

Maize-Weekly Fundamental Report

Contents

Weekly Digest and Outlook

Domestic Scenario

- Kharif Maize Sowing
- Spot Market Supply and Arrivals
- Spot Price
- Domestic demand and Trade
- Exports

International Scenario

Domestic Outlook

WEEKLY DIGEST AND OUTLOOK

Maize cash market prices witnessed a mixed tone with slightly firm tone across the major cash markets of the country during the week under review on the account of good demand from local buyers as well as neighboring countries.

At bench mark Gulabba market, the average weekly prices rose to Rs. 2,260 per quintal from previous week's Rs. 2,225 per quintal.

As per trade sources, the demand from feed industry and starch industry reportedly improved during the past week. As per the sources, Hyderabad starch industry is buying Maize from Nizamabad, Telangana at the delivery rate of Rs. 2,500 per quintal.

Corn on CBOT rose by 1.28 USD to 294.08 USD per MT for July'22 contract, as compared to previous week, as the result of restricted Corn supply from Argentina due to ongoing truck drivers' strike in the country following rise in the prices of diesel in the country.

Outlook:

AgriWatch expects, Range-bound to slightly firm price movement of Maize during the coming week in domestic market on the account of good demand from domestic buyers as well as neighboring countries.

WEATHER SCENARIO

There have been heavy monsoon showers over various parts of Maharashtra, Madhya Pradesh and Gujarat. Rising concerns related to already sown crop health.

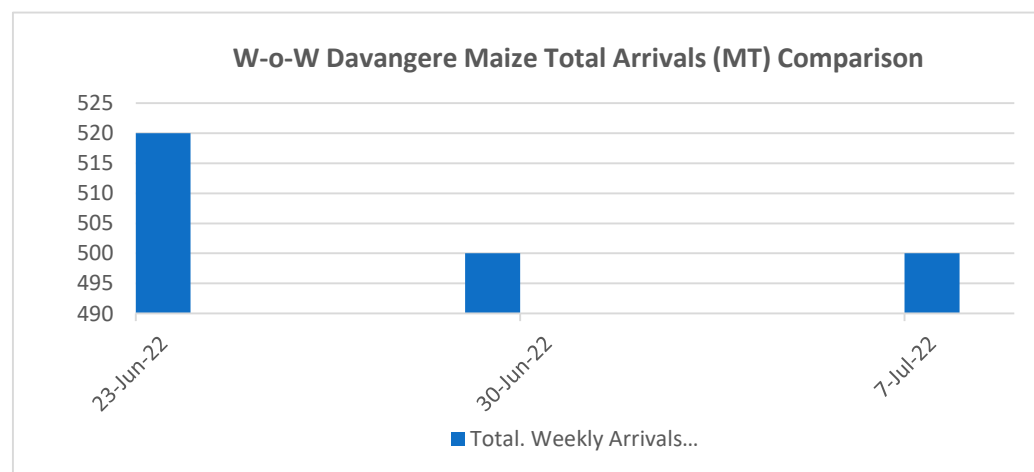
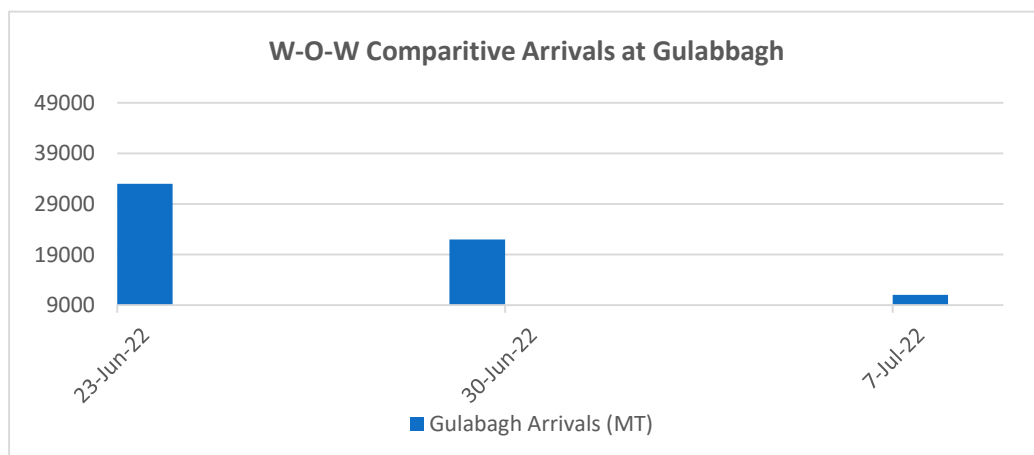
As per the latest update so far ongoing monsoon has covered the entire Northern states and NCR part of the country, including most of the parts of Bihar. The monsoon showers have covered maximum parts of central and eastern parts of the country.

DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, GoI, India marked a decline in Maize area coverage till 8th July 22 as compared to same period last year. Till last week Maize has been sown in 31.83 lakh Ha. compared to 94.99 lakh Ha. same period last year, which is approximately 66 % less compared to last year for same time period. As per the report, largest area coverage under Maize was in Karnataka at around 8.85 Lakh hectares as compared to 9.10 Lakh hectares during same period last year, followed by M.P. Looking at the current progress of Monsoon and the return relative to competing crops, it is likely that sown area under Maize is likely to increase in M.P, Maharashtra and Rajasthan.

New Rabi Arrivals/Supply in Bihar Markets

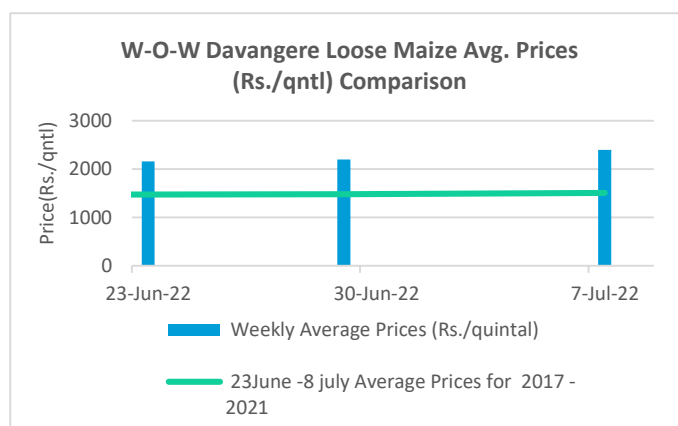
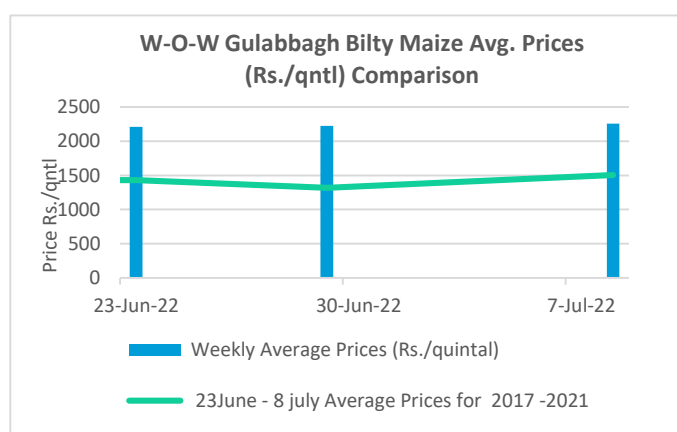


Arrivals of Maize at various spot markets around the country encountered a seasonal consecutive downfall over past week. Specifically northern markets like at bench mark market Gulababbagh (Bihar) a crucial fall in the arrivals was noticed. However, at bench mark market Davangere (Karnataka) arrivals during the week remained similar to that of past week, since farmers brought stocked material to the market.

Spot Price

An overall steady to firm movement witnessed in Maize prices across the major spot markets of the country.

| Maize (Corn) Weekly Prices: | | | | | | |
|-----------------------------|---------------------|----------|----------|----------|----------|----------|
| Market | Grade | 8-Jul-22 | 1-Jul-22 | 7-Jun-22 | 7-Jul-21 | 7-Jul-20 |
| Naugachia | Bilty | 2250 | 2250 | 2200 | 1800 | 1175 |
| Delhi | Hybrid Maize (U.P.) | 2200 | 2250 | 2250 | 1750 | 1300 |
| Davangere | Loose | 2400 | 2200 | 2000 | 1900 | 1350 |
| Shimoga | Bilty | 2160 | 2160 | 2160 | NR | 1300 |
| Ranebennur | Bilty | NR | NR | 2495 | 2100 | 1450 |
| Bagalkot | Hybrid/Local | 2465 | NR | 2110 | 1800 | 1330 |
| Gadag | Local | NR | NR | 2170 | NR | 1390 |
| Nizamabad | Bilty | 2450 | 2400 | 2150 | 1750 | 1375 |
| Khanna | Bilty | 1950 | 1950 | 2135 | 1550 | 1125 |
| Sangli | Feed | 2671 | 2648 | 2374 | 2084 | 1493 |
| Ahmedabad | Feed | NR | 2400 | 2300 | 2000 | 1350 |
| | Starch | NR | 2375 | 2300 | 2000 | 1470 |



Maize prices throughout the week displayed an almost firm sentiment on the account of good demand from domestic demand end as well as from the end of neighboring countries and declining arrivals at major bench mark markets of the country. Bench mark Gulababbagh market in Bihar and bench mark market Davangere, Karnataka displayed 2 % and 9% increase in the average weekly prices when compared to the prices of previous week.

Domestic Demand and Trade

As per trade sources, the demand from feed industry and starch industry reportedly improved during the past week. As per the sources, Hyderabad starch industry is buying Maize from Nizamabad, Telangana at the delivery rate of Rs. 2,500 per quintal. As the Rabi Maize supply is about to end and the flow of supplies have reduced in Bihar markets, the previously stocked is being released in the Southern as well as Northern markets of the country. Poultry persons in Punjab and U.P are utilizing locally produced Zaid Maize rather than buying Maize sourced from Bihar due to more feasible prices. In M.P starch Maize is trading at the delivery rate of Rs. 2,200 to Rs. 2,400 per quintal of delivery rate. However, overall export as well as domestic demand of Maize took a fair pace with monsoon progressing further resulting in the demand from poultry industry. However, disparity in terms of inter- state delivery of Maize still continues which is hampering domestic trade activities.

Exports

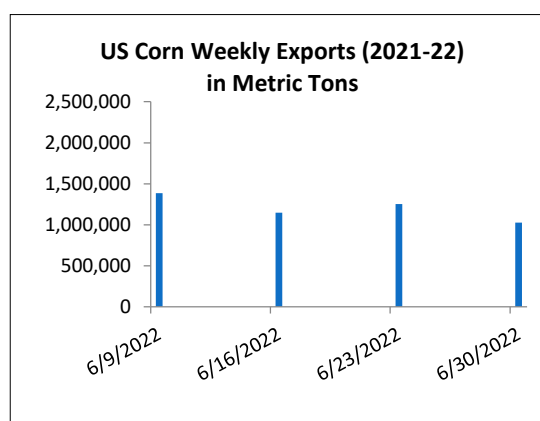
As per the Trade sources India exported around 93,773 MT of Maize during May 2022 with the average FOB of around 327.21 USD/MT. Also, out of this around 52,359 MT of Maize was exported to Bangladesh with an average FOB of around 327.83 USD/MT and 34,790 MT of Maize was exported to Nepal with an average FOB of around 297.85 USD/MT.

| Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.13) | | | | |
|--|-----------|--------|--------|--------|
| | Argentina | Brazil | US | India |
| FOB | 265.00 | 284.67 | 342.33 | 312.12 |
| C&F | 315.00 | 339.67 | 382.33 | 347.12 |

INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 5th July 2022, 64 % of Corn was in good to excellent condition this week against 67 % during past week and 64 % for the same time period during last year. Also, 7 % of Corn crop was in silking stage.

U.S. Maize exports have reached at 52.49 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.02 MMT for the period of 23rd June 2022 – 30th June 2022, these exports were down by 18 percent from previous week and down by 29 percent from prior 4-week average, to the destinations Japan (19,600 MT), Haiti (7,100 MT), Canada (2,200 MT), Mexico (1,100 MT), and South Korea (900 MT).



Corn on CBOT rose by 1.28 USD to 294.08 USD per MT for July'22 contract, as compared to previous week, as the result of restricted Corn supply from Argentina due to ongoing truck drivers' strike in the country following rise in the prices of diesel. However, AgriWatch expects that for upcoming week Corn on CBOT would trade range bound due to concerns related to tight global Corn supply during upcoming season.

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|---|----------------|------------|------------|--------|
| | Contract Month | 07-June-22 | 30-June-22 | Change |
| Corn CBOT Prices | July-22 | 294.08 | 292.8 | 1.28 |
| | Sep-22 | 239.75 | 247.53 | -7.78 |
| | Dec-22 | 234.73 | 243.99 | -9.26 |
| | Mar-23 | 237.00 | 246.54 | -9.54 |

DOMESTIC OUTLOOK

AgriWatch expects, Range-bound to slightly firm price movement of Maize during the coming week in domestic market on the account of good demand from domestic buyers as well as neighboring countries. Also, buyers are preferring to buy the desired quantity from local suppliers rather than opting to buy from the suppliers of different states due to existing delivery disparity between supply and source location.

At present, considering the overall scenario, current revival and progress of SW Monsoon, expected increase in sowing area under Maize, in medium to long term it is advisable to gradually liquidate stocks at higher price levels while in very-short to short term one can expect some increase in prices amid improved demand and finishing Rabi supplies.

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