

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 February'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 prices to remain steady to firm in coming week amidst continued good demand from feed as well as starch industry besides expected delay in Rabi Maize arrivals mainly from Bihar.

MAIZE TRADE SCENARIO

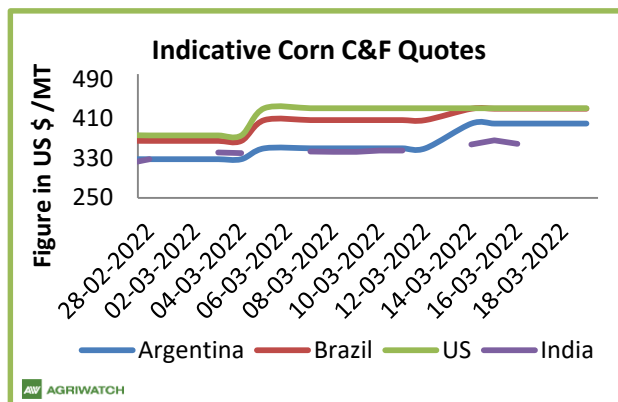
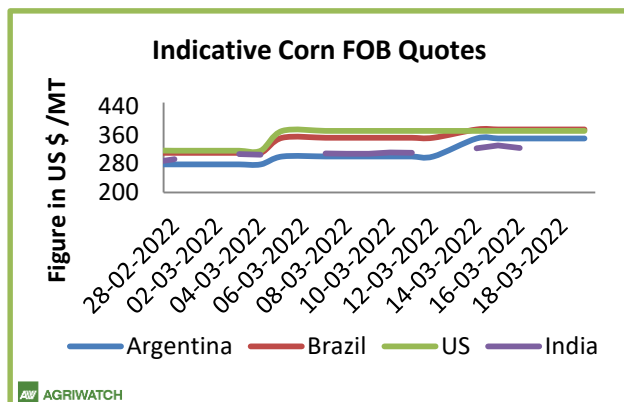
Maize prices in benchmark Nizamabad market is being traded in the range of Rs. 2,200 to Rs. 2,300 per quintal and poultry feed quality is being supplied to Hyderabad and Tamil Nadu at Rs. 2,400 to Rs. 2,450 per quintal (delivered basis). Loose Maize prices in Davangere and Karnataka is being traded at par with the Nizamabad market (between Rs. 2,250 to Rs. 2,300 per quintal) during the week under review.

Good quality Maize with optimum moisture content is being traded in Bihar between Rs. 2,300 to Rs. 2,400 per quintal while the average quality Maize supplied to Kolkata and Siliguri for poultry industry at Rs. 2,450 per quintal. Bangladesh is regularly buying Bihar Maize between Rs. 2,400 to Rs. 2,450 per quintal of delivery price for feed and starch purpose. At Chhindwara market maize is being traded between Rs. 2,100 per quintal to Rs. 2,200 per quintal.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT eased by 50.09 USD/MT to 248.22 USD/MT for March '22 contract as compared to previous week, due to peace talks held between Ukraine and Russia.

U.S. Maize exports have reached at 28.80 million metric tonnes (MMT) for the 2021-22 marketing year, with the exports of 1.27 MMT for the period of 4th March 2022 – 10th March 2022, these exports were down by 28 percent from the previous week and down by 25 percent also from the prior 4-week average

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1=Rs.76.29)				
As on 16.03.2022	Argentina	Brazil	US	India
FOB	350.00	375.00	371.00	323.76
C&F	400.00	430.00	431.00	358.76

As depicted by the above chart and table, there has been a reasonable export parity for Indian maize, while Argentina remains the close competitor.

Corn prices in international market rose drastically over past week. There is a severe shortage of Corn going on in the international market, after Ukrainian Corn supply to the world has stopped. Corn importing countries have turned their heads towards India for Corn supply. This has led to increase in the India Corn prices as well as for other origin Corn. Meanwhile, the FoB prices of all the countries/origins including India is very likely to increase further due to expected increase in the prices of crude oils following more requirement of Bio-diesel and Ethanol in Countries like America.

INDIAN EXPORTS FOR THE MONTH OF February'22

As per the trade sources, India exported around 2,44,521 MT of Maize in February 2022 at an average FoB of US\$ 305.84 per MT, out of which, 1,36,328 MT was exported to Vietnam at an average FoB of US\$ 271.77 per MT. And 57,990 MT was exported to Bangladesh at an average FoB of US\$ 306.30 per MT. Around 19,032 MT was exported to Malaysia at an average FoB of US\$ 290.89 per MT and approximately 24,757 MT was exported to Nepal at an average FoB of US\$ 304.50 per MT.

VESSEL POSITION

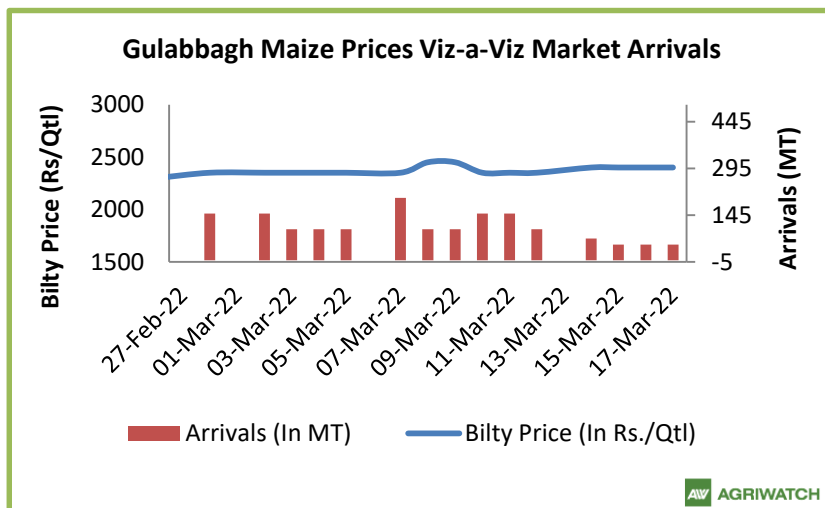
According to the sources, 33,000 metric tonnes (MT) of Maize Vessel KALIXENOS is waiting to berth for loading at Tuticorin port since 21st Feb 2022. Also, 36,000 MT of Maize Vessel OCEAN REEF has completed loading at Vizag port and, 31,500 MT of Maize Vessel GOLDEN EAGLE has completed loading at Krishnapathnam port.

CURRENT MARKET DYNAMICS

A steady to firm tone witnessed in most of the major Maize cash markets during the week under review. The various key spot markets dynamics are as under:

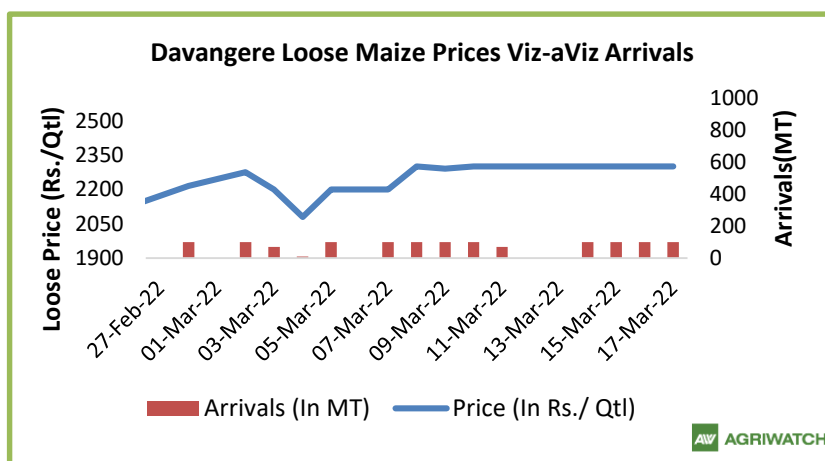
BIHAR:

In Gulabghat market, Maize is being traded at Rs. 2,400 per quintal (Bilty Price). Maize in Gulabghat would trade with steady to firm sentiment in the range of Rs. 2,300 – Rs. 2,550 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, along with good demand from starch industry.



KARNATAKA:

In Davangere market of Karnataka, loose maize is being traded at Rs. 2,300 per quintal. Maize in Davangere likely trade sideways between the range of Rs. 2,300 - Rs. 2,450 per quintal, with slightly firm bias. Prices are likely to remain steady to firm for this week due to declining arrivals and good demand from poultry industry.

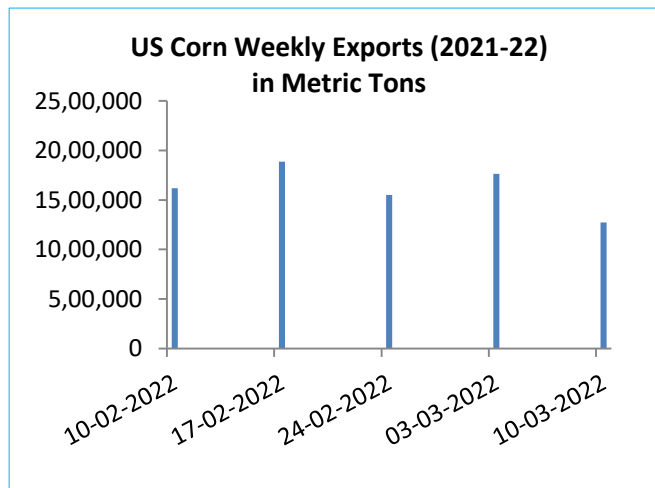


DOMESTIC MAIZE OUTLOOK:

Maize prices are likely to remain steady to firm sentiment in coming week as demand from feed as well as starch industry continue to be good and new arrivals are expected after mid of April or with a delay in key Bihar markets. At present, the demand of Maize in domestic markets is good from poultry industry due to higher egg and chicken prices. Also, due to the rise in temperature at various locations in past week there are chances of decreased availability of green fodder which will lead to increase in demand of Maize for cattle feed as well. Along with this increased demand of Indian Maize in international markets would also provide support to domestic Maize market.

INTERNATIONAL MARKET HIGHLIGHT:

U.S. Maize exports have reached at 28.80 million metric tonnes (MMT) for the 2021-22 marketing year, with the exports of 1.27 MMT for the period of 4th March 2022 – 10th March 2022, these exports were down by 28 percent from the previous week and down by 25 percent also from the prior 4-week average, to the destinations like China (335,900 MT), Mexico (279,500 MT), Colombia (175,000 MT), Japan (94,700 MT), and Guatemala (87,300 MT). Rising crude oil prices amid Ukraine-Russia War are affecting U.S Corn exports.



PREVIOUS UPDATES

USDA in its March month report, decreased its World Maize Ending Stock Estimate by 1.25 MMT to 300.97 MMT for March '22/ 2021-22, and also reduced its World Maize Production Estimates by 0.79 at 120.614 MMT for March '22/ 2021-22. USDA also reduced the Ending Stock Estimates for U.S.A by 2.54 at 36.57 MMT, Argentina by 1.40 MMT to 1.02 MMT and for Brazil it decreased its Ending Stock Estimates by 0.10 MMT to 5.22 MMT for March '22/ 2021-22.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT decreased by 50.09 USD/MT to 248.22 USD/MT for March '22 contract as compared to previous week, due to peace talks held between Ukraine and Russia. AgriWatch expects that ongoing conflict between Ukraine and Russia doesn't seem to settle even after several rounds of peace talks, due to which in current dynamics stating clear expectations of higher or lower price movement of Corn on CBOT is quite unclear. However, weather-related conditions in Brazil and Argentina will support corn on CBOT.

ANNEXURE:
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize (Corn) Weekly Prices:						
Market	Grade	17-Mar-22	10-Mar-22	14-Feb-22	16-Mar-21	17-Mar-20
Naugachia	Bilty	2400	2300	2250	1350	NA
Delhi	Hybrid Maize(U.P.)	2500	2400	2200	1550	1700
Davangere	Loose	2300	2300	2030	1500	1100
Shimoga	Bilty	NA	2000	NA	1510	1300
Ranebennur	Bilty	NA	NA	NA	NA	1300
Bagalkot	Hybrid/Local	NA	2235	1940	NA	1530
Gadag	Local	NA	2010	1760	1525	1330
Nizamabad	Bilty	Closed	2200	1900	1500	1800
Khanna	Bilty	2230	2250	2020	1400	1720
Sangli	Feed	2397	2474	2110	1690	1513
Ahmedabad	Feed	NA	2350	2100	1600	NA

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	16-Mar-22	10-Mar-22	Change
Corn CBOT Prices	Mar-22	248.22	298.31	-50.09
	May-22	287.39	297.53	-10.14
	July-22	274.40	285.81	-11.41
	Sep-22	254.71	266.72	-12.01
	Dec-22	247.92	256.58	-8.66

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.