

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

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

At bench mark Gulabghat market, the average weekly prices of Maize traded firm.

As per trade Sources say that demand of Maize from poultry sector in Southern parts of the country happens to remain normal in Sarawan month also. Tamil Nadu and Karnataka buyers are buying Maize sourced from M.P at the delivery price of around Rs. 2,400 per quintal.

Corn on CBOT fell by 20.47 USD to 273.61USD per MT for July'22 contract, as compared to previous week, on the account of eased weather scenario and fair Corn crop sowing progress in USDA's weekly crop progress report.

Outlook:

AgriWatch expects, Range-bound to slightly firm 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 Karnataka, Andhra Pradesh, Maharashtra, Madhya Pradesh and Gujarat. Rising concerns related to already sown crop health. Crop damage due to water logging has been observed in Maharashtra, A.P and M.P. Damage is serious in A.P and Maharashtra. However, in Karnataka and M.P crop seems to be at surviving stage on the account of good sunshine received after heavy rain showers.

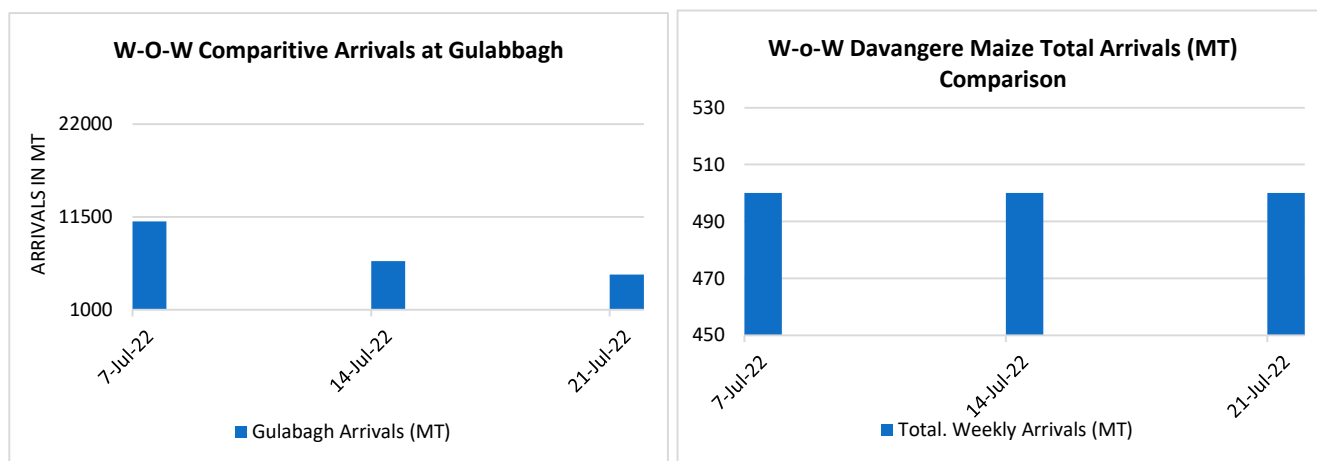
As per the latest update so far ongoing monsoon has covered the entire Northern states and NCR part of the country, including most of the parts of Bihar. The monsoon showers have covered maximum parts of central and eastern parts of the country.

DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, Gol, India marked a decline in Maize area coverage till 22nd July 22 as compared to same period last year. Till last week Maize has been sown in 62.13 lakh Ha. compared to 65.58 lakh Ha. same period last year, which is approximately 3 % less compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 13.96 Lakh hectares as compared to 13.83 Lakh hectares during same period last year.

New Rabi Arrivals/Supply in Bihar Markets

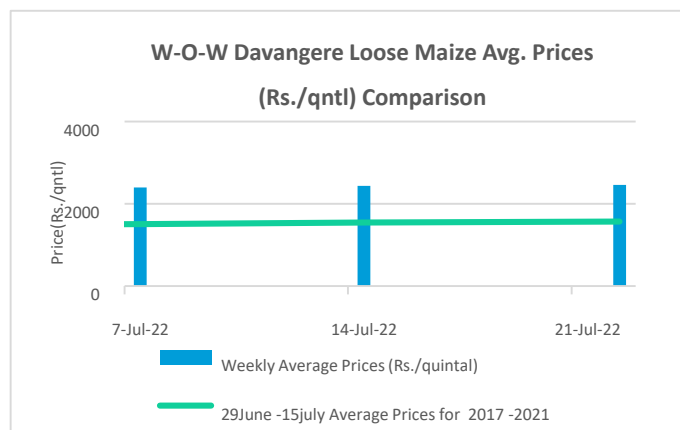
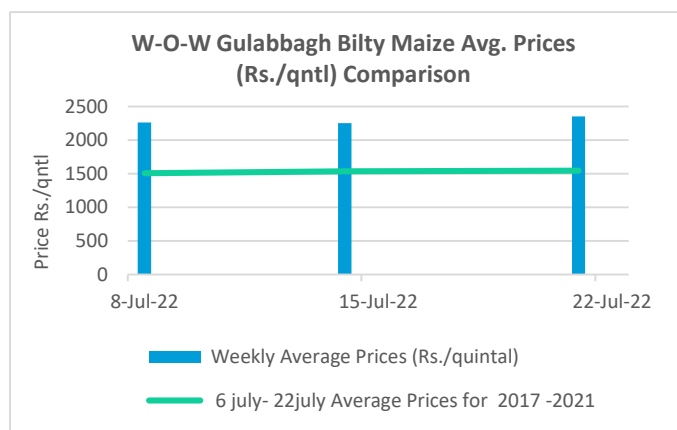


Arrivals of Maize at various spot markets around the country encountered a seasonal consecutive downfall over past week. Specifically northern markets like at bench mark market Gulabghagh (Bihar) a crucial fall in the arrivals was noticed. However, at bench mark market Davangere (Karnataka) arrivals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

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	22-Jul-22	15-Jul-22	21-Jun-22	21-Jul-21	21-Jul-20
Naugachia	Bilty	2300	2250	2150	1825	1125
Delhi	Hybrid Maize (U.P.)	2150	2150	2150	1730	1250
Davangere	Loose	2400	2500	2100	1900	1350
Shimoga	Bilty	2500	2500	NA	NA	NA
Ranebennur	Bilty	NA	2410	NA	NA	1400
Bagalkot	Hybrid/Local	2220	NA	2280	1770	NA
Gadag	Local	2580	NA	NA	NA	NA
Nizamabad	Bilty	2500	2450	2250	Closed	1350
Khanna	Bilty	1950	1950	1950	1600	Closed
Sangli	Feed	2603	2646	2598	2027	1478
Ahmedabad	Feed	2300	2330	NA	2000	1300
	Starch	2300	2340	NA	2000	1300



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 Gulabgh 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. Average weekly prices at Gulabgh market in Bihar increased by around 4 % as compared to week before that.

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. Sources say that demand of Maize from poultry sector in Southern parts of the country happens to remain normal in Sarawan month also. Tamil Nadu and Karnataka buyers are buying Maize sourced from M.P at the delivery price of around Rs. 2,400 per quintal. 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.

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.

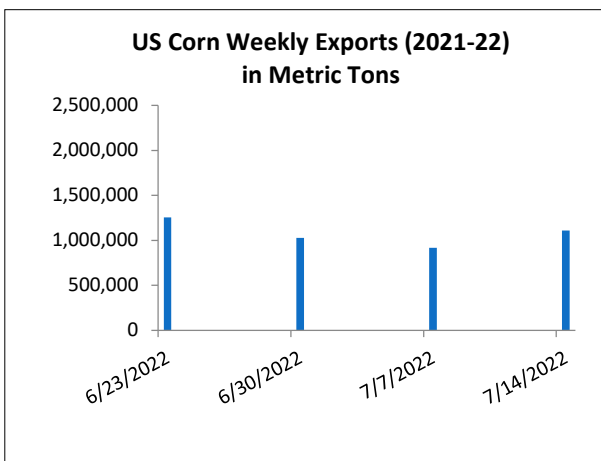
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.94)				
	Argentina	Brazil	US	India
FOB	268.00	267.00	302.00	325.24
C&F	318.00	322.00	362.00	360.24

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 19 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, 37 % of Corn crop was in silking stage and 6 % of Corn crop was in dough stage till 19 July 2022.

U.S. Maize exports have reached at 54.52 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.10 MMT for the period of 8th July 2022 – 14th July 2022, these exports were up by 21 percent from previous week and up by 2percent form 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	21-July-22	14-July-22	Change
Corn CBOT Prices	July-22	226.66	273.61	-46.95
	Sep-22	225.78	238.18	-12.40
	Dec-22	228.43	236.6	-8.17
	Mar-23	230.21	239.36	-9.15

Corn on CBOT fell by 20.47 USD to 273.61USD per MT for July'22 contract, as compared to previous week, on the account of eased weather scenario and fair Corn crop sowing progress in USDA's weekly crop progress report. However, AgriWatch expects that for upcoming week Corn on CBOT would trade weak to range bound.

DOMESTIC OUTLOOK

AgriWatch expects, Range-bound to slightly firm 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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