

# Maize Monthly Research Report

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**REVIEW AND OUTLOOK:**

Maize cash market traded with steady to slightly firm tone in August-22 against July in domestic cash markets due to decreasing supply and stockist's unwillingness to sell at prevailing prices. The decreasing flow of supply good production prospects from Kharif crop. Despite good production prospects from Kharif crop, prices of Maize is ruling at higher level. At benchmark market Gulabghat for Rabi Maize, average monthly prices were registered at Rs. 2571/Qtl which was up by 12% from July-22, Rabi Maize arrivals registered across various spot markets in the country saw a week-on-week basis consecutive decline in the quantity, since Rabi harvesting was coming to an end with the time.

Arrivals in market like Davangere were stable. Supply of Maize from farmers/traders continues to fill the ongoing demand. New Kharif crop is expected to hit the market from mid-October. The uneven weather condition may have negative impact on the standing Kharif crop.

Corn on CBOT rose by 25.4 USD to 673.6 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. Corn prices are rising as a result of financial market strong spill overs and growing concerns that the U.S. harvest will be lower than anticipated by the U.S. Agriculture Department. 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 the near term, and may attain firm bias later for September 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**

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

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)

<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>

### KHARIF MAIZE SOWING UPDATES

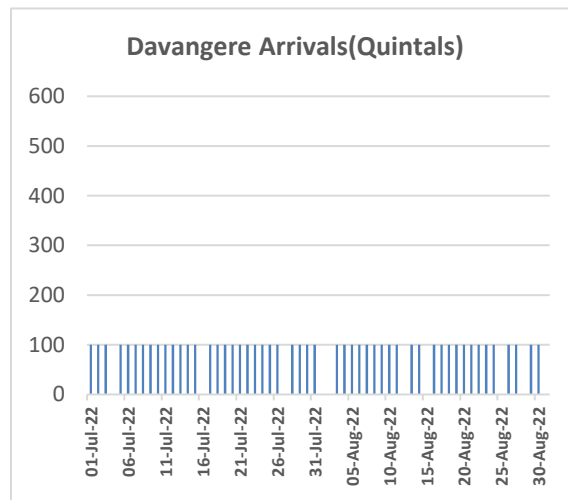
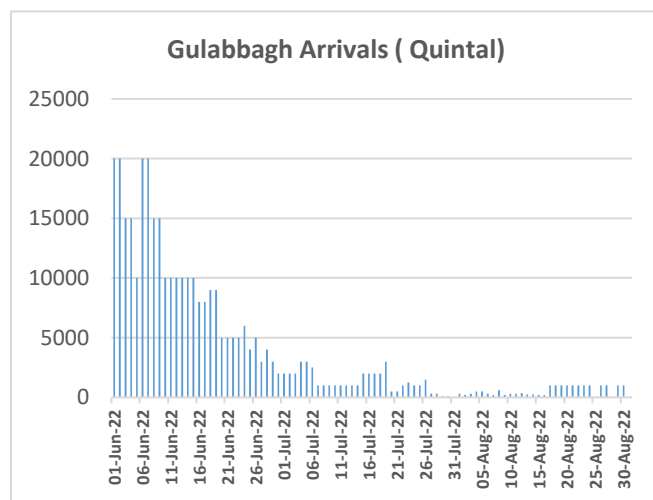
As per the latest update of Agriculture department, GOI, India marked a slight rise in Maize area coverage till 2<sup>nd</sup> September 22 as compared to same period last year. Till last week Maize has been sown in 81.51 lakh Ha. compared to 80.36 lakh Ha. same period last year, which is approximately 1.4% more compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 16.13 Lakh hectares as compared to 15.13 Lakh hectares during same period last year.

### DOMESTIC MARKET DYNAMICS

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

#### ➤ Arrivals:

During August-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.



## September, 2022

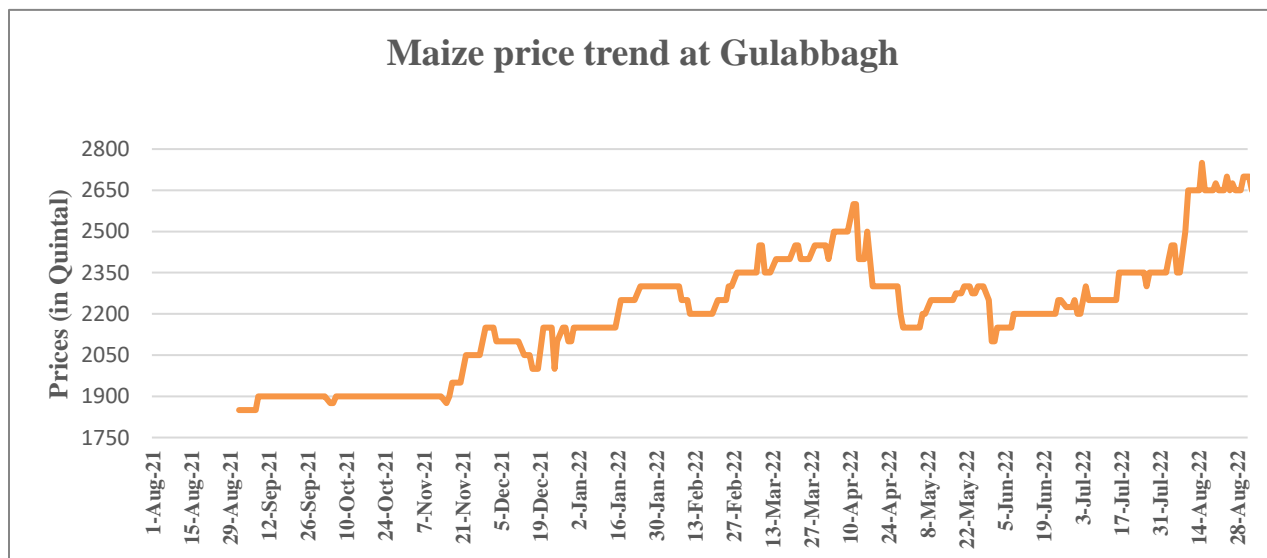
### ➤ Domestic Price Scenario;

Overall prices during August-22 remained range bound to firm with month proceeding. It may continue to trade firm in September too.

### Monthly Spot Price Comparison

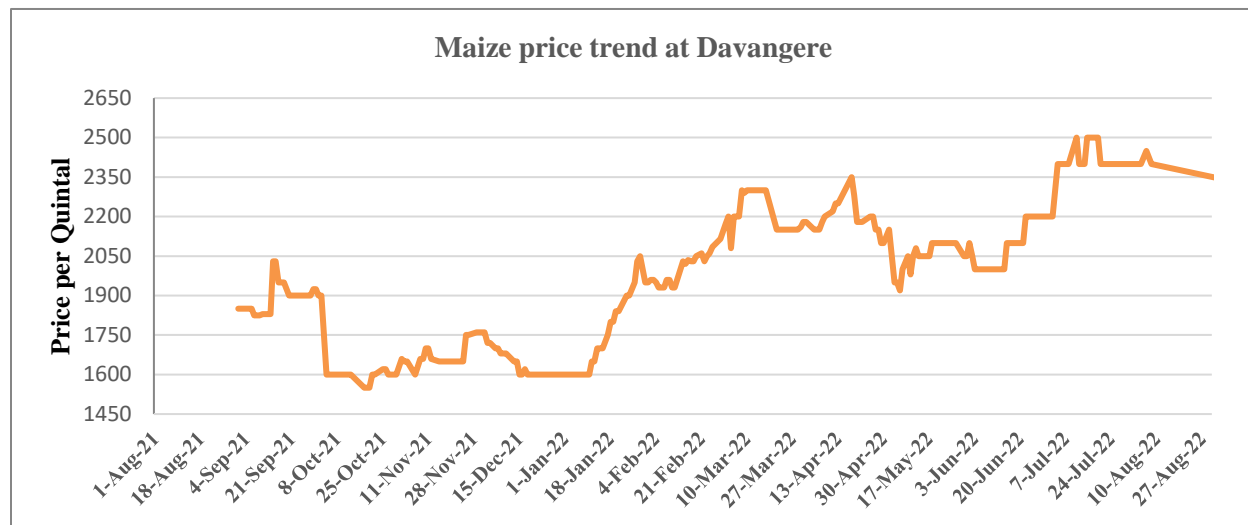
Month-wise Average prices of Maize at various markets					
Market	2022-August	2022-July	2021-August	% Change from Prev. Month	% Change from Prev. Year
Delhi	2198	2195	1739	0.14	26.39
Davangere(Bilty Price)	2575	2189	2056	17.63	25.24
Shimoga	2437	2170	1967	12.30	23.89
Bagalkot	2259	2198	1823	2.78	23.92
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

### Maize price trend at Gulabbagh



September, 2022

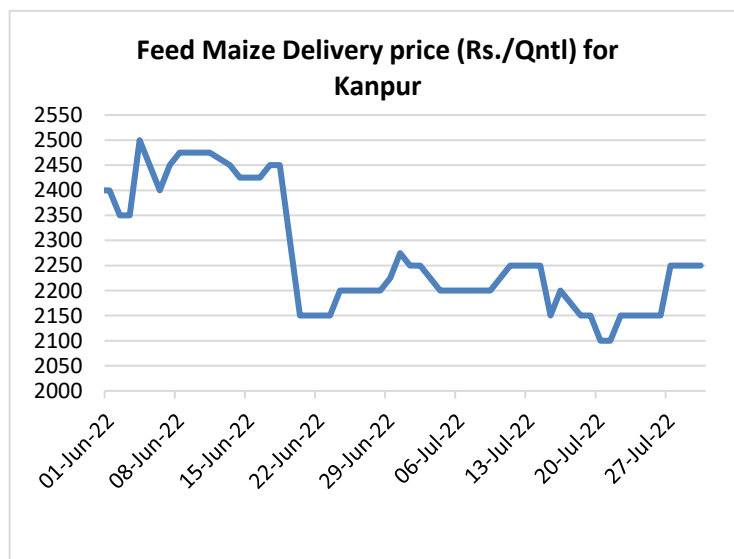
At benchmark market Gulabbagh for Rabi Maize, average monthly prices were registered 11% up as compared to that of previous month this year. Highest price for Gulabbagh was registered at Rs. 2,750 per quintal (Bilty Maize). For the upcoming month Bilty prices at Gulabbagh is expected to remain between Rs. 2,150 per quintal to Rs. 2,550 per quintal.



At benchmark market Davangere, average monthly prices were registered around 0.1% up as compared to that of previous month this year. Highest price for Davangere was registered at Rs. 2,450 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.

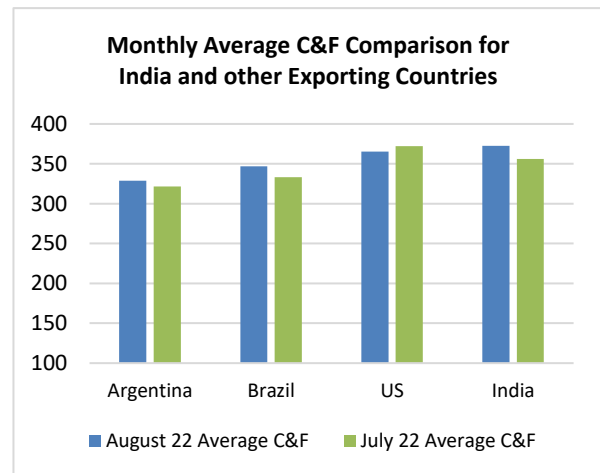
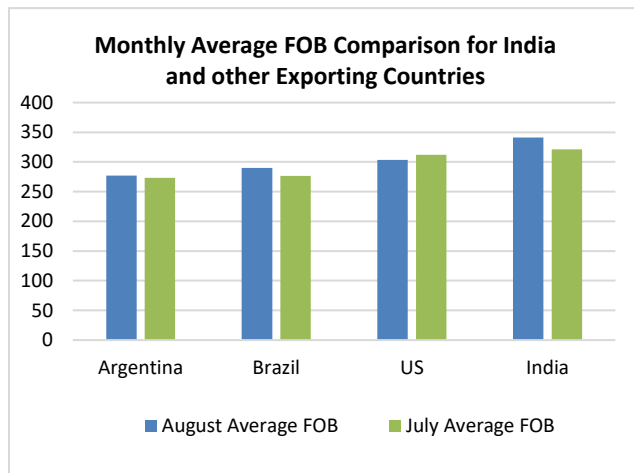


September, 2022

## ➤ India Maize Export Scenario ;

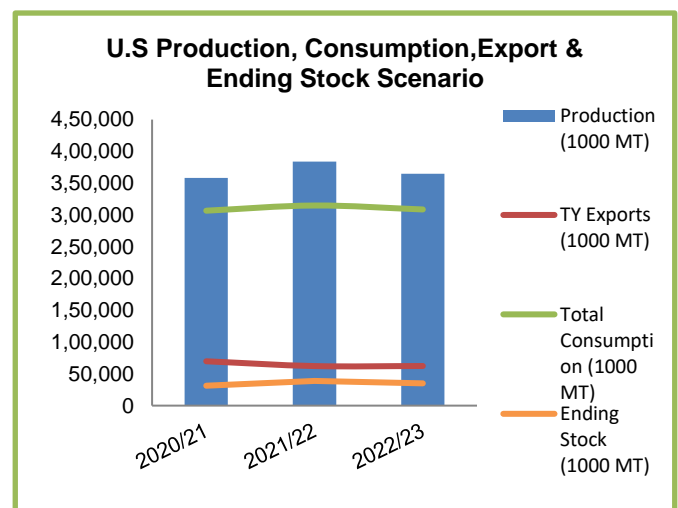
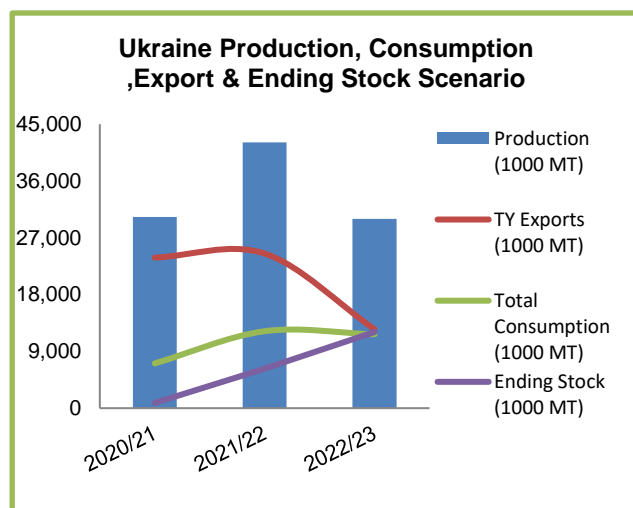
As per the Trade sources India exported around 1,49,630 MT of Maize during June 2022 with the average FOB of around 307.99 USD/MT. Also, out of this around 88,910 MT of Maize was exported to Bangladesh with an average FOB of around 330.44 USD/MT and 58,362 MT of Maize was exported to Nepal with an average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

## ➤ India Maize Export Parity: (USD/MT)



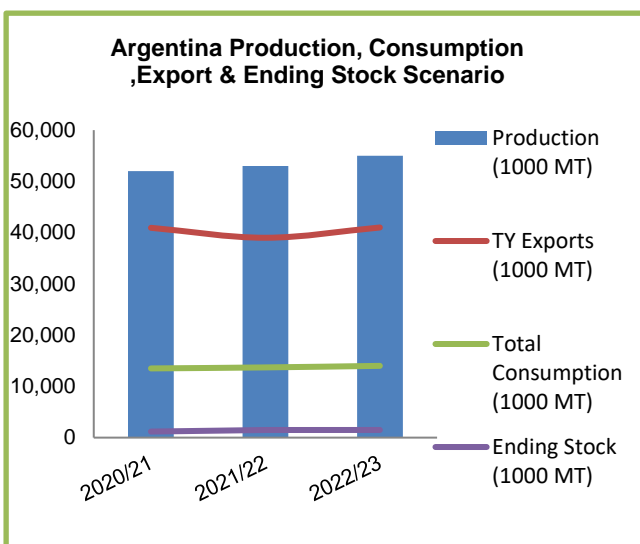
According to the latest updates, India is facing a challenge concerning exports of Indian Maize to significant export destinations like Thailand and Vietnam. The primary reason for this can be attributed to the fact that the current price at which Maize is being traded-in domestic markets in India is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



September, 2022

USDA in its August month report, the 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 USDA as on date 29 August 2022, 54% of Corn was in good to excellent condition which was 55% till past week and was 60% for same time period during last year. Also, 97% of Corn crop was in silking stage, along with 46% corn at dented stage and 86% of Corn crop was in dough stage till 29 August 2022.

U.S. Maize exports have reached at 57.74 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.62 MMT for the period of 8th Aug 2022 – 11th Aug 2022, these exports were down by 12 percent from previous week and down by 33 percent form prior 4-week average, to the destinations China (273,500 MT), Mexico (271,300 MT), Trinidad and Tobago (25,100 MT, including 200 MT - Late), Panama (24,200 MT), and Honduras (14,700 MT).

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	August 31 ,2022	July 31 ,2022	Change
Corn CBOT Prices	Sep-22	669.00	673.60	+25.4
	Dec-22	665.60	670.40	-4.8
	Mar-23	671.20	676.40	-5.2
	May-23	672.40	678.20	-5.8

Corn on CBOT rose by 25.4 USD to 673.6 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. Corn prices are rising as a result of financial market strong spill overs and growing concerns that the U.S. harvest will be lower than anticipated by the U.S. Agriculture Department. 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.



**September, 2022****DOMESTIC PRICE OUTLOOK:**

Agriwatch expects that Maize would trade steady in the near term, and may attain firm bias later for September 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 September 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 the very-short to medium term one can expect some increase in prices amid improved demand and finishing Rabi supplies.

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