

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

An overall steady to slightly firm movement witnessed in Maize prices across the major spot markets of the country on the account of mixed demand sentiments in domestic market and decline in the exports of Indian Maize.

At bench mark Gulabghat market, the average weekly prices of Maize remained almost steady.

As per trade sources, the demand from feed industry and starch industry reportedly remained in mixed zone during the past week. In M.P starch Maize is trading at the delivery rate of Rs. 2,200 to Rs. 2,400 per quintal of delivery rate.

Corn on CBOT fell by 20.47 USD to 273.61USD per MT for July'22 contract, as compared to previous week, as the result of USDA 's crop health report pointing towards positive crop health conditions in U.S.

Outlook:

AgriWatch expects, Range-bound price movement of Maize during the coming week in domestic market on the account of mixed trend in the demand of poultry Maize. 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.

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.

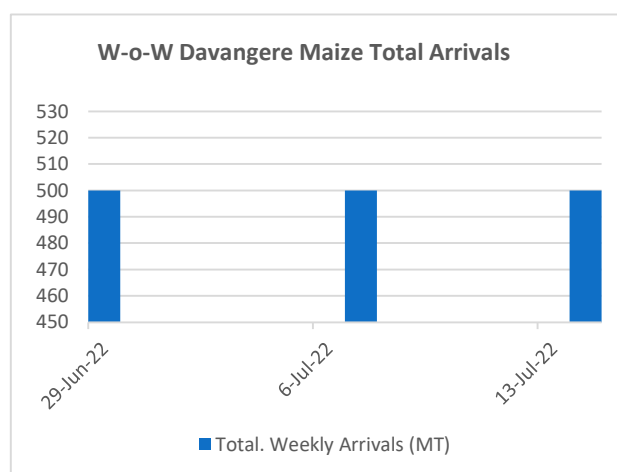
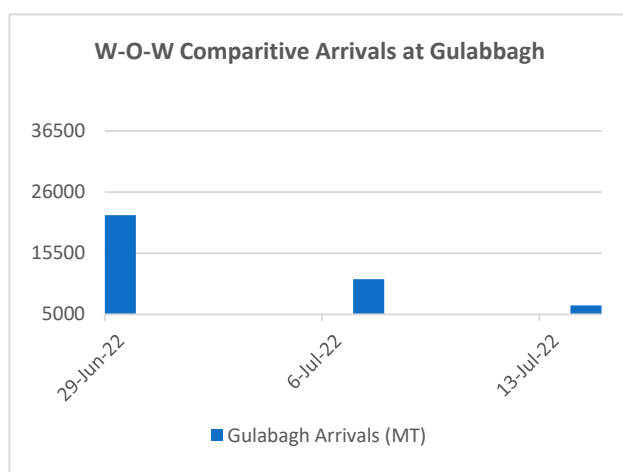
As per the latest update so far ongoing monsoon has covered the entire Northern states and NCR part of the country, including most of the parts of Bihar. The monsoon showers have covered maximum parts of central and eastern parts of the country.

DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, GoI, India marked a decline in Maize area coverage till 15th July 22 as compared to same period last year. Till last week Maize has been sown in 49.90 lakh Ha. compared to 59.36 lakh Ha. same period last year, which is approximately 9.5 % less compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 10.62 Lakh hectares as compared to 13.83 Lakh hectares during same period last year, followed by Karnataka. Looking at the current progress of Monsoon it is likely that already sown Maize crop may suffer from disease – pest infestation and quality issues due to water logging in the fields as the result of heavy rain showers in the various parts of M.P and Maharashtra.

New Rabi Arrivals/Supply in Bihar Markets

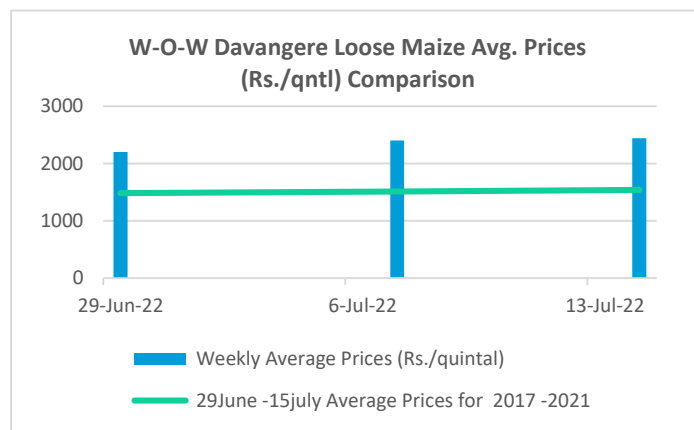
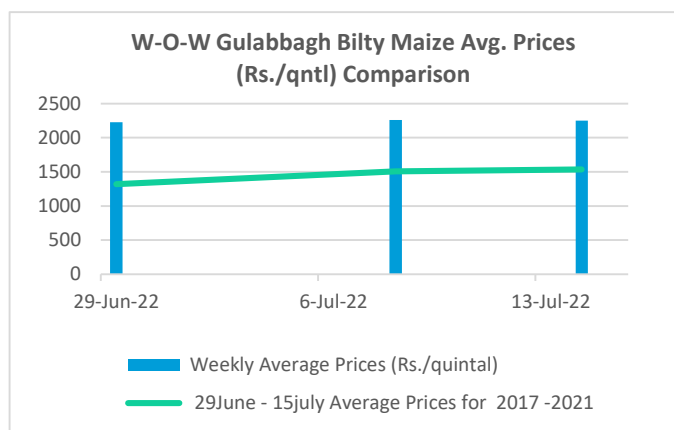


Arrivals of Maize at various spot markets around the country encountered a seasonal consecutive downfall over past week. Specifically northern markets like at bench mark market Gulababbagh (Bihar) a crucial fall in the arrivals was noticed. However, at bench mark market Davangere (Karnataka) arrivals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

Spot Price

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

Maize (Corn) Weekly Prices:						
Market	Grade	15-Jul-22	8-Jul-22	14-Jun-22	14-Jul-21	14-Jul-20
Naugachia	Bilty	2250	2250	2200	1850	1175
Delhi	Hybrid Maize (U.P.)	2150	2200	2250	1700	1250
Davangere	Loose	2500	2400	2000	1900	1350
Shimoga	Bilty	NR	2160	NR	2000	1350
Ranebennur	Bilty	NR	2200	NR	NR	1430
Bagalkot	Hybrid/Local	NR	NR	2210	NR	1300
Gadag	Local	NR	NR	2110	NR	1330
Nizamabad	Bilty	2450	2450	2175	1900	Closed
Khanna	Bilty	1950	1950	1970	1550	1100
Sangli	Feed	2646	2671	2508	2055	1485
Ahmedabad	Feed	2330	NR	NA	1950	1350
	Starch	2340	NR	NA	2000	1370



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 Gulabbagh market in Bihar and bench mark market Davangere, Karnataka Maize traded at steady rates to nominal 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 remained in mixed zone during the past week. Flow of supplies have reduced in major spot markets, the previously stocked stuff 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, ongoing 'Sarwan Month' is suspected to decrease the use of Maize in poultry sector.

Exports

As per the Trade sources India exported around 1,49,630 MT of Maize during June 2022 with the average FOB of around 307.99 USD/MT. Also, out of this around 88,910 MT of Maize was exported to Bangladesh with an average FOB of around 330.44 USD/MT and 58,362 MT of Maize was exported to Nepal with an average FOB of around 288.53 USD/MT.

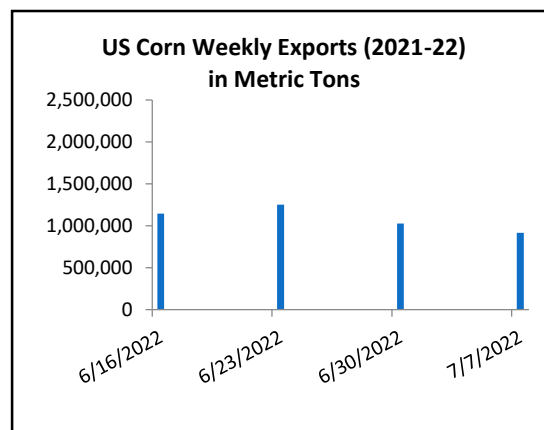
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.69)				
	Argentina	Brazil	US	India
FOB	278.50	276.00	317.50	312.20
C&F	328.50	331.00	377.50	347.20

According to the latest updates, India is facing a challenge concerning exports of Indian Maize to significant export destinations like Thailand and Vietnam. The primary reason for this can be attributed to the fact that the current price at which Maize is being traded-in domestic markets in India is leading to uncompetitive prices of Indian Maize in the international market when compared to that of its competitors like Argentina and Brazil.

INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 11th July 2022, 64 % of Corn was in good to excellent condition this week same as during past week and 65 % for the same time period during last year. Also, 15 % of Corn crop was in silking stage and 2 % of Corn crop was in dough stage till 11th July 2022.

U.S. Maize exports have reached at 53.41 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.91 MMT for the period of 1st July 2022 – 7th July 2022, these exports were down by 11 percent from previous week and down by 24 percent from prior 4-week average, to the destinations China (404,900 MT), Mexico (227,200 MT), Japan (223,900 MT, including 400 MT - late), Morocco (30,200 MT - late), and Canada (13,800 MT).



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	14-July-22	07-July-22	Change
Corn CBOT Prices	July-22	273.61	294.08	-20.47
	Sep-22	238.18	239.75	-1.57
	Dec-22	236.60	234.73	1.87
	Mar-23	239.36	237.00	2.36

Corn on CBOT fell by 20.47 USD to 273.61USD per MT for July'22 contract, as compared to previous week, as the result of USDA 's crop health report pointing towards positive crop health conditions in U.S. 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.

DOMESTIC OUTLOOK

AgriWatch expects, Range-bound price movement of Maize during the coming week in domestic market on the account of mixed trend in the demand of poultry Maize. 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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