

Maize Monthly Research Report

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REVIEW AND OUTLOOK:

During the month under review, market remained bullish, and it is expected that market might show firm sentiments in the month of July'23 also.

Davangere received less quantity of arrivals however, in Gulabbagh market significant increase was seen in the quantity of arrivals this month, compared to last month. The monthly average prices also increased slightly, from the month of May, 23 in both the benchmark markets.

Corn prices on the CBOT went down by 15.55 USD to 218.30 USD per MT on MOM for the July 23' contract.

OUTLOOK

Prices are expected to remain firm, amid increase in buyer's interest and lower kharif sowing area by 24% as on 30th June.

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%	5.81%

*AgriWatch Estimates

All India, Rabi Maize estimate was 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 of 1.72 MMT. Supply and demand seem to be comfortable.

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

KHARIF MAIZE SOWING UPDATES

S. No	State	Area Covered		Difference in Area Over Last Year
		(Lakh Ha)		
	*As on 30 th June-2023	2023	2022	
1	Andhra Pradesh	0.02	0	0.02
2	Arunachal Pradesh	0.338	0.324	0.014

3	Bihar	0.02	0.01	0.01
4	Chhattisgarh	0.01	0	0.01
5	Gujarat	0.022	0.044	-0.023
6	Haryana	0.02	0.04	-0.02
7	Himachal.Pradesh	2.38	2.3	0.08
8	Jammu..Kashmir.	1.486	1.287	0.199
9	Karnataka	1.202	3.969	-2.767
10	Maharashtra	0.011	0.21	-0.199
11	Punjab	0.51	0.26	0.25
12	Rajasthan	0.15	0.234	-0.084
13	Tamil.Nadu	0.006	0.014	-0.008
14	Uttar.Pradesh	1.697	1.772	-0.074
15	Uttarakhand	0.17	0.19	-0.02
16	West.Bengal	0.054	0.043	0.011
17	Others	-	-	-
Total	Total	8.1	11	-2.6

(Source: NFSM)

As per the latest update of Agriculture department, GOI, India marked a slight rise in Maize area coverage till 30th June, 2023 as compared to same period last year. Till last week Maize has been sown in 8.1 Lakh Ha. compared to 11 Lakh Ha. same period last year, which is approximately 24% less compared to last year for same time period. As per the report, largest area coverage under Maize was in UP at around 1.69 Lakh hectares, however it is less as compared to 1.77 Lakh hectares during same period last year.

DOMESTIC MARKET SCENARIO

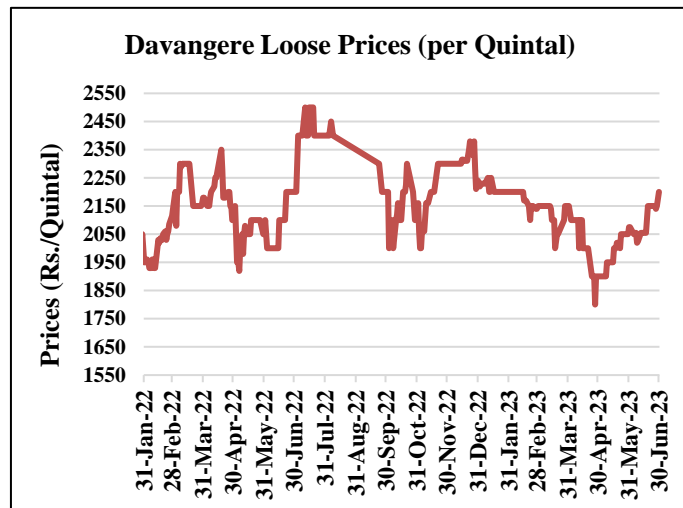
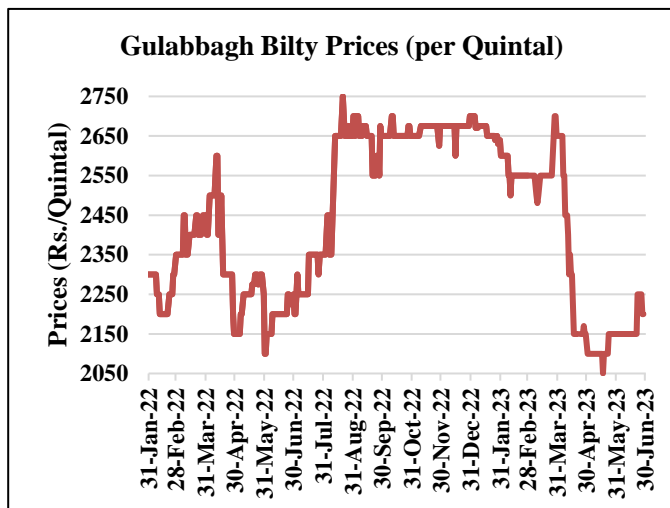
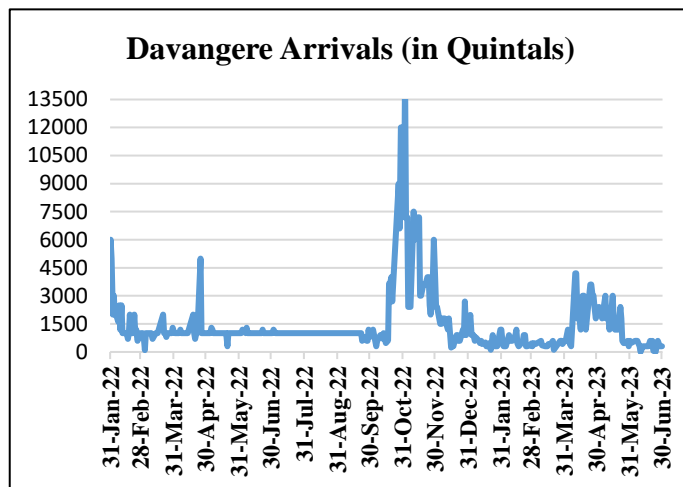
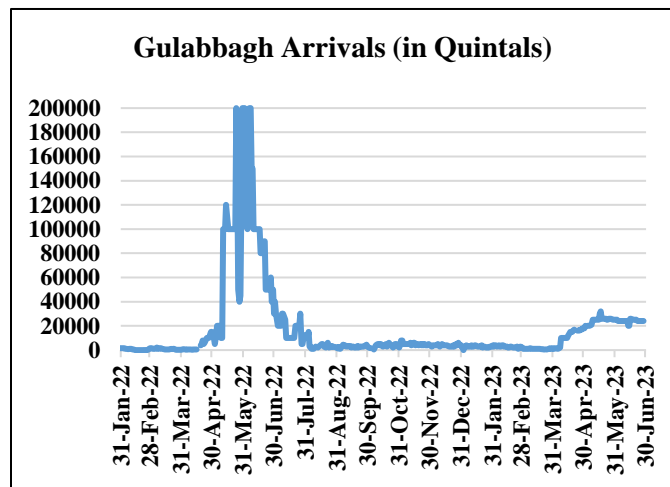
ARRIVALS:

During the month under review, Davangere market received 6,840 quintals of arrivals in June. which is way down from the quantity of 30,960 quintals received in April, 2023.

July, 2023

However, in Gulabbagh mandi, a quantity of 6,02,000 quintals of maize arrived in June, which is notably high than previous month's arrivals of 5,88,000 quintals.

MONTHLY SPOT PRICE COMPARISON



During the month under review, the monthly average for Maize bilty prices in Gulabbagh further went up despite arrival pressure to Rs. 2172 per quintal in June, from Rs. 2112.96 per quintal in May, 2023.

Similarly, monthly average price for loose maize in Davangere, Karnataka, went up to Rs. 2094 per quintal in June, 23 from Rs. 1991.19 per quintal in May 23'.

INDIA MAIZE TRADE SCENARIO:

During the month under review, market showed bullish sentiments. In Davangere market, slightly increase in demand from all sectors was seen, Whereas in Gulabbagh and other mandis of Bihar, there is also good demand from local stockist, millers and private players.

July, 2023

Stock stored from kharif crop is almost exhausted while supply from Bihar for South India is halted now. Right now, it is being fulfilled from UP, Punjab and Haryana. Market has recovered to some extent and it may move further up if overall kharif area decreases and dry spell continue in maize growing belts in Andhra Pradesh and Telangana.

TECHNICAL ANALYSIS:



Maize Davangere Mandi Price Outlook (INR./Qtl)	Previous month	Month under review	Next month
	May'23	June'23	July'23

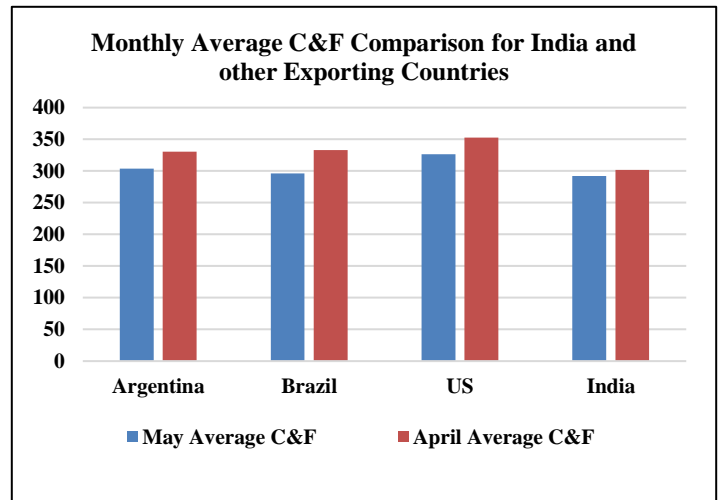
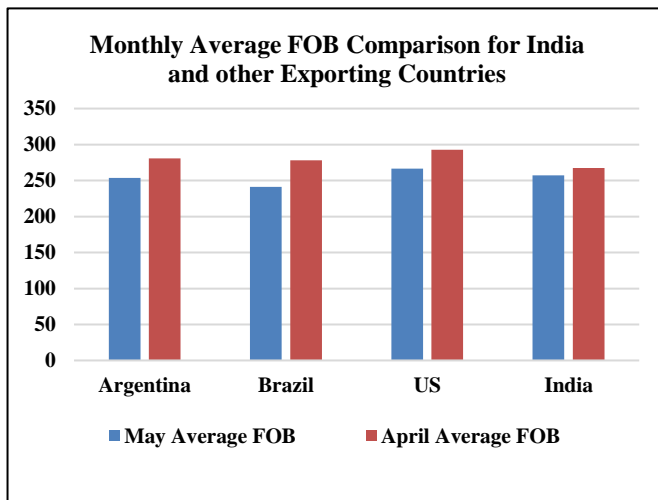
Monthly Average Price	1,991.91	2094.47	2,100-2,400
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Maize Price Outlook for coming month: Davangere Maize mandi prices are currently trading at INR. 2,094/qtl. and are expected to trade with firm sentiments in the range of INR 2,100-2,400 in short run.

INDIA MAIZE EXPORT SCENARIO:

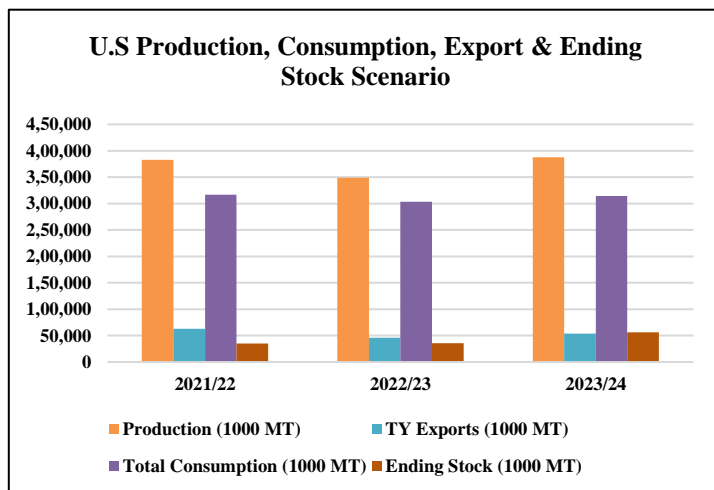
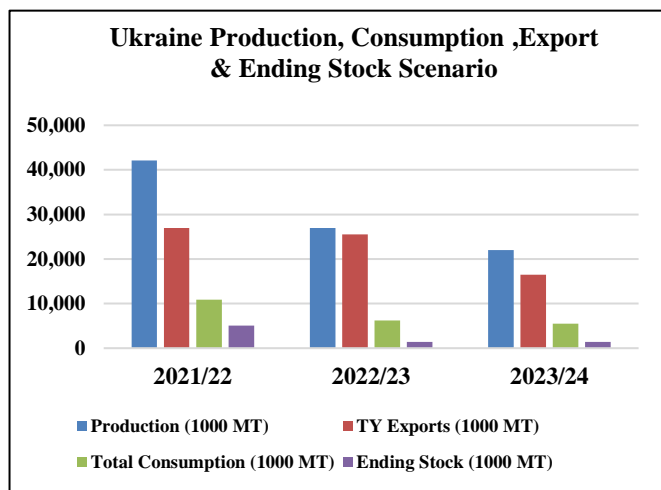
As per trade sources, India exported a total of 200,239.48 metric tons of maize in April 2023, at an average free on board (FOB) price of approximately 290.44 USD per metric ton. 3868.92 MT maize was exported to Bangladesh at an average FOB of 303.19 USD/MT however, 28458.84 MT maize to Nepal at an average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

INDIA MAIZE EXPORT PARITY: (USD/MT)



July, 2023

INTERNATIONAL MARKET SCENARIO



- Maize sowing in South Indian states has increased this year by 20 to 25% and the shifting happening from Turmeric crop. However, the only issue is dry weather condition in Maize growing belts, and if there is no rainfall in next 8 to 10 days, crop maydry up and require resowing. If rains occur, prices may come down July onward again.
- USDA exporters to sale of 6.7 million bushels of corn to Mexico. Out of the total amount, 13% is designated for delivery during the current marketing year, which began on September 1st, while the remaining portion is intended for delivery in the 2023/24 timeframe.
- Brazil, the second-largest global producer of ethanol, has witnessed a notable surge in the establishment of ethanol processing facilities in the Center-West region. While sugarcane remains the primary feedstock for ethanol production in Brazil, there is a growing trend of constructing corn ethanol plants in states like Mato Grosso, Mato Grosso do Sul, and Goiás. This shift is attributed to the rapid expansion of corn cultivation during the past decade in these regions. The increasing annual corn harvest, coupled with the anticipated rise in ethanol demand both domestically and internationally, are the key driving forces behind the rapid expansion of ethanol processing plants.
- Corn prices on the CBOT went down by 15.55 USD to 218.30 USD per MT for the Jul 23' contract.

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	June 30 ,2023	May 31 ,2023	Change
	Jul-23	218.30	233.85	-6.65%

July, 2023

Corn CBOT Prices	Sep-23	192.31	203.24	-5.38%
	Dec-23	194.77	205.4	-5.18%
	Mar-24	199.40	209.14	-4.66%
	May-24	202.16	211.31	-4.33%

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