

# Maize Monthly Research Report

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**June, 2023****REVIEW AND OUTLOOK:**

During the month under review, market remained bearish, and it is expected that market might show steady to weak sentiments for the month of June'23.

Davangere received less quantity of arrivals however, in Gulabbagh mandi tremendous increase was seen in the quantity of arrivals this month, compared to last month. Whereas, the monthly average prices decreased slightly, from the month of April, 23 in both the benchmark markets.

Corn prices on the CBOT went down by 6.60 USD to 235.85 USD per MT for the July 23' contract.

**OUTLOOK**

Prices are expected to remain steady to weak, due to high arrival pressure.

**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)	<b>32.41</b>	<b>34.92</b>
Export (MMT)	3.44	3
Domestic Consumption (MMT)	27.25	30
Total Demand (MMT)	<b>30.69</b>	<b>33</b>
Ending Stock (MMT)	<b>1.72</b>	<b>1.92</b>
Stock to Use Ratio	<b>5.61%</b>	<b>5.82%</b>

\*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	<b>27.25</b>	<b>30</b>

**KHARIF MAIZE SOWING UPDATES**

State	Area Covered		Difference in Area Over Last Year
	(Lakh Ha)		
As of 2 <sup>nd</sup> June, 2023	2023	2022	
Haryana	0.02	0	0.02
Punjab	0.005	0.015	-0.01
Uttar Pradesh	0.404	0.038	0.366

**June, 2023**

<b>Jammu &amp; Kashmir</b>	0.719	0.956	-0.237
<b>Karnataka</b>	0.092	0.118	-0.026
<b>Total</b>	<b>1.24</b>	<b>1.126</b>	<b>0.114</b>

As per the latest update of Agriculture department, GOI, India marked a slight rise in Maize area coverage till 2<sup>nd</sup> June, 2023 as compared to same period last year. Till last week Maize has been sown in 1.24 lakh Ha. compared to 1.12 lakh Ha. same period last year, which is approximately 0.114% more compared to last year for same time period. As per the report, largest area coverage under Maize was in Jammu & Kashmir at around 0.719 Lakh hectares, however it is less as compared to 0.95 Lakh hectares during same period last year.

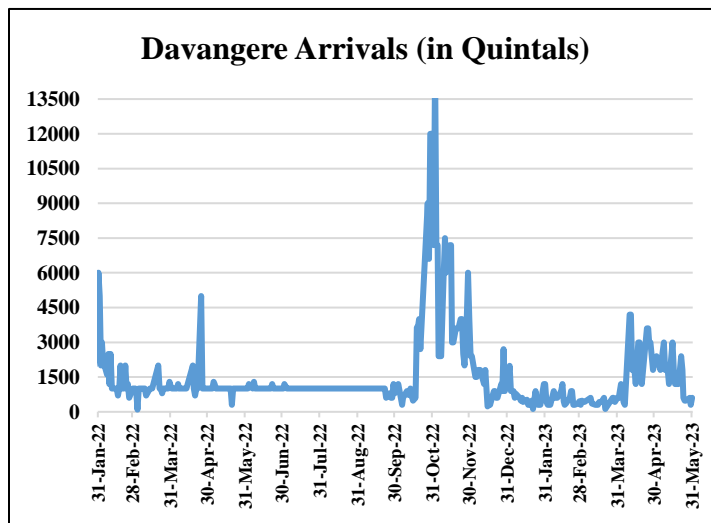
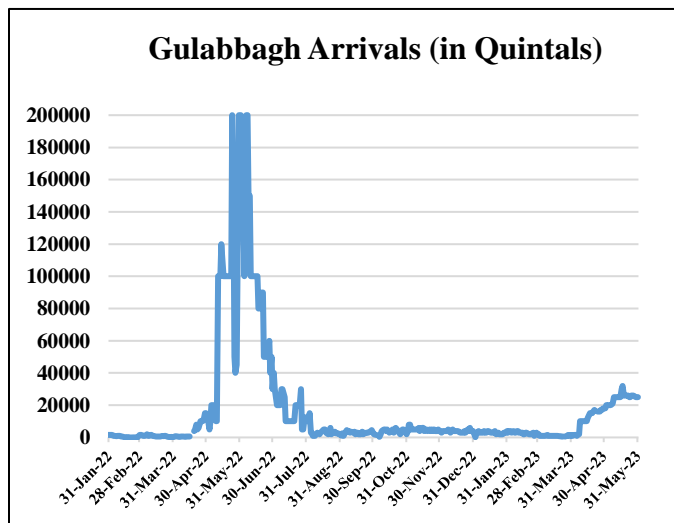
### DOMESTIC MARKET SCENARIO

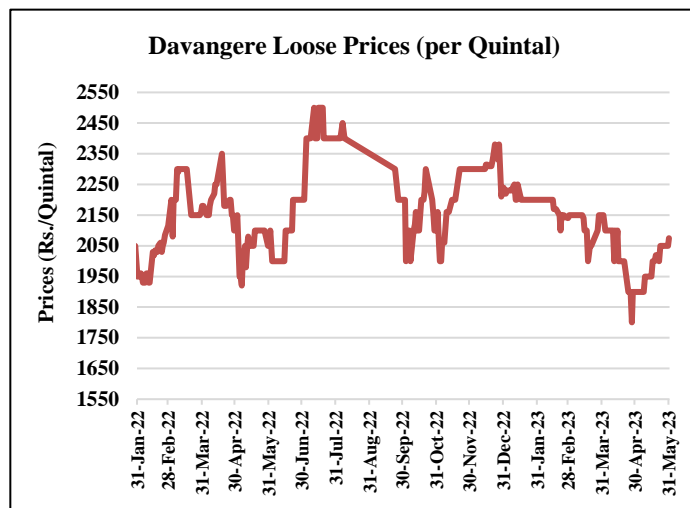
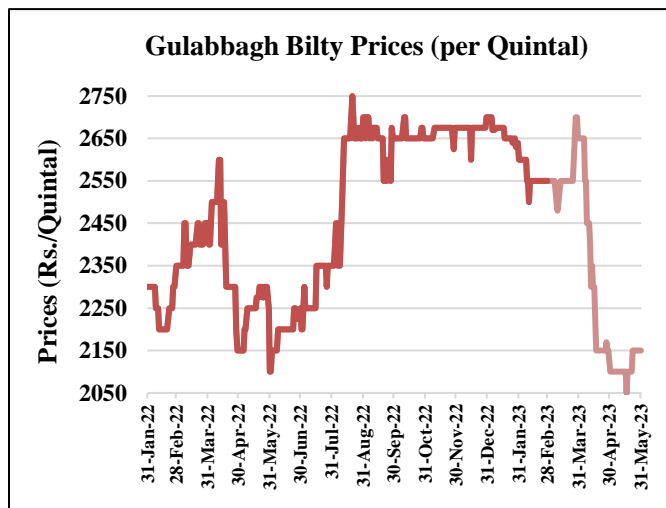
#### ARRIVALS:

During the month under review, Davangere market received 30960 quintals of arrivals which is down from the quantity of 43920 quintals received in April,2023. Farmers are currently holding their stocks due to low market prices.

However, in Gulabbagh mandi, a quantity of 588000 quintals of maize arrived which is notably high from previous month's arrivals of 258500 tonnes.

### MONTHLY SPOT PRICE COMPARISON



**June, 2023**


During the month under review, the monthly average for Maize bilty prices in Gulabgh went further down due to high arrival pressure to Rs. 2112.96 per quintal from Rs. 2330 per quintal in April, 2023.

Similarly, monthly average price for loose maize in Davangere, Karnataka, went slightly down to Rs. 1991.19 per quintal in May 23' from Rs. 2005.5 per quintal in April 23'.

### **INDIA MAIZE TRADE SCENARIO:**

During the month under review, market showed steady to weak sentiments. In Davangere market, subdued demand from all sectors was seen, however in Gulabgh and other mandis of Bihar, good demand is there from local stockists, millers and private players but there is very little to no demand from other states.

On the arrivals front, about 20% of the crop is still left for harvesting from Khagaria line, and it is expected to come within 15-20 days which might result in further downfall of prices by Rs. 100-200 per quintal. Market is expected to remain steady to weak for the month of June as well.

June, 2023

## TECHNICAL ANALYSIS:



Maize Davangere Mandi Price Outlook (INR./Qtl)	Previous month Apr'23	Month under review May'23	Next month June'23
Monthly Average Price	2,005.5	1,991.91	1,900-2,200

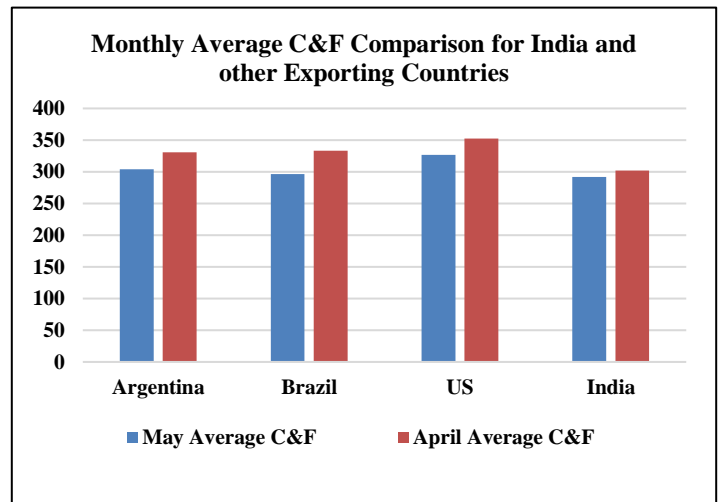
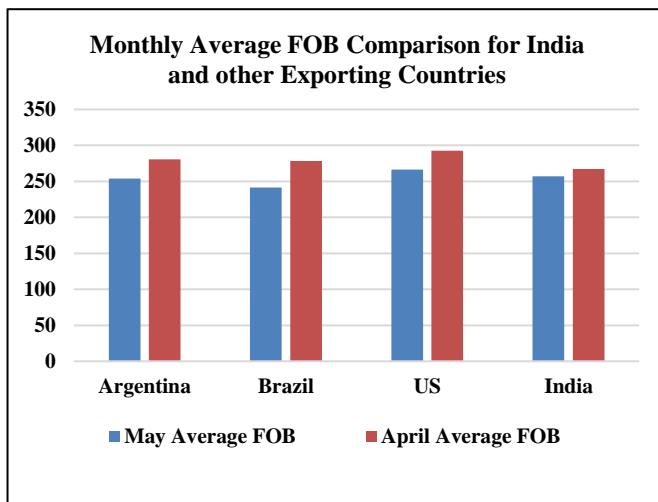
June, 2023

**Maize Price Outlook for coming month:** Davangere Maize mandi prices are currently trading at INR. 2,075/qtl. and are expected to trade with steady to weak sentiments in the range of INR 1,900-2,200 in short run.

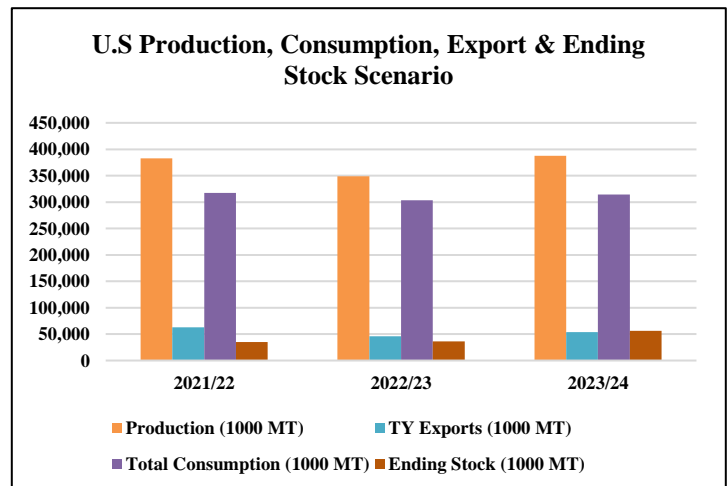
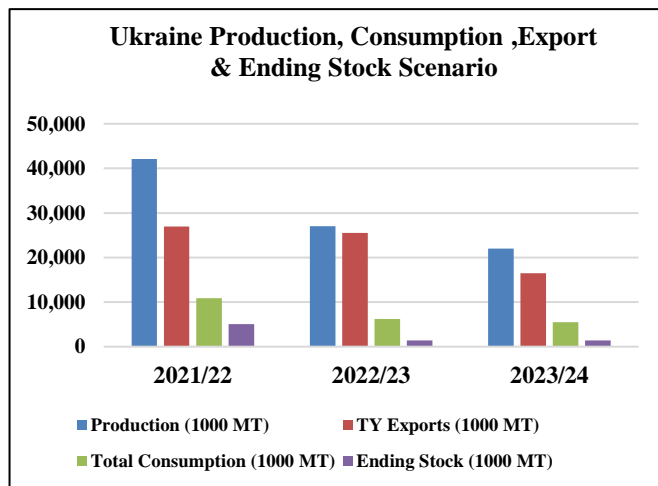
## INDIA MAIZE EXPORT SCENARIO:

As per trade sources, India exported a total of 200,239.48 metric tons of maize in April 2023, at an average free on board (FOB) price of approximately 290.44 USD per metric ton. 3868.92 MT maize was exported to Bangladesh at an average FOB of 303.19 USD/MT however, 28458.84 MT maize to Nepal at an average FOB of 281.77 USD/MT.

## INDIA MAIZE EXPORT PARITY: (USD/MT)



## INTERNATIONAL MARKET SCENARIO





June, 2023

- Certain regions within the U.S. Corn Belt have experienced prolonged periods of aridity over the past month, exerting strain on the well-being of corn and soybean crops. This situation presents an initial obstacle to the government's ambitious projections for record yields. Presently, approximately 64% of the U.S. corn crop is reported to be in good or excellent condition, reflecting a decline from the previous week's figure of 69% and falling below the lowest estimation by industry experts, which stood at 65%.
- As per May,23 WASDE report, the corn crop is anticipated to reach a historic milestone of 15.3 billion bushels, marking a notable surge of over 10 percent compared to the previous year, attributable to expanded acreage and enhanced yield rates. This projection for yield, standing at 181.5 bushels per acre, takes into account weather patterns adjusted to reflect the customary progress of planting and the weather conditions during the summer growing season. These estimates are derived from historical data spanning the years 1988 to 2022. With a slight increase in beginning stocks, the total corn supplies are forecasted to reach 16.7 billion bushels, a level not seen since the 2017/18 period.
- As per trade sources, the export of Brazilian maize is expected to gather momentum from June onwards with the harvest of this year's second maize crop, commonly known as "safrinha." Given the substantial harvest in Brazil, this year's exports are likely to be priced lower than those of other exporters. As the largest maize importer globally, China stands to benefit from the affordability of Brazilian maize and has already cancelled orders for more expensive imports from the US. In November 2022, China lifted the ban on the import of Brazilian maize due to phytosanitary concerns, further paving the way for increased imports from Brazil.
- Corn prices on the CBOT went down by 6.60 USD to 233.85 USD per MT for the Jul 23' contract. As per trade sources, producers are expressing their optimism for regular rainfall within the upcoming 8-14-day period. This weather condition presents a potential vulnerability for December corn prices, particularly considering the notable price increase of \$0.40 during the rally from May lows to highs. Although the market may witness additional gains resulting from technical short covering, it is important to acknowledge the prevailing bearish fundamentals, particularly in light of the forecasted scattered rains across the corn belt region.



**June, 2023**

<b>Maize CBOT Monthly Futures Price Listing (\$/MT)</b>				
	<b>Contract Month</b>	<b>May 31 ,2023</b>	<b>April 28 ,2023</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>Jul-23</b>	233.85	250.38	<b>-6.60</b>
	<b>Sep-23</b>	203.24	230.30	<b>-11.75</b>
	<b>Dec-23</b>	205.4	208.16	<b>-1.33</b>
	<b>Mar-24</b>	209.14	207.77	<b>0.66</b>
	<b>May-24</b>	211.31	211.90	<b>-0.28</b>

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