

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Maize Trade Scenario
- ❖ International Corn Market Summary
- ❖ Rabi Maize Sowing Update
- ❖ Export-Import Parity Trend
- ❖ Exports for the Month of January'22
- ❖ Vessel Position
- ❖ Current Market
- ❖ Dynamics Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Annexure

EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Maize would trade with steady to firm sentiment in coming week since demand seems to be steady and market awaits for the new crop, as previous season's arrivals have already reached market.

MAIZE TRADE SCENARIO

Sources revealed that Maize in Nizamabad market is being traded between Rs. 1,900 to Rs. 1,950 per quintal. Loose Maize in market of Davangere, Karnataka is being traded between Rs. 2,030 to Rs. 2,085 per quintal.

Good quality Maize with optimum moisture content is being traded in Bihar between Rs. 2,200 to Rs. 2,300 per quintal. Average quality Maize sourced from Bihar is being supplied to Kharagpur, Kolkata and Siliguri to fulfil the demand of poultry industry at the rate of Rs. 2,250 per quintal. Sourced from Bihar, Bangladesh is buying Maize at Rs. 2,250 per quintal.

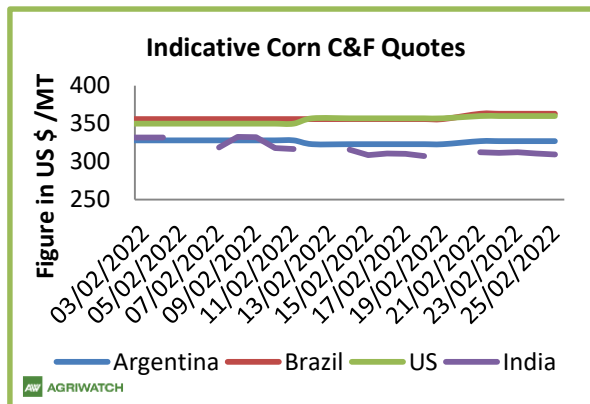
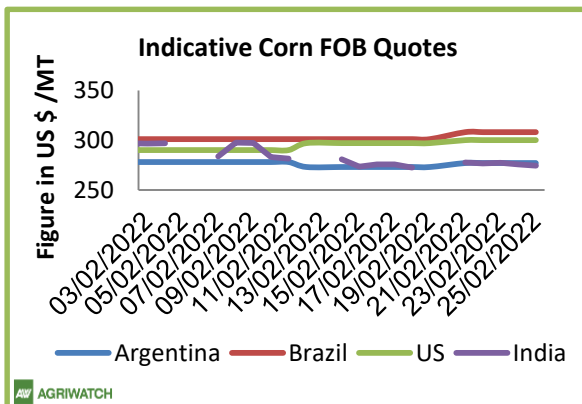
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT increased by 17.72 USD/MT to 273.61 USD/MT for March '22 contract as compared to previous week

U.S. Maize exports have reached to 20.71 million metric tonnes (MMT) for the 2021-22 Marketing Year, with the exports of 1.61 MMT for the period of 3rd Feb 2022– 10th Feb 2022, these exports were up by 41 percent from the previous week and up by 28 percentage from the prior 4-week average.

Ukraine and Russia are major exporters and producers of grains like wheat and corn. If the current situation lasts longer, flow of corn across the countries from Black Sea ports would be hampered, specifically to African countries. Given the expected smaller crop in US, Brazil and Argentina, the global prices are likely to rise and stay high.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1=Rs.74.65)				
As on 23.02.2022	Argentina	Brazil	US	India
FOB	277.00	308.00	300.00	277.29
C&F	327.00	363.00	360.00	312.29

As depicted by the above data, there has been parity for Indian maize, though Argentina remains the most competitive.

INDIAN EXPORTS FOR THE MONTH OF January'22

As per the trade sources, India exported around 3,00,747 MT of Maize in January 2022 at an average FoB of US\$ 288.31 per MT, out of which, 96,590 MT was exported to Bangladesh at an average FoB of US\$ 296.94 per MT. And 1,20,289 MT was exported to Bhutan at an average FoB of US\$ 288.88 per MT. Around 41,415 MT was exported to Malaysia at an average FoB of US\$ 273.68 per MT and approximately 33,488 MT was exported to Nepal at an average FoB of US\$ 277.97 per MT.

VESSEL POSITION

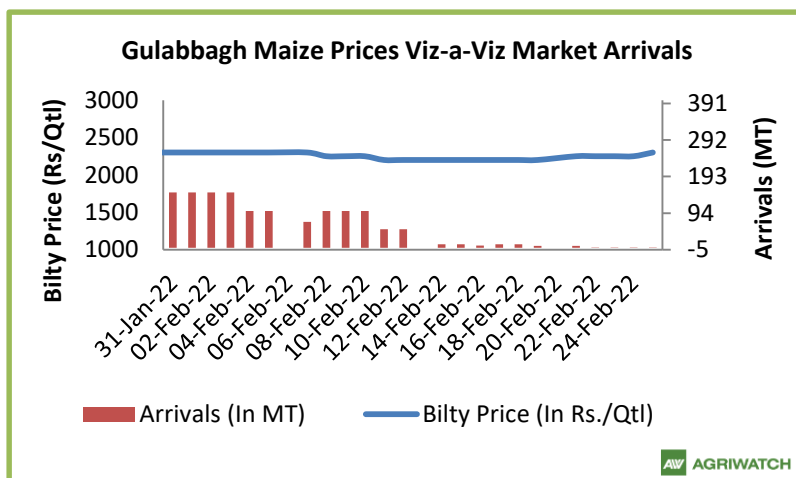
As per the source, 33,000 metric tonne (MT) of Maize Vessel KALIXENOS is waiting at berth for loading at Tuticorin port since 21st Feb 2022. And 31,500 MT of Maize Vessel GOLDEN EAGLE is waiting at berth for loading at Krishnapathnam port since 15th Feb 2022. Also, 36,000 MT of Maize Vessel OCEAN REEF is waiting at berth for loading at Vizag port since 9th Feb 2022. And 5,400 MT of Maize vessel AKIJ MOON was expected to arrive at Vizag port by 4th Feb 2022.

CURRENT MARKET DYNAMICS

During the week under review, almost steady to firm price sentiments were reported in most of the major cash markets of Maize. The various key spot markets dynamics are as under:

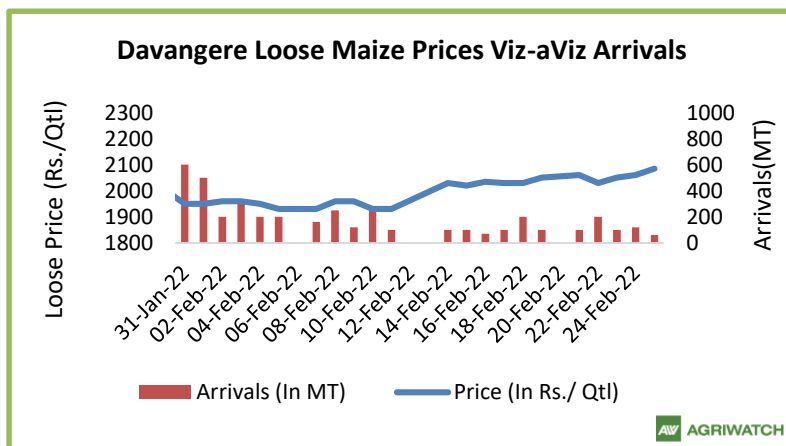
BIHAR:

In Gulabbagh region of Bihar, maize is being traded between Rs. 2,200 to Rs. 2,300 per quintal (Bilty Price). Maize in Gulabbagh would trade with sideways sentiment in the range of Rs. 2,250 – Rs. 2,350 per quintal for this week, with expectation of new Rabi arrivals by May 2022 and almost no arrivals of current season's crop in market.



KARNATAKA:

In Davangere region of Karnataka Market, loose maize is being traded between Rs. 2030 to Rs. 2085 per quintal. Maize in Davangere region would trade with sideways sentiments in the range of Rs. 2,000 - Rs. 2,150 per quintal, with steady to firm bias for this week, due to decreased arrivals.

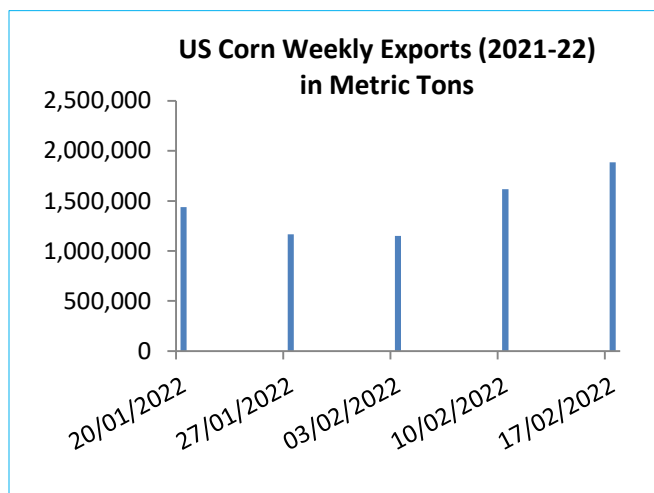


DOMESTIC MAIZE OUTLOOK:

Maize would trade with steady to firm sentiment in coming week since demand seems to be steady and market awaits for the new crop, as previous season's arrivals have already reached market. It is also expected that the Rabi arrivals will be slightly delayed, as in major Rabi Maize producing states like Bihar sowing has been delayed in this season. Along with this hike in international Maize prices would also provide support to domestic Maize market.

INTERNATIONAL MARKET HIGHLIGHT:

U.S. Maize exports have reached to 24.21 million metric tonnes (MMT) for the 2021-22 Marketing Year, with the exports of 1.88 MMT for the period of 11th Feb 2022 – 17th Feb 2022, these exports were up by 17 percent from the previous week and up by 41 percentage from the prior 4-week average, to the destinations like China (555,200 MT), Japan (388,100 MT), Mexico (351,700 MT), Canada (172,500 MT), and Guatemala (101,200 MT). Agriwatch expects that hot and dry weather sustaining in South America would provide support to U.S corn exports.



Ukraine and Russia are major exporter and producer of grains like wheat and corn. If current situation lasts longer, flow of corn across the countries from Black Sea ports would be hampered, specifically to African countries. Ukraine is the world's third largest corn exporter. Corn prices in international market rose drastically over past week. In this scenario a supply pressure would be created on U.S, Brazil and Argentina. On other hand these countries are already expecting a lower corn crop due to dry weather conditions. So there are high chances of severe corn shortage in the international market in upcoming season, with unexpectedly high corn prices.

In case of severe shortage of GM Corn in the international market, importers would turn towards Non-GM Corn suppliers like India, which would lead to increase in the demand of India corn and also hike in domestic Maize prices as well.

PREVIOUS UPDATES

USDA in its February month report, decreased its World Maize Ending Stock Estimate by 0.84 MMT to 302.222 MMT for February'22/ 2021-22, however USDA kept its World Maize Production Estimates same at 120.534 MMT for February '22/ 2021-22. USDA kept its Ending Stock Estimates same at 39.11 MMT for February'22/ 2021-22. Also USDA kept its Ending Stock Estimates for Argentina same at 2.12 MMT February'22/ 2021-22 and for Brazil USDA decreased its Ending Stock Estimates by 0.90 MMT to 5.32 MMT for February'22/ 2021-22.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT increased by 17.72 USD/MT to 273.61 USD/MT for March '22 contract as compared to previous week, due to Ukraine-Russia tensions. AgriWatch expects that ongoing conflict between Ukraine and Russia as well as dry weather-related conditions in Brazil and Argentina may provide support to U.S corn exports.

ANNEXURE

Maize (Corn) Weekly Prices:						
Market	Grade	25-Feb-22	18-Feb-22	25-Jan-22	24-Feb-21	25-Feb-20
Naugachia	Bilty	2300	2250	2250	1425	NA
Delhi	Hybrid Maize(U.P.)	2250	2200	2100	1500	1750
Davangere	Loose	2085	2030	1900	1500	1650
Shimoga	Bilty	1900	NA	1750	NA	1700
Ranebennur	Bilty	NA	NA	NA	NA	1740
Bagalkot	Hybrid/Local	NA	1935	1980	1530	1610
Gadag	Local	NA	1780	NA	1355	1670
Nizamabad	Bilty	1950	1900	2000	1500	1800
Khanna	Bilty	2070	2090	2000	1400	1820
Sangli	Feed	2212	2180	2124	1654	1753
Ahmedabad	Feed	2200	2160	2100	1500	1700

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-Feb-22	17-Feb-22	Change
Corn CBOT Prices	Mar-22	273.61	255.89	17.72
	May-22	271.74	255.60	16.14
	July-22	267.11	253.93	13.18
	Sep-22	244.38	239.26	5.12
	Dec-22	238.08	234.83	3.25

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2022 Indian Agribusiness Systems Ltd.

