

Maize Monthly Research Report

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REVIEW AND OUTLOOK:

Due to lower arrivals at this point of time than last year and considerable demand, prices overall during December 22' moved steadily upward as the month went on. For the month of December 22', the average monthly loose price for Kharif Maize at the benchmark market Gulabbagh was Rs. 2465 per quintal. The monthly average price for loose Maize in Davangere, Karnataka, was Rs. 2304 per quintal as of December 22'.

Corn prices on the CBOT increased by 6.49 USD to 267.11 USD per MT for the December 22' contract as the production is on lower side. This is resulted in decrease of exports from U.S. as there is intense competition from other countries.

OUTLOOK

According to AgriWatch, the prices tend to stay steady to slightly firm in the coming months up to end of March to beginning of April where the prices are anticipated to reduce upon arrival of rabi Maize. The prices are expected to surge further after Makar Sankranti in various states like Bihar, Uttar Pradesh & Maharashtra.

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2021-22	2022-23*
Opening Stocks (MMT)	2.31	3.02
Production (MMT)	32.9	29.9
Imports (MMT)	0.29	0.25
Total Supply (MMT)	35.52	33.13
Export (MMT)	3.40	1.72
Domestic Consumption (MMT)	29.10	29.5
Total Demand (MMT)	32.50	31.22
Ending Stock (MMT)	3.02	1.91
Stock to Use Ratio	9.29%	6.12%

*AgriWatch Estimates

According to projections for the current marketing year, this year will end with ending stocks and an opening stock of 3.02 MMT for the next year. Presently, it looks that the supply and demand situation is tight for the upcoming year, which would remain supportive to local Maize markets as a whole with surge in prices.

CONSUMPTION BREAK UP

(Quantity in MMT)

Consumption Break Up	2021-22	2022-23
Poultry & Cattle Feed	14.18	18.84
Starch & Brewery	4.71	6.28
Human Consumption	1.90	2.39
Seed	0.27	0.30
Shortage & Wastage	0.98	1.50
Storage & Moisture Loss	0.71	0.60
Total Domestic Consumption	22.75	29.9

RABI MAIZE SOWING UPDATES

According to the most recent report from the Agriculture Department of GOI, India's Rabi Maize area coverage until December 31st 2022 will have slightly increased compared to the same time previous year. In comparison to the same period last year, when Maize was sown on 14.56 lakh hectares, it has now been planted on 17.64 lakh ha, up by 21%.

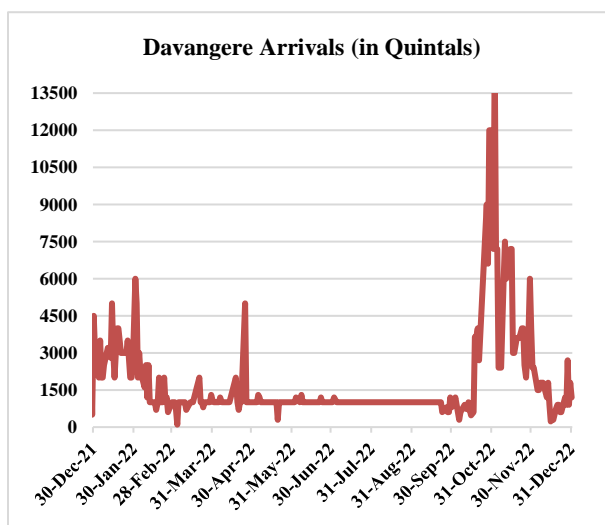
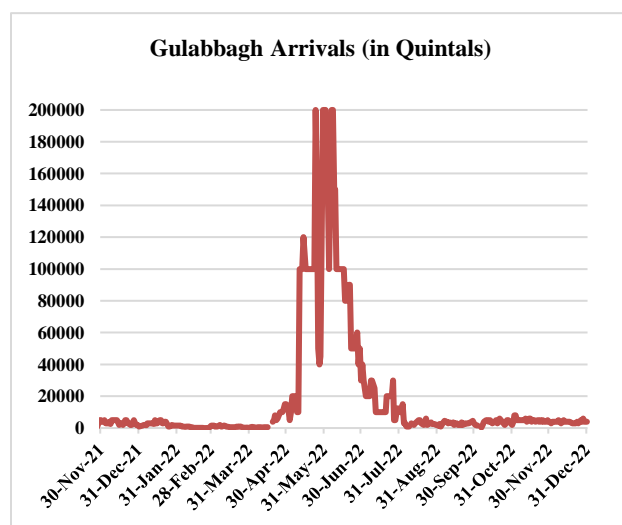
DOMESTIC MARKET DYNAMICS

Because arrivals were lower than expected compared to November 22, Maize prices traded higher in the local markets in December 2022. However, prices started to fluctuate in a range-bound pattern about the time when discussions regarding export restrictions started. The discussion over likely curb, however, was not welcomed because Maize is a non-essential goods and it is expected that rabi Maize will deliver a good quantity of yield for both local and international usage. Prices are anticipated to rise through the middle of February.

ARRIVALS:

Due to factors including shortage of transportation caused by severe weather, especially in the south, the arrivals for the month of December 22' were marginally lower than those for November 22. Additionally, because of the price increase, farmers withheld their supplies in anticipation of future price increases. The benchmark market in Davangere received 34,130 quintals overall in December 22' compared to 1,05,000 quintals in November 22'. In December 21', however, 1,10,000 quintals in total were brought to market, which is 69% more than this time.

In contrast, new arrivals have ceased at the benchmark market in Gulababbagh, Bihar, where older arrivals are sold at a flat price until the beginning of April, when Rabi arrivals start. 1,05,500 quintals delivered in December 22' compared to 1,25,000 quintals in November 22'. However, in December 21', arrivals were down 14% from this year at 9,25,000 quintals.

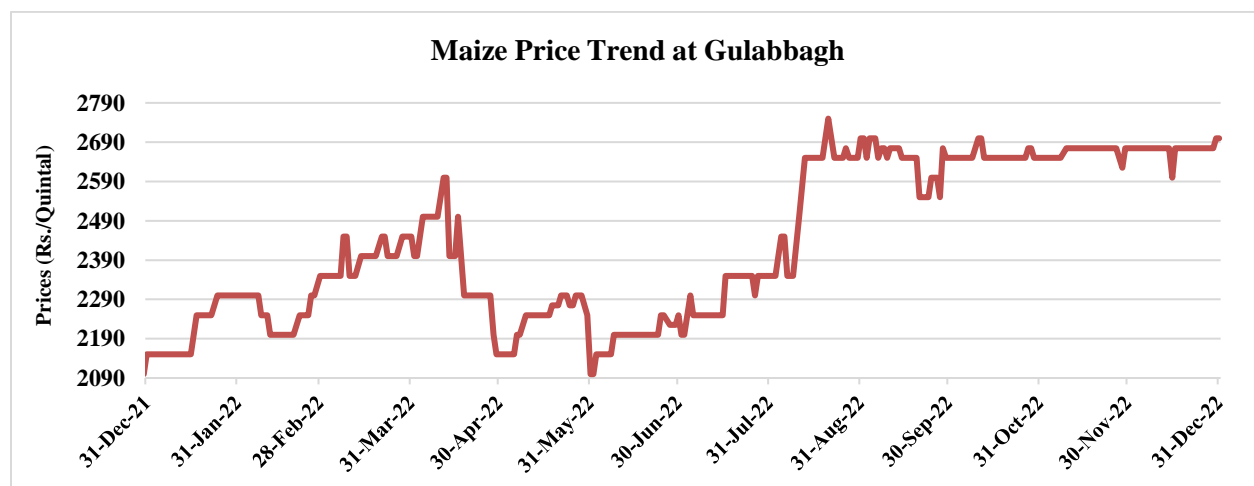


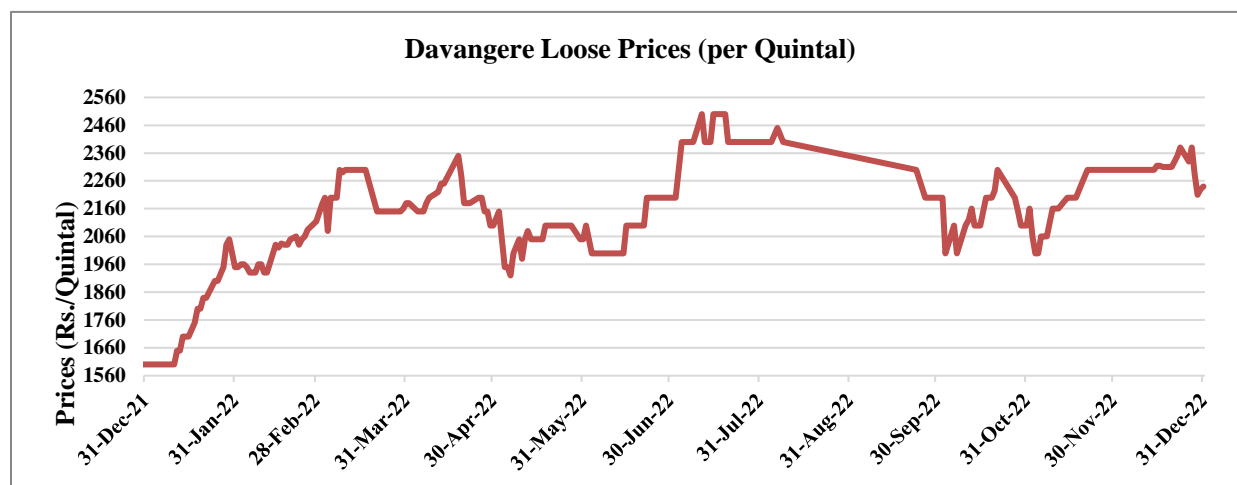
DOMESTIC PRICE SCENARIO:

Comparatively lower arrivals at this point of time than last year and considerable demand, prices overall during December 22' moved steadily upward as the month went on. The emerging fundamental remains supportive to cash Maize markets despite good area coverage so far in rabi season.

MONTHLY SPOT PRICE COMPARISON

Month-wise Average prices of Maize at various markets					
Market	2022-December	2022- November	2021-December	% Change from Prev. Month	% Change from Prev. Year
Delhi	2353	2286	1903	2.93%	23.65%
Davangere (Loose Price)	2304	2194	1645	5.01%	40.06%
Shimoga	2303	2214	1682	4.02%	36.92%
Bagalkot	2225	2170	1716	2.53%	29.66%
Gadag	2956	2076	1627	42.39%	81.68%
Nizamabad (Bilty Price)	2153	2007	1790	7.27%	20.28%
Khanna	2348	2290	1892	2.53%	24.10%
Sangli (NCDEX Quality)	2378	2260	1888	5.22%	25.95%
Gulabghagh (NCDEX Quality)	2528	2461	2061	2.72%	22.66%
Naugachia	2363	2338	2048	1.07%	15.38%
Erode (NCDEX Quality)	2407	2329	1856	3.35%	29.69%





For the month of December 22', the average monthly loose prices for Kharif Maize at the benchmark market Gulabbagh were Rs. 2465 per quintal, which is somewhat higher than the monthly average price of November' at Rs. 2448 per quintal. The highest reported quintal price for Gulabbagh was Rs. 2,475 (Loose Maize). Contrary to the closing price on November 22, the closing price on December 22 was Rs. 2470 per quintal was higher.

The monthly average for Maize bilty prices was Rs. 2674 per quintal in December 22' compared to Rs. 2667 in November 22'. It is anticipated that bilty prices in Gulabbagh will remain between Rs. 2,700 and Rs. 2,730 per quintal in the following month.

The monthly average price for loose Maize in Davangere, Karnataka, was Rs. 2304 per quintal as of December 22'. This is an increase from Rs. 2194 per quintal in November 22'. The all-time high price for the current month per quintal was Rs. 2300. The closing price in December 22' was Rs. 2240 as opposed to Rs. 2300 in November 22. The range of the Davangere loose price estimate for the upcoming month is between Rs. 2,400 and Rs. 2,420 per quintal.

INDIA MAIZE TRADE SCENARIO:

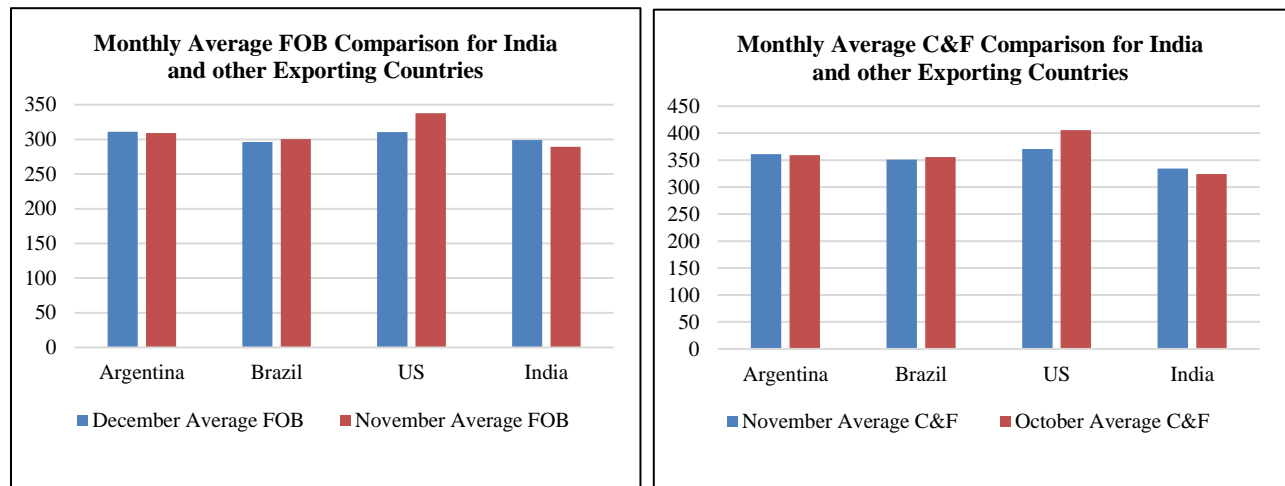
For the month December 22', Maize arrivals had started to reduce as compared to November 22'. This is due to sudden changes in the weather conditions which led to absence of transport to the markets especially in the south. However, as days passed by, the prices began to surge due to high demand. Farmers are hesitant to sell their bunch in expectation of price increase in south markets. The unavailability of Maize in the markets led to a discussion for curb on exports as the demand rose dramatically for domestic uses especially from starch industry. But, as Maize is not an essential commodity and the anticipation of a good yield from coming rabi season, this discussion has come to a halt. Poultry sector at various places began to switch to broken rice which is an abundantly available substitute feed due to rise in Maize prices.

In spite of all these conditions, prices are expected to go down by end of March to beginning of April upon arrival of rabi crop. There is a slight chance of spring season arrivals of Maize from Maharashtra in the market as the sowing will begin by end of January and are expected to be consumed locally.

INDIA MAIZE EXPORT SCENARIO:

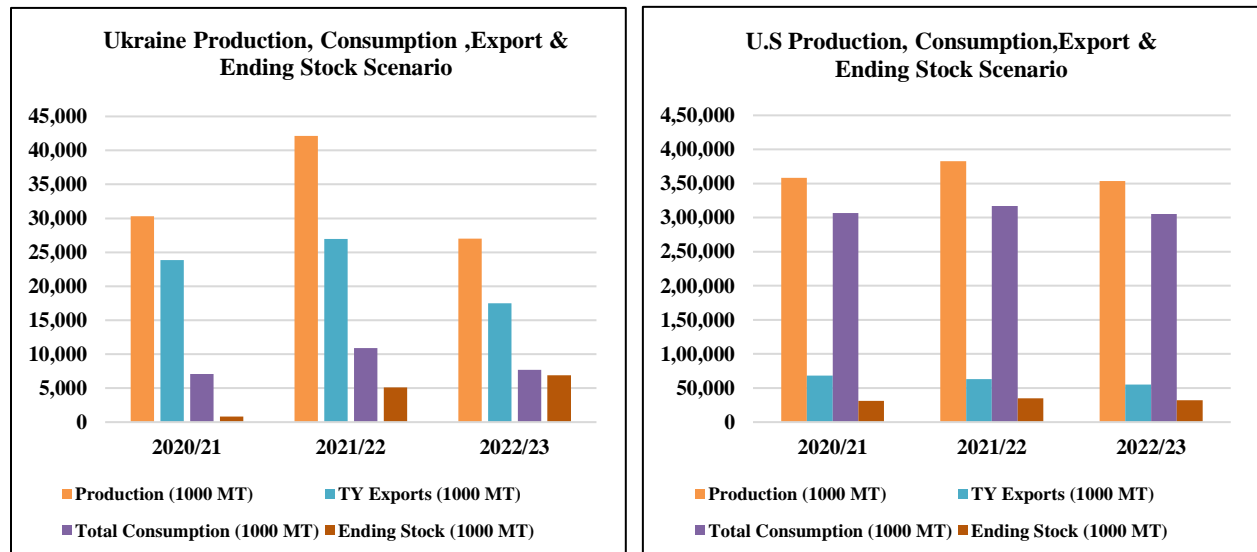
Approximately 5,17,625 MT of Maize were exported from India in November 2022, with an average FOB of about 375 USD/MT, according to trade sources. Additionally, 50,172 MT of Maize were shipped to Nepal and 1,76,693 MT of Maize were exported to Bangladesh, with an average FOB of roughly 317 USD/MT and around 309 USD/MT, respectively.

INDIA MAIZE EXPORT PARITY: (USD/MT)



Exports are also slow from India due to disparity with countries like Vietnam, Malaysia and Nepal who were the usual buyers of Indian Maize. Rake loading to Bangladesh had come to a pause in the middle due to some restrictions although the disparity in prices led to discontinuing of exports. Only when the domestic prices begin to reduce will the exports begin at a full-fledge. However, the exporters are continuing to stock from the markets despite the ongoing slowdown. Currently, Maize from South Africa and Ukraine are lucrative and attracting overseas buyers..

INTERNATIONAL MARKET SCENARIO



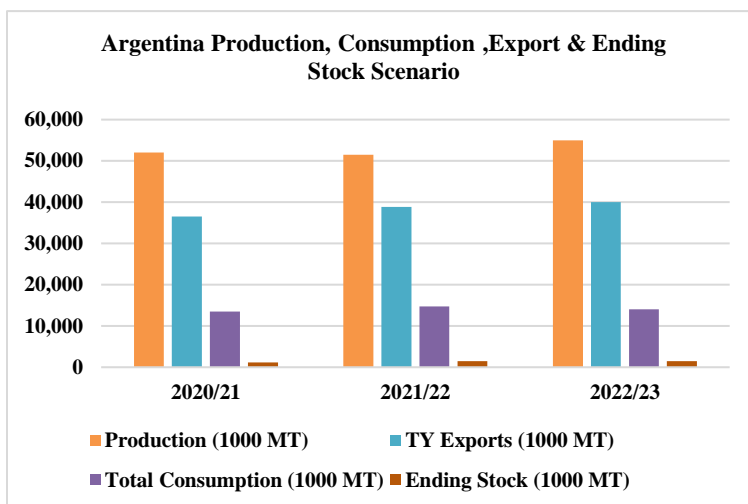
January, 2023

As per USDA December 22' report, the U.S. corn projection for 2022–2023 predicts decreased exports and higher ending stocks. Exports are reduced by 75 million bushels because poor sales and shipping until early December were caused by competition from other exporters and relatively high U.S. prices. Corn ending stocks are increased by 75 million bushels with no additional use

modifications. The forecasted global coarse grain production for 2022–2023 is 1.453.6 million tonnes, a decrease of 5.9 million tonnes. Due to the prolonged fighting and record-breaking autumn rainfall, Ukraine's Maize production has drastically decreased, with area and yield declines. This is because the harvest has been delayed in major corn-producing belts. Due to harvest delays, Russia's Maize production falls short of forecasts in the region.

U.S. Maize exports have reached at 9.23 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.01 MMT for the period of 15th December 2022 to 22nd December 2022. Exports of 1,012,500 MT were primarily to Mexico (441,600 MT), China (278,400 MT), Japan (124,200 MT), Colombia (45,400 MT), and Guatemala (33,700 MT).

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Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	December 30 ,2022	November 30 ,2022	Change
Corn CBOT Prices	Dec-22	267.11	260.62	+6.49
	Mar-23	266.92	262.59	+4.33
	May-23	264.46	261.90	+2.56
	Jul-23	246.84	259.73	-12.89

DOMESTIC PRICE OUTLOOK:

According to AgriWatch, the prices tend to be range-bound to slightly firm in the coming months up to end of March to beginning of April where the prices are anticipated to reduce upon arrival of Rabi Maize. Farmers and stockists are keeping their produce in anticipation of increase in prices. Exporters are also actively purchasing from various markets. The prices are expected to surge after Makar Sankranti in various states like Bihar, Uttar Pradesh and Maharashtra.

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