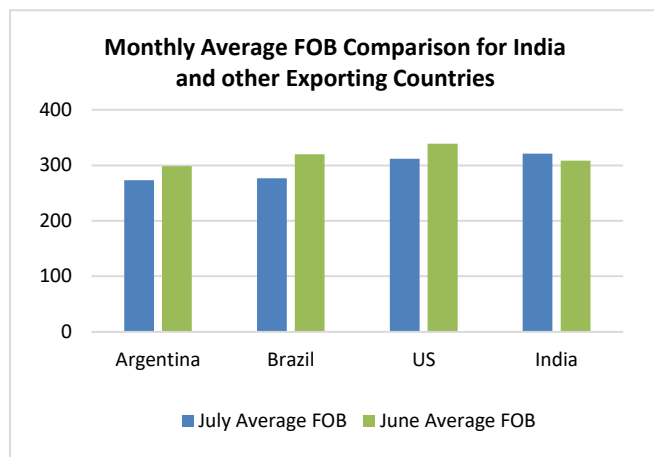


August, 2022

➤ India Maize Export Scenario ;

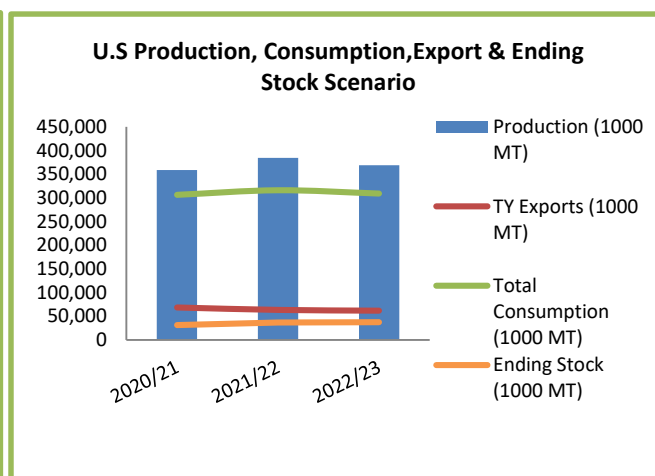
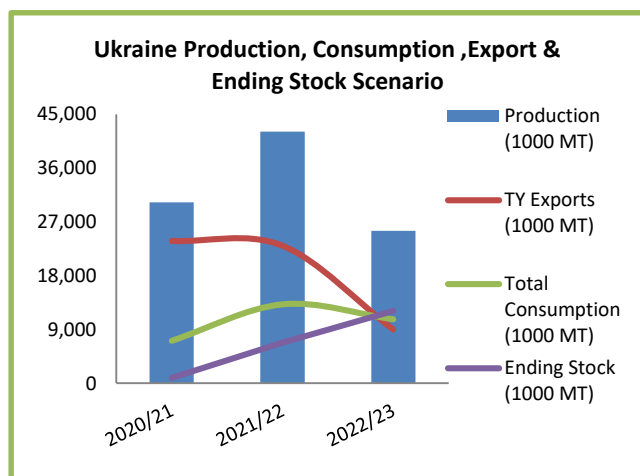
As per the Trade sources India exported around 1,49,630 MT of Maize during June 2022 with the average FOB of around 307.99 USD/MT. Also, out of this around 88,910 MT of Maize was exported to Bangladesh with an average FOB of around 330.44 USD/MT and 58,362 MT of Maize was exported to Nepal with an average FOB of around 288.53 USD/MT.

➤ India Maize Export Parity ; (USD/MT)

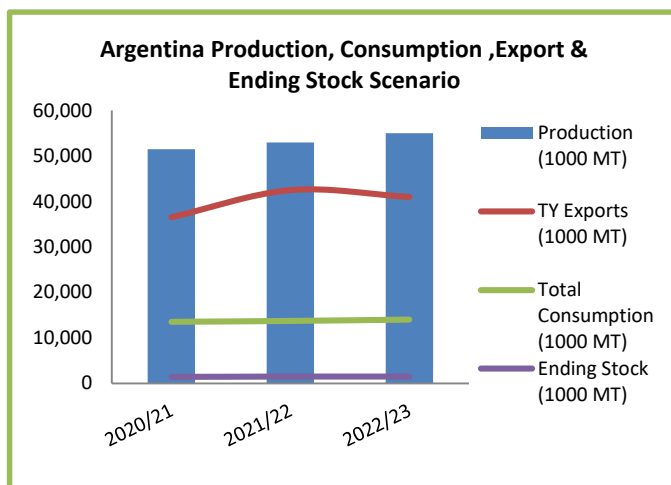


According to the latest updates, India is facing a challenge concerning exports of Indian Maize to significant export destinations like Thailand and Vietnam. The primary reason for this can be attributed to the fact that the current price at which Maize is being traded-in domestic markets in India is leading to uncompetitive prices of Indian Maize in the international market when compared to that of its competitors like Argentina and Brazil.

INTERNATIONAL MARKET SCENARIO



USDA in its June month report, increased its World Maize Ending Stock Estimate by 2.4 MMT to 312.936 MMT for July '22/ 2022-23, and also, increased its World Maize Production Estimates by 0.9 MMT at 1185.899 MMT for July '22/ 2022-23. USDA also increased its Maize Ending Stock Estimate for U.S.A at 37.33 MMT, whereas USDA kept its Ending Stock Estimates for Ukraine and Argentina same at 12.07 MMT and 1.49 MMT respectively for July '22/ 2022-23.



As per U.S Corn planting report as of 26 July 2022, 61 % of Corn was in good to excellent condition this is 1 % down from past week and 3 % down from the same time period during last year. Also, 62 % of Corn crop was in silking stage and 13 % of Corn crop was in dough stage till 26 July 2022.

U.S. Maize exports have reached at 55.39 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.86 MMT for the period of 15th July 2022 – 21st July 2022, these exports were down by 22 percent from previous week and 19 percent from prior 4-week average, to the destinations Mexico (396,000 MT), China (208,000 MT), Japan (72,300 MT), Guatemala (65,400 MT), and Colombia (47,500 MT).

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	June 30 ,2022	May 31 ,2022	Change
Corn CBOT Prices	Sep-22	242.61	247.53	-4.92
	Dec-22	244.08	243.99	0.09
	Mar-23	246.54	246.54	Unch
	May-23	248.02		248.02

August, 2022

Corn on CBOT fell by 4.92 USD to 242.61 USD per MT for Sep'22 contract, as compared to previous month, as the result of increase in the world production and ending stocks estimates by USDA in its July 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 Maize would trade steady to range bound in a narrow zone in near term, and may attain firm bias later for August 22. Also, continuous ongoing buying in markets along with reduced or no arrivals accompanied with no near future arrivals of any new Maize crop in coming months will provide support to Maize market.

Agriwatch expects that Maize (Bilty) in Nizamabad would trade in a range of Rs. 2,200-Rs. 2,550 per quintal during the month of August 22.

At present, considering the overall scenario, and progress of Monsoon, expected increase in sowing area under Maize, in medium to long term it is advisable to gradually liquidate stocks at higher price levels while in very-short to short term one can expect some increase in prices amid improved demand and finishing Rabi supplies.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2022 Indian Agribusiness Systems Ltd.