

Maize Monthly Research Report

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REVIEW AND OUTLOOK:

Comparatively lower arrivals at this point of time than last year amid lull demand & supply, prices overall during January 23' moved slightly downwards due to low quality of maize as the month went on. For the month of January'23, the average monthly loose prices for Kharif Maize at the benchmark market Gulabbagh were Rs. 2424.2 per quintal. The monthly average price for loose Maize in Davangere, Karnataka, was Rs. 2212.27 per quintal as of January 23'.

Corn prices on the CBOT increased by 6.49 USD to 267.11 USD per MT for the January 23' contract as the production is on lower side. As a result of the fierce competition from other nations, American exports have decreased.

OUTLOOK

Until the end of March or the beginning of April, when Rabi Maize is expected to arrive, prices are expected to be range-bound to somewhat firm, according to AgriWatch. Farmers and distributors are storing their crop in anticipation for price increases. There is lull demand amid lower arrivals.

INDIA MAIZE BALANCE SHEET (MY OCT – SEPT)

Maize Year-(Oct-Sep)	2021-22	2022-23*
Opening Stocks (MMT)	2.04	1.72
Production (MMT)	30.36	33.19
Imports (MMT)	0.01	0.01
Total Supply (MMT)	32.41	34.92
Export (MMT)	3.44	3
Domestic Consumption (MMT)	27.25	30
Total Demand (MMT)	30.69	33
Ending Stock (MMT)	1.72	1.92
Stock to Use Ratio	5.61%	5.82%

*AgriWatch Estimates

All India, Rabi Maize estimate revised up by 14% from previous estimate amid revised higher acreage in key growing states. According to projections for the current marketing year, this year will end with ending stocks and an opening stock of 1.72 MMT for the next year. Supply and demand seem to be at comfortable side.

DOMESTIC CONSUMPTION BREAK UP

(Quantity in MMT)

Consumption Break Up	2021-22	2022-23
Poultry & Cattle Feed	16.85	18.86
Starch & Brewery	5.75	6.29
Human Consumption	2.25	2.4
Seed	0.32	0.31
Shortage & Wastage	1.35	1.44
Storage & Moisture Loss	0.73	0.7
Total Domestic Consumption	27.25	30

RABI MAIZE SOWING UPDATES

As of latest data released on 2nd February, 2023 by India's Agriculture Department, GOI indicates that the country would have somewhat more Rabi Maize land covered this year than at the same time last year. Maize has currently been planted on 22.67 lakh hectares (ha), or around 16% more land, than at this time last year, when 19.48 lakh hectares were used for this purpose.

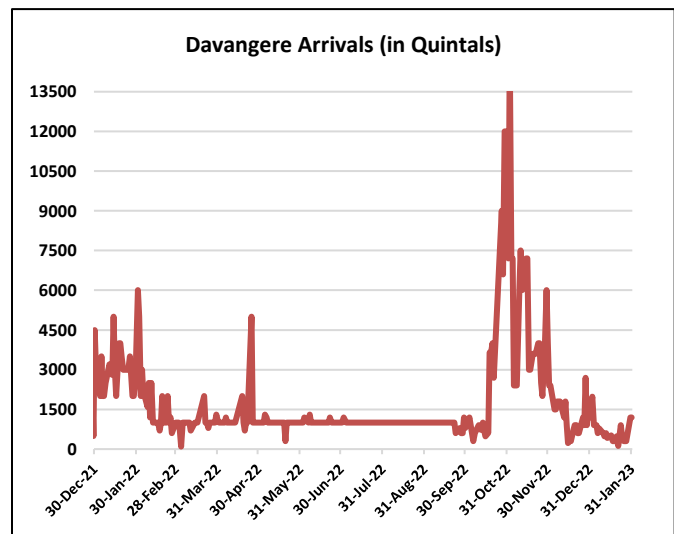
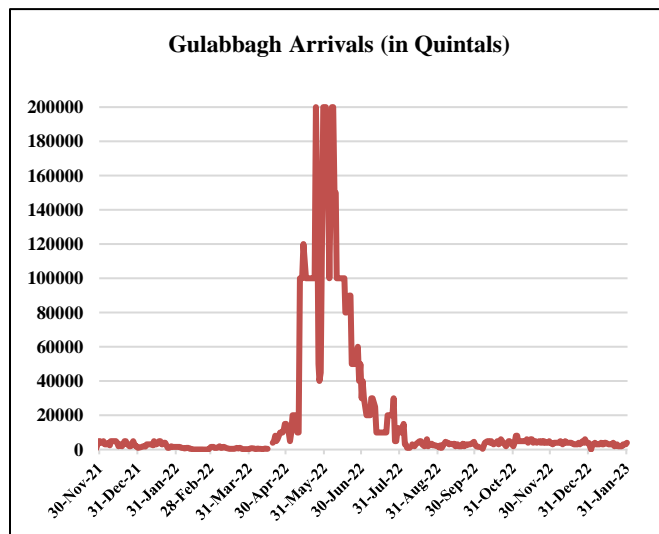
DOMESTIC MARKET DYNAMICS

Maize prices remained rangebound in January 2023 on the local market as a result of inferior quality and a decrease in arrivals. Overall, demand and consumption are anticipated to increase due to the potential diversion of maize from poultry, starch, and other industrial uses for ethanol production, while exports are anticipated to stay slightly lower due to the anticipated diversion for ethanol production. We at AgriWatch anticipate that the overall average prices for the current season would decline on rising stocks in accordance with the present fundamentals. However, some price growth is inevitable until the fresh Rabi crop begins to arrive in the markets in March.

ARRIVALS:

The arrivals for the month of January 23' were significantly lower than those for December 22'. In the anticipation of higher prices, farmers are hesitant to sell their crop. The benchmark market in Davangere received 15,756 quintals overall in January 23' compared to 34,130 quintals in December 22'. In January 22', however, 67,500 quintals in total were brought to market, which is 76.7% more than this time.

In contrast, new arrivals have ceased at the benchmark market in Gulabbagh, Bihar, where older arrivals are sold at a flat price until the beginning of April, when Rabi arrivals start. 74,100 quintals delivered in January 23' compared to 1,05,500 quintals in December 22'. However, in January 22', arrivals were down by 13.5% from this year at 65,300 quintals.

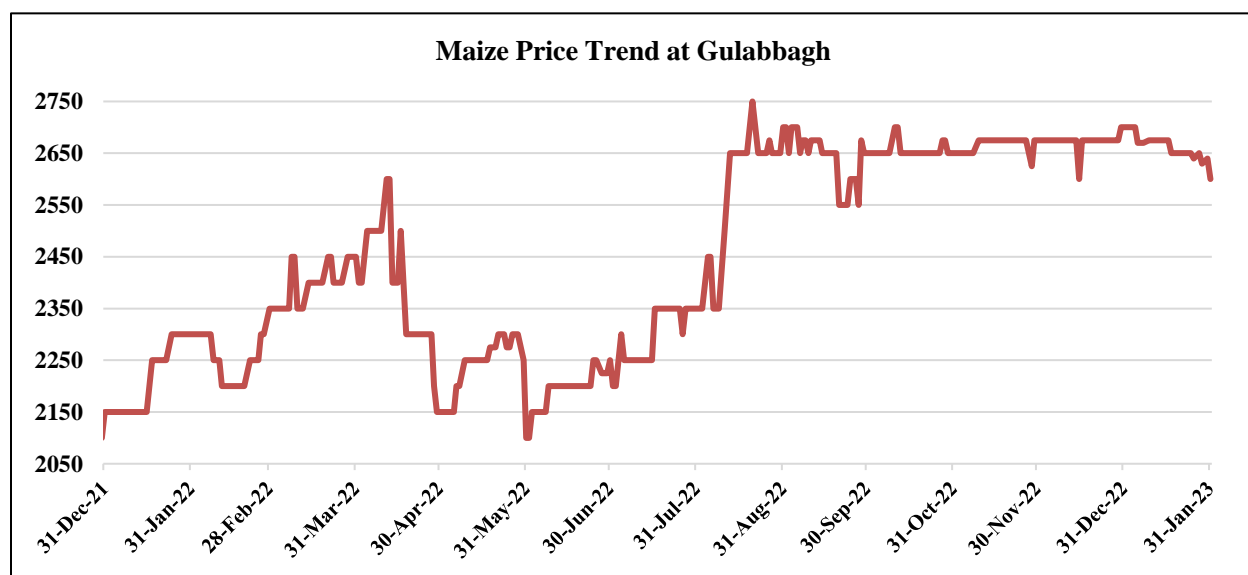


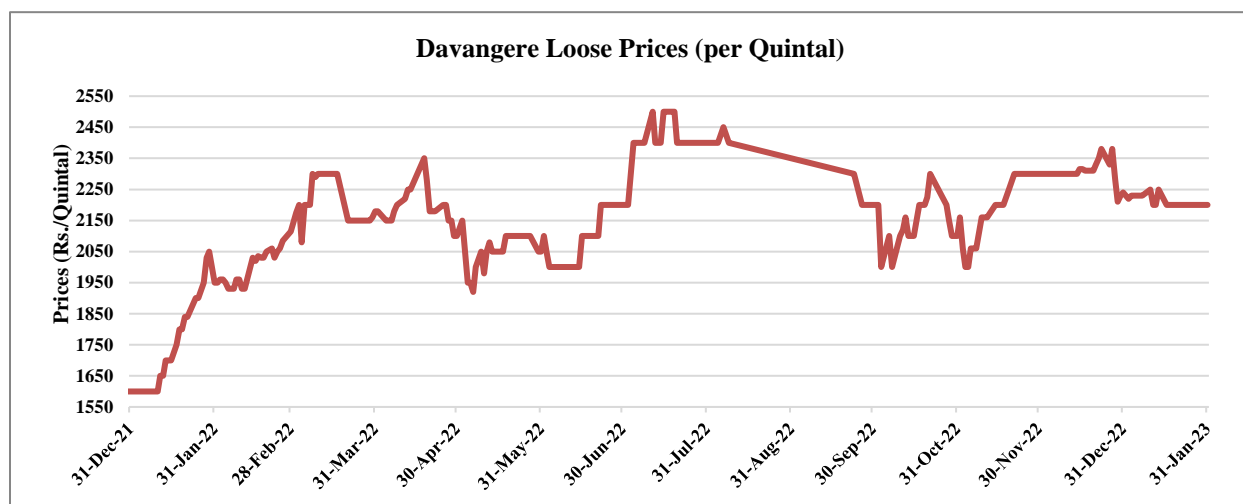
February, 2023
DOMESTIC PRICE SCENARIO:

Comparatively lower arrivals at this point of time than last year amid lull demand & supply, prices overall during January 23' moved slightly downwards due to low quality of maize as the month went on.

MONTHLY SPOT PRICE COMPARISON

Month-wise Average prices of Maize at various markets					
Market	2023-Jan	2022-Dec	2021-Dec	% Change from Prev. Month	% Change from Prev. Year
Delhi	2465.2	2353	1902.96	4.77	29.55
Davangere (Loose Price)	2212.27	2304	1644.8	-3.98	34.50
Shimoga	2224.6	2303	1682	-3.40	32.26
Bagalkot	2193.57	2225	1716	-1.41	27.83
Gadag	2138.42	2956	1627.3	-27.66	31.41
Nizamabad (Loose Price)	2258	2153	1372	4.88	64.58
Khanna	2368.54	2343.7	1892.4	1.06	25.16
Sangli (Ncdex Quality)	2380	2377.3	1888	0.11	26.06
Gulabbagh (Ncdex Quality)	2468	2528	2061	-2.37	19.75
Naugachia	2354	2363	2045.2	-0.38	15.10
Erode (Ncdex Quality)	NA	2407	1855	—	—



February, 2023

For the month of January'23, the average monthly loose prices for Kharif Maize at the benchmark market Gulabbagh were Rs. 2424.2 per quintal, which is slightly lower than Rs. 2465 per quintal last month. The highest reported quintal price for Gulabbagh was Rs. 2,470 (Loose Maize). Compared to December 22, the closing price on January'23 went down at Rs. 2300 per quintal.

The monthly average for Maize bilty prices was Rs. 2661.8 per quintal in January 23' compared to Rs. 2674 per quintal in December 22'. It is anticipated that bilty prices in Gulabbagh will remain between Rs. 2,600 and Rs. 2,630 per quintal in the following month.

The monthly average price for loose Maize in Davangere, Karnataka, was Rs. 2212.27 per quintal as of January 23'. This is a decrease from Rs. 2304 per quintal in November 22'. The all-time high price for the current month per quintal was Rs. 2250. The closing price in January 23' was Rs. 2200 as opposed to Rs. 2240 in December 22'. The range of the Davangere loose price estimate for the upcoming month is between Rs. 2,200 and Rs. 2,250 per quintal.

INDIA MAIZE TRADE SCENARIO:

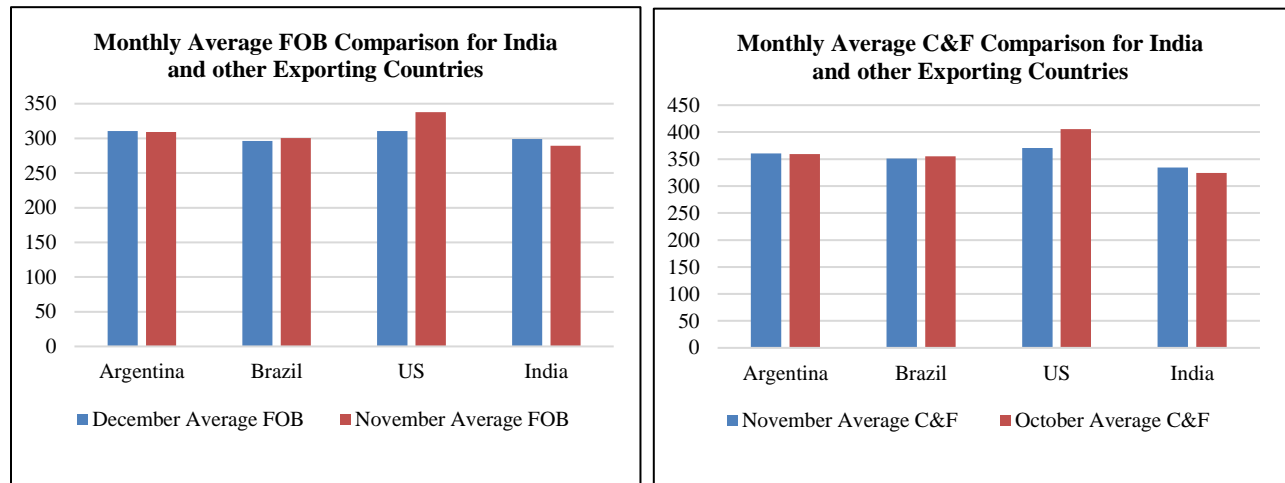
For the month January 23', Maize arrivals had started to reduce as compared to December 22'. As days passed by, the prices began to surge due to high demand. Farmers are hesitant to sell their bunch in expectation of price increase in south markets. There is anticipation of a good yield from coming rabi season amid increased acreage in key rabi maize producing states due to favourable weather conditions and better price realisation. 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.

INDIA MAIZE EXPORT SCENARIO:

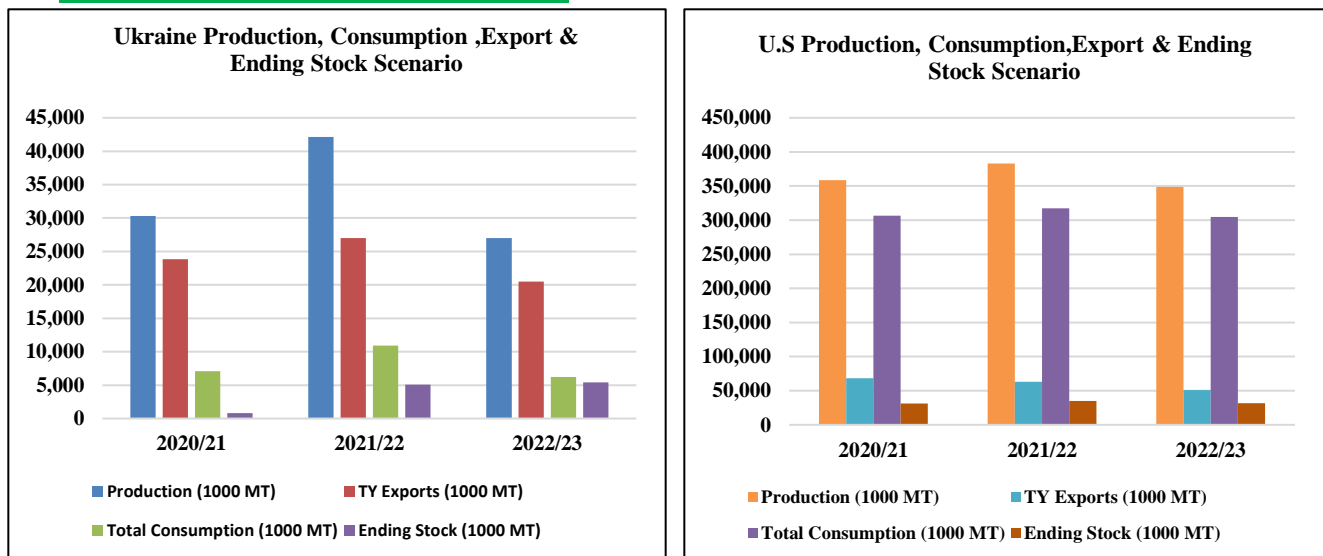
According to trade sources, India exported 4,74,552 MT of maize in December 2022 for an average FOB of roughly 346 USD/MT. In addition, maize was exported to Bangladesh and Nepal in quantities of 1,40,342 MT and 17,836 MT, respectively, at average FOB of about 317.4 USD/MT and 311.22 USD/MT.

INDIA MAIZE EXPORT PARITY: (USD/MT)



Due to disparity with nations like Vietnam, Malaysia, and Nepal—who were the regular consumers of Indian maize—exports from India are also sluggish. Due to some restrictions, the loading of rakes for Bangladesh had to stop in the middle, even if the price difference had caused the exports to stop. The exports won't start in full force until the domestic prices start to drop. Despite the current slump, exporters are nevertheless stocking from the marketplaces. Right now, maize from South Africa and Ukraine is profitable and luring purchasers from abroad.

INTERNATIONAL MARKET SCENARIO



As per WASDE report of January, 2023, the projection for 2022–2023 shows decreased production, food, seed, and industrial (FSI), feed, residual use, exports, and ending stocks for U.S. corn. A 1.6-million-acre reduction in harvested area more than offset an improvement in yield, bringing the expected corn production down by 200 million bushels to 13.730 billion bushels. Reduced by 185 million bushels to 13.915 billion, total corn consumption. Due to the poor rate of shipping through December, exports are decreased by 150 million bushels to 1.925 billion. Corn stocks for 2022–23 is reduced by 15 million

bushels because supply is decreasing faster than consumption. China's corn production is expected to expand, somewhat offsetting Argentina and Brazil's losses in foreign corn production. Argentina's production is down due to decreases in area and yield brought on by heat and dry conditions in December and early January that dampen maize planting prospects in the country's important central growing regions. Due to the dry circumstances for first-crop corn in several areas of southern Brazil, Brazil's corn production for 2022–2023 has been reduced. According to the most recent area and yield data, corn production in China is greater.

U.S. Maize exports have reached at 12.61 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.59 MMT for the period of 19th January 2023 to 26th January 2023. Exports of 912,600 MT were up 28 percent from the previous week and 27 percent from the prior 4-week average. The destinations were primarily to Mexico (393,800 MT), Japan (116,600 MT), Guatemala (108,300 MT), Saudi Arabia (73,100 MT), and China (71,500 MT).

Corn prices on the CBOT increased by 6.49 USD to 267.11 USD per MT for the January 23' contract as the production is on lower side. This has resulted in decrease of exports from U.S. as there is intense competition from other countries.

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	January 31 ,2023	December 30 ,2022	Change
Corn CBOT Prices	Mar-23	267.61	267.11	0.49
	May-23	266.72	266.92	-0.20
	Jul-23	261.90	264.46	-2.56
	Sep-23	238.38	246.84	-8.46
	Dec-23	232.57	240.44	-7.87

DOMESTIC PRICE OUTLOOK:

Until the end of March or the beginning of April, when Rabi Maize is expected to arrive, prices are expected to be range-bound to somewhat firm, according to AgriWatch. Farmers and distributors are storing their crop in anticipation for price increases. There is lull demand amid lower arrivals.

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