

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

An overall range bound to slightly firm movement witnessed in Maize prices across the major spot markets of the country, on the account of reduced supply to markets.

Average weekly prices at Gulabghat market in Bihar were down by around 1% at Rs. 2654 per quintal as compared to previous week's average weekly prices of Rs. 2,670 per quintal.

Maize prices throughout the week displayed range bound to slightly firm sentiment on the account of slight decline in the demand of Maize from poultry sector particularly in Northern markets of the country as the stockists are starting to hold the stocks assuming an increase in the price by Rs. 100- Rs. 200 in the coming weeks. However, Davangere is supplying feed Maize to Namakkal in Tamil Nadu and Bengaluru at the delivery rate of Rs. 2,750 per quintal and Rs. 2,650 per quintal respectively.

Corn on CBOT rose by 16.83 USD to 246.45 USD per MT for Sep'22 contract, as compared to previous week, on the account of fair supply from U.S.

Outlook:

AgriWatch expects, steady to Range-bound price movement of Maize during the coming week in domestic market since domestic demand remains sluggish along with negligible market supply. Also, international demand happens to remain weak due to higher prices of Indian Maize as compared to its competitors.

WEATHER SCENARIO

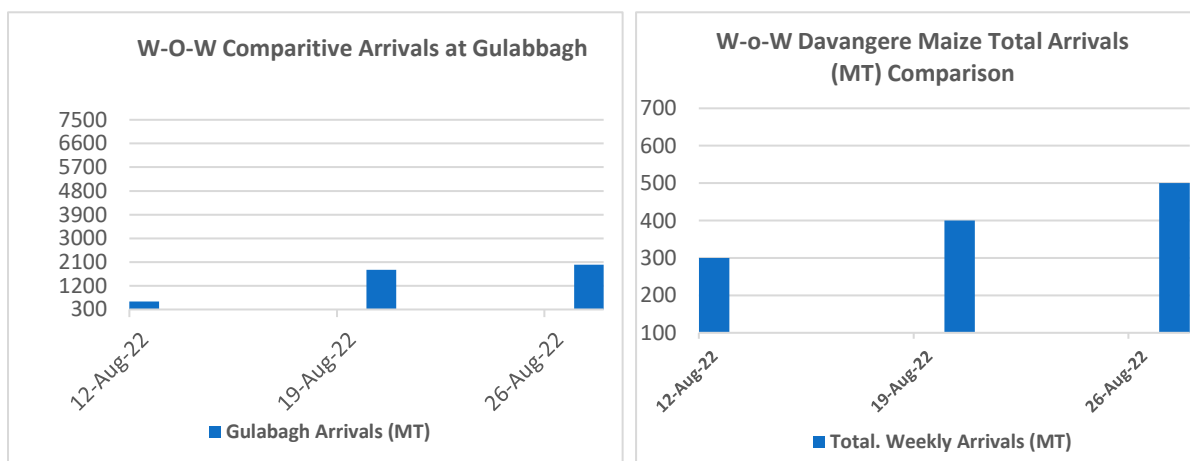
Over the course of the next few days, there will be significant rains in Sikkim, East Uttar Pradesh, Bihar, and the extreme south and northeast of the Indian peninsula. In East Madhya Pradesh and Tamil Nadu also, light to moderate rain with one or two heavy spells is possible. However, forecasters also predicted that heavy rains in a few isolated locations, moving into south Rajasthan, and neighboring North Gujarat and Uttarakhand along with several southern states. Rising concerns related to already sown crop health.

DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, GOI, India marked a slight rise in Maize area coverage till 26th August 22 as compared to same period last year. Till last week Maize has been sown in 80.85 lakh Ha. compared to 79 lakh Ha. same period last year, which is approximately 2.26% more compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 16.13 Lakh hectares as compared to 15.13 Lakh hectares during same period last year.

New Rabi Arrivals/Supply in Bihar Markets

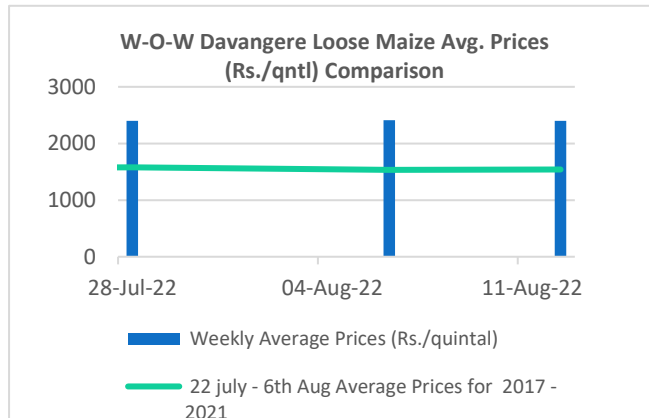
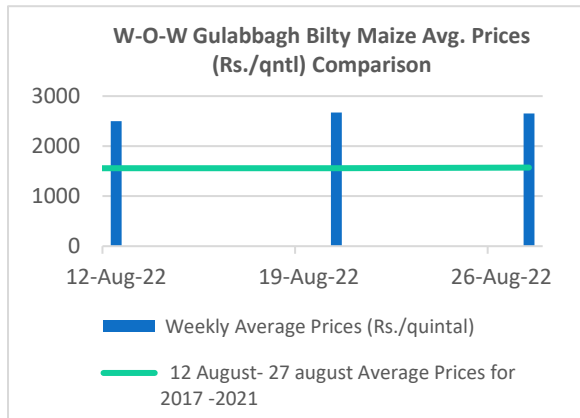


Arrivals of Maize at various spot markets around the country have been in alignment with the normal arrivals during this season. After weeks of slightly steady arrivals, for previous week arrivals in Davangere increased again to 500 MT from 400 MT as compared to that of week before that. Also, there was a further increase in total arrivals of 2000 tons during week under review as compared to previous week of 1800 tons at bench mark market Gulabghat, Bihar.

Spot Price

An overall range bound to slightly firm movement witnessed in Maize prices across the major spot markets of the country, on the account of reduced supply to markets.

Maize(Corn)Weekly Prices:						
Market	Grade	27-Aug-22	20-Aug-22	27-Jul-22	26-Aug-21	26-Aug-20
Naugachia	Bilty	2500	2400	2300	1900	1275
Delhi	Hybrid Maize (U.P.)	2400	2450	2250	1800	1250
Davangere	Loose	Closed	0	2400	1800	1300
Shimoga	Bilty	NA	2500	2600	2100	1300
Ranebennur	Bilty	NR	0	0	0	0
Bagalkot	Hybrid/Local	NA	NA	1910	0	0
Gadag	Local	NA	NA	0	0	0
Nizamabad	Bilty	Closed	Closed	2450	1900	1370
Khanna	Bilty	2150	2100	1950	1650	1150
Sangli	Feed	2798	2788	2583	2065	1423
Ahmedabad	Feed	2550	Closed	2370	2000	1370
	Starch	2550	Closed	2350	1980	1360



Maize prices throughout the week displayed range bound to slightly firm sentiment on the account of slight decline in the demand of Maize from poultry sector particularly in Northern markets of the country as the stockists are starting to hold the stocks assuming an increase in the price by Rs. 100- Rs. 200 in the coming weeks. Also, the coming months are crucial for maize as there could be a tight supply in the coming years due to assumed deficiency in production. Also, at bench mark market Davangere, Karnataka there were no arrival for past two weeks i.e., the week under review as well as previous week. Average weekly prices at Gulabgagh market in Bihar were down by around 1% at Rs. 2654 per quintal as compared to previous week's average weekly prices of Rs. 2,670 per quintal.

Domestic Demand and Trade

As per trade sources, the demand from feed industry and starch industry reportedly remained higher during the week under review. Flow of arrivals have increased in major spot markets with an arrival of 100 tonnes per day in Davangere market; the previously stocked stuff is being released from the warehouses of the country. However, Davangere is supplying feed Maize to Nammakkal in Tamil Nadu and Bengaluru at the delivery rate of Rs. 2,750 per quintal and Rs. 2,650 per quintal respectively.

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.

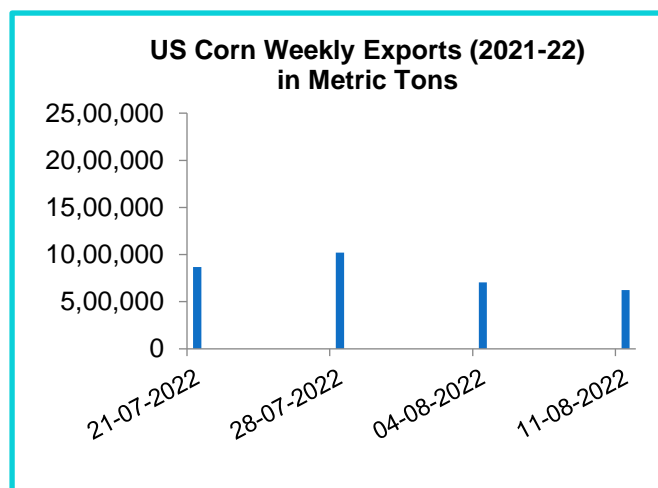
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.96)				
	Argentina	Brazil	US	India
FOB	286.00	297.00	313.50	353.26
C&F	336.00	352.00	373.50	388.26

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 USDA as on date 22 August 2022, 55% of Corn was in good to excellent condition which was 57% till past week and was 60% for same time period during last year. Also, 97% of Corn crop was in silking stage, along with 31% corn at dented stage and 75% of Corn crop was in dough stage till 22 August 2022.

U.S. Maize exports have reached at 57.74 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.6 MMT for the period of 8th Aug 2022 – 11th Aug 2022, these exports were down by 12 percent from previous week and down by 33 percent from prior 4-week average, to the destinations China (273,500 MT), Mexico (271,300 MT), Trinidad and Tobago (25,100 MT, including 200 MT - Late), Panama (24,200 MT), and Honduras (14,700 MT).



Corn on CBOT rose by 16.83 USD to 246.45 USD per MT for Sep'22 contract, as compared to previous week, on the account fair supply from U.S. However, AgriWatch expects that for upcoming week Corn on CBOT would trade weak to range bound.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Aug-22	20-Aug-22	Change
Corn CBOT Prices	Sep-22	263.28	246.45	+16.83
	Dec-22	261.5	245.36	+16.14
	Mar-23	263.67	248.22	+15.45
	July-23	263.96	249.3	+14.66

DOMESTIC OUTLOOK

AgriWatch expects, steady to Range-bound price movement of Maize during the coming week in domestic market since domestic demand remains sluggish along with negligible market supply. Also, international demand happens to remain weak due to higher prices of Indian Maize as compared to its competitors.

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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