

Maize Monthly Research Report

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REVIEW AND OUTLOOK:

September-22 started with Maize trading at domestic market at prices steady as compared to that of prevailing during August-22 on the account of strong domestic and export demand from feed as well as starch industry. At benchmark market Gulabbagh for Rabi Maize, average monthly prices were registered 3% up as compared to that of previous month this year. For the upcoming month Bilty prices at Gulabbagh is expected to remain between Rs. 2,350 per quintal to Rs. 2,650 per quintal. During in some of the benchmark market like Davangere a steady arrival were noticed on week-on-week basis since farmers started bringing stocked Maize to the market.

Corn on CBOT down by 1.67 USD to 265.24 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 September '22 monthly report. 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 slightly weak throughout October, and may attain firm bias later for late November 22. Also, continuous ongoing arrivals in markets along with export, starch and feed industry demand, are expected to support maize prices for the coming month.

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2021-22	2022-23*
Opening Stocks (MMT)	2.06	2.56
Production (MMT)	32.18	31.39
Imports (MMT)	0.25	0.30
Total Supply (MMT)	34.49	34.25
Export (MMT)	2.18	2.25
Domestic Consumption (MMT)	29.75	30.5
Total Demand (MMT)	31.93	32.75
Ending Stock (MMT)	2.56	1.50
Stock to Use Ratio	8.02%	4.58%

*AgriWatch Estimates

According to ongoing estimates for current marketing year it is expected that this year would end with the ending stocks of 2.56 MMT against the opening stock of 2.56 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	2021-22	2022-23
Poultry & Cattle Feed	14.18	19.03
Starch & Brewery	4.71	6.31
Human Consumption	1.90	2.52
Seed	0.27	0.37
Shortage & Wastage	0.98	1.34
Storage & Moisture Loss	0.71	0.98
Total Domestic Consumption	22.75	30.50

KHARIF MAIZE SOWING UPDATES

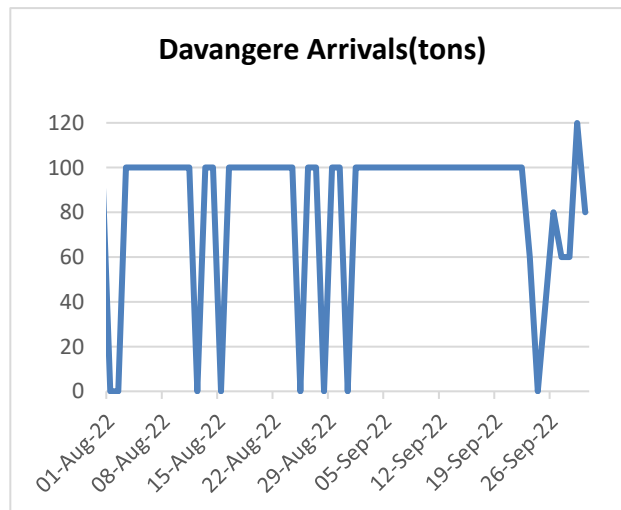
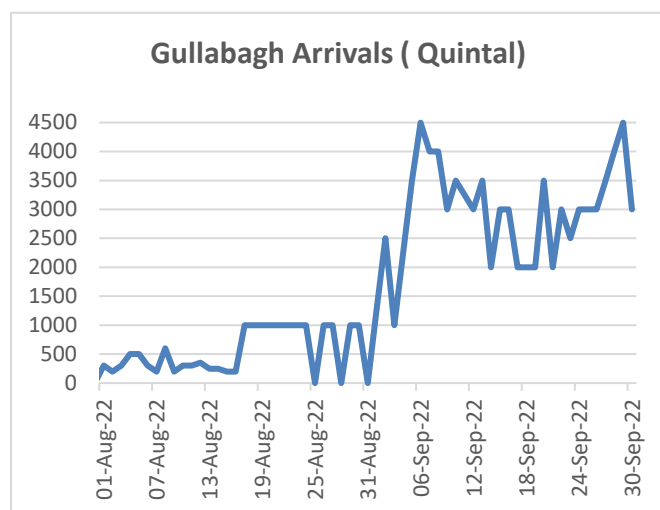
As per the latest update of Agriculture department, GOI, India marked a slight rise in Maize area coverage till 30th September 22 as compared to same period last year. Till last week Maize has been sown in 84.32 lakh Ha. compared to 82.17 lakh Ha. same period last year, which is approximately 3% more compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 16.14 Lakh hectares as compared to 15.13 Lakh hectares during same period last year.

DOMESTIC MARKET DYNAMICS

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

ARRIVALS:

During September-22 Kharif Maize arrivals registered across various spot markets in the country saw a week-on-week consecutive increase in the quantity, since Kharif harvesting was coming to an end with the time. During in some of the bench mark market like Davangere a steady arrival were noticed on week-on-week basis since farmers started bringing stocked Maize to the market.

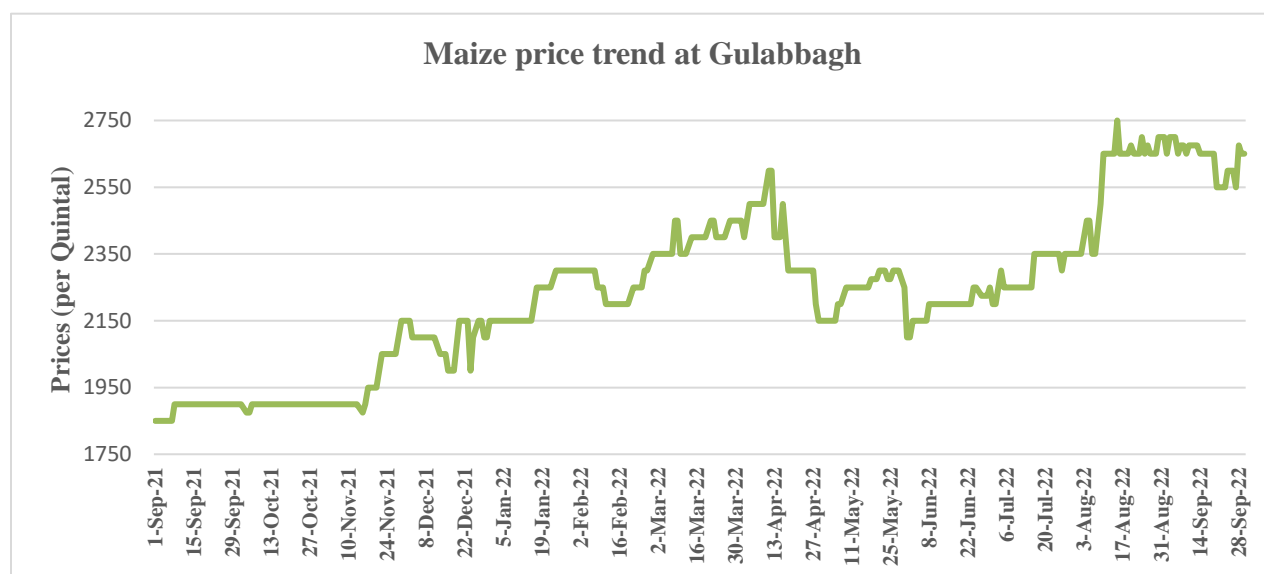


DOMESTIC PRICE SCENARIO:

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

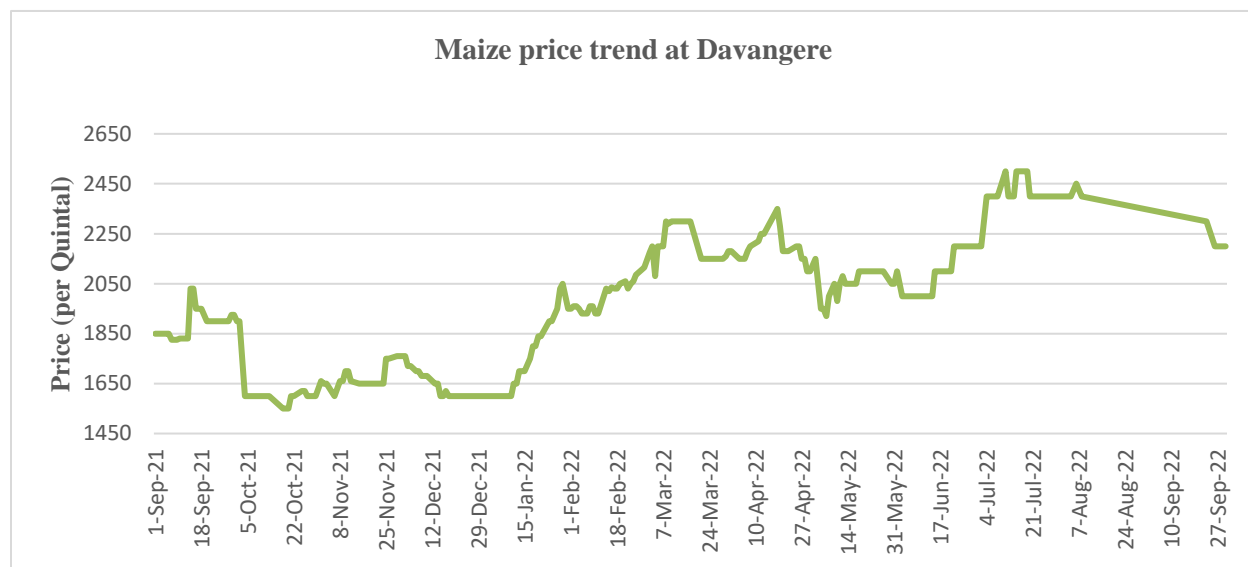
Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2022-September	2022-August	2021-September	% Change from Prev. Month	% Change from Prev. Year
Delhi	2430	2404	1843	1.08	31.85
Davangere(Bilty Price)	2519	2576	2008	-2.21	25.45
Shimoga	2258	2440	2240	-7.46	0.80
Bagalkot	2009	2228	1734	-9.83	15.86
Gadag	1943	1856	1227	4.69	58.35
Nizamabad (Bilty Price)	2129	2236	1847	-4.79	15.27
Khanna	2161	2099	1770	2.95	22.09
Sangli (NCDEX Quality)	2617	2780	2100	-5.86	24.62
Gulabghagh(NCDEX Quality)	2491	2468	1880	0.93	32.50
Naugachia	2437	2413	1831	0.99	33.10
Erode (NCDEX Quality)	2486	2654	2086	-6.33	19.18

Maize price trend at Gulabghagh


October, 2022

At benchmark market Gulabbagh for Kharif Maize, average monthly prices were registered 3% up as compared to that of previous month this year. Highest price for Gulabbagh was registered at Rs. 2,700 per quintal (Bilty Maize). The closing price for September 22 was at Rs. 2650 while for August 22 at Rs. 2700. For the upcoming month Bilty prices at Gulabbagh is expected to remain between Rs. 2,350 per quintal to Rs. 2,650 per quintal.



At benchmark market Davangere, average monthly prices were registered around 8% down as compared to that of previous month this year. Highest price for Davangere was registered at Rs. 2,300 per quintal (Loose Maize). The closing price for September 22 was at Rs. 2200 while for August 22 at Rs. 2400. For the upcoming month loose prices at Davangere, is expected to remain between Rs. 2,150 per quintal to Rs. 2,500 per quintal.

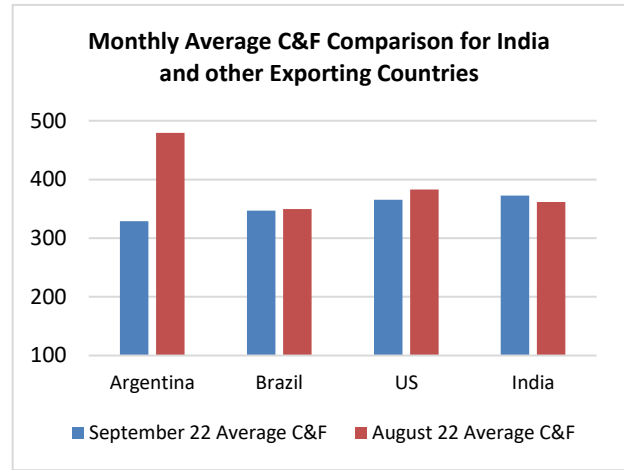
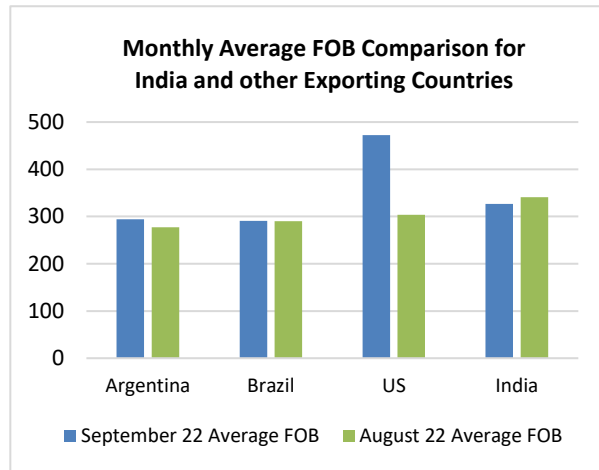
INDIA MAIZE TRADE SCENARIO:

For the September-22 a decent to slightly demand of Maize was observed in domestic industry as well as from the side of the exporters. As per trade sources, the demand from feed industry and starch industry reportedly was persistent in past month. In M.P starch Maize is trading 200 quintals while in Baran, Rajasthan it was trading at Rs. 1400 to Rs. 2100 due to high moisture content (between 26% to 30%). In Chhindwara, U.P., trade is happening at prices between Rs.2300 to Rs.2400.

INDIA MAIZE EXPORT SCENARIO:

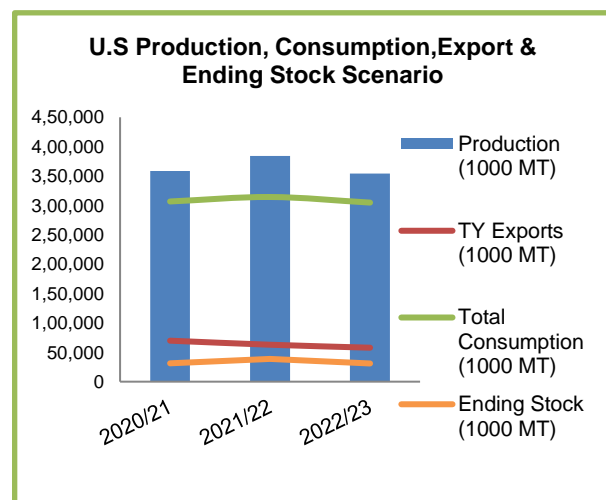
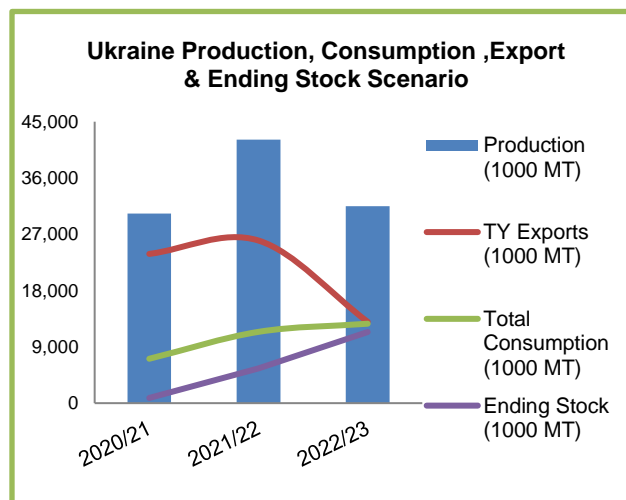
As per the Trade sources India exported around 1,97,506 MT of Maize during August 2022 with the average FOB of around 346.01 USD/MT. Also, out of this around 1,44,415 MT of Maize was exported to Bangladesh with an average FOB of around 318.07 USD/MT and 24,965 MT of Maize was exported to Nepal with an average FOB of around 325.80 USD/MT. The latest data is awaited.

INDIA MAIZE EXPORT PARITY: (USD/MT)



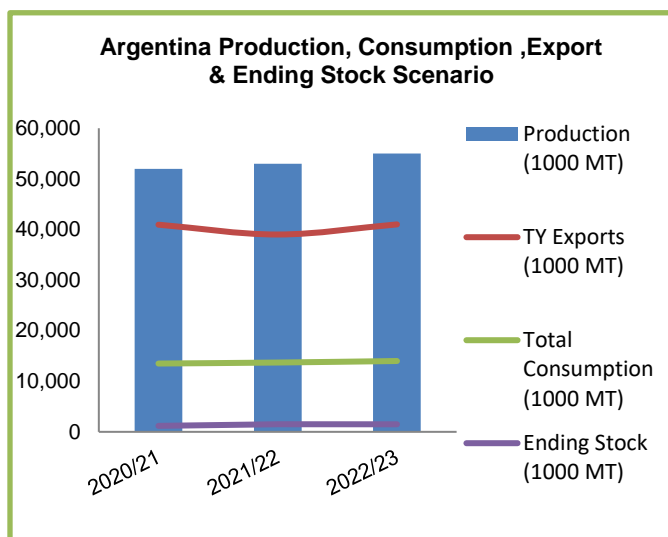
According to the latest updates, the current crop is in good size in India along with increase in harvesting activities and good weather conditions in major growing states. Also, exporters are trying to get as much as orders they could by decreasing FOB quotes as they are aware of the volume of incoming crop and its availability. The old stocks are also being released at a discounted price. Further, domestic demand is also currently very low due to the new arrivals having high moisture content. The prices may decline further with increase in the pace of arrivals.

INTERNATIONAL MARKET SCENARIO



October, 2022

USDA in its September month report, the World Maize Ending Stock Estimate by down to 1 % to 304.5 MMT for September '22/ 2022-23, and also, decreased its World Maize Production Estimates down by 1% at 1173 MMT for September '22/ 2022-23 compared to last year. USDA decreased its Maize Ending Stock Estimate for U.S.A at 31 MMT, whereas USDA kept its Ending Stock Estimates for Ukraine and Argentina at 11 MMT and 1 MMT respectively for September '22/ 2022-23.



As per U.S Corn planting report as of USDA as on date 3rd October 2022, 42% of Corn was in good and 10% was in excellent condition which was almost in par for past week and was 43% good and 9% excellent for same time period during last year. Also, 96% corn at dented stage and 75% of Corn crop was in mature stage.

U.S. Maize exports have reached at 1.60 million metric tonnes (MMT) for 2021-22 Marketing Year, with the exports of 0.57 MMT for the period of 15th September 2022 – 22nd September 2022. Exports were primarily to Mexico (239,200 MT), China (141,200 MT), Japan (135,000 MT), El Salvador (19,400 MT), and Venezuela (15,300 MT).

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	September 31 ,2022	August 31 ,2022	Change
Corn CBOT Prices	Sep-22	263.57	265.24	-1.67
	Dec-22	266.13	263.96	2.17
	Mar-23	266.72	266.33	0.39
	May-23	264.75	267.02	-2.27

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DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade steady to slightly weak throughout October, and may attain firm bias later for November 22. Also, continuous ongoing arrivals in markets along with export, starch and feed industry demand, are expected to support maize prices.

Agriwatch expects that Maize (loose) in Davangere would trade in a range of Rs. 2,050-Rs. 2,100 per quintal during the month of November 22.

At present, considering the overall scenario, and prevailing post Monsoon conditions, bulk buyers must wait for dry maize for at least a month. By the, AgriWatch expects the prices to stabilise and then buying will start for stock purposes. For old stock holders, it is right time to release stocks at current price or could for hold it for at least three to four months at get better prices.

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