

# Maize-Weekly Fundamental Report

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Domestic Outlook

**WEEKLY DIGEST AND OUTLOOK**

It has been consistent with the seasonal tendency for maize to arrive at numerous spot markets across the country. There was increase in total arrivals at benchmark market Gulabbagh, Bihar, from the previous week of 2600 MT to 2700 MT during the week under review.

An overall steady to slightly firm movement witnessed in Maize prices across the major spot markets of the country. At bench mark market Davangere, the new arrivals on an average for the week were bought at Rs.2100 to Rs.2300, more than the previous week. However, Average weekly prices at Gulabbagh market in Bihar were at Rs. 2,650 per quintal, less than the previous week's average weekly prices.

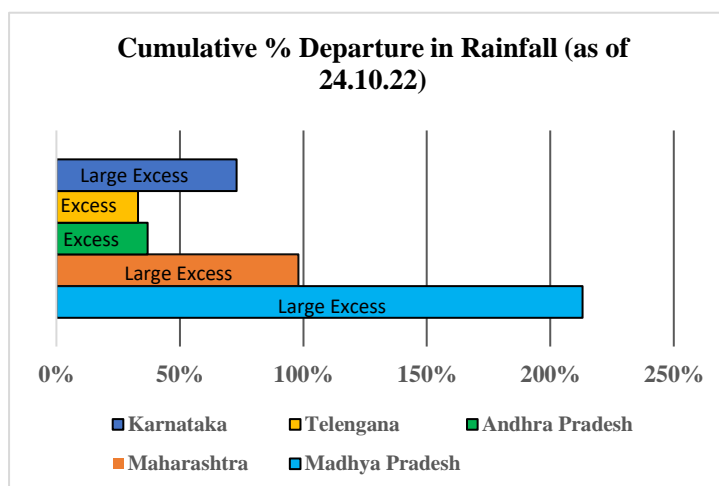
Corn on CBOT down by 2.16 USD to 269.38 USD per MT for Dec'22 contract, as compared to previous week.

**Outlook:**

Given that the fresh arrivals are coming in with a high moisture content and the demand is weak, AgriWatch anticipates steady to somewhat weak price movement of maize for the upcoming week on the domestic market. However, until about December, global demand will progressively rise

## WEATHER SCENARIO

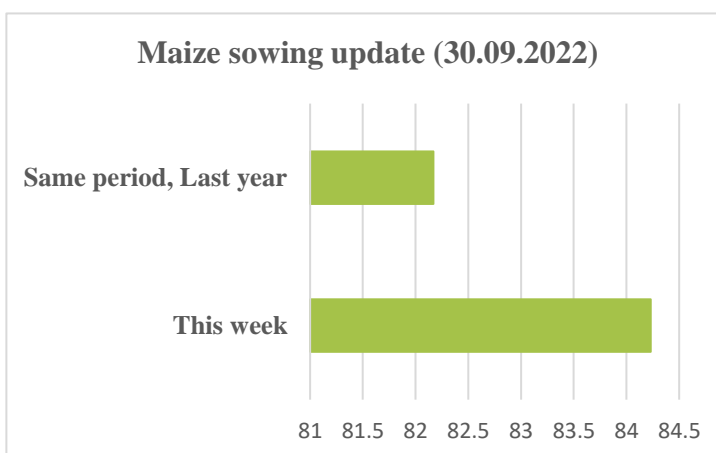
As per weather reports of October, large excess rains are prevailing in the states of Karnataka, Maharashtra and Madhya Pradesh while in Andhra Pradesh and Telengana, lesser rain is produced than latter.



## DOMESTIC SCENARIO

### Maize Sowing Update

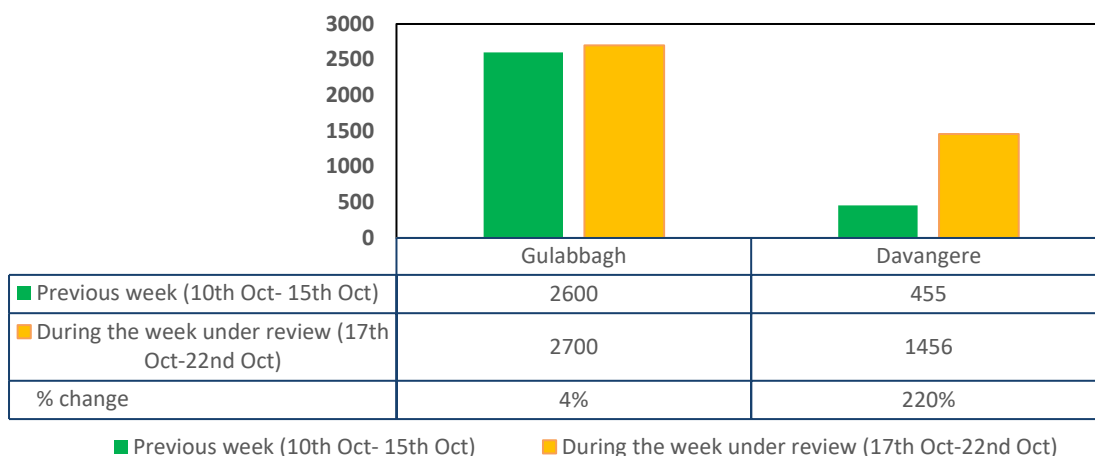
As per the latest update of Agriculture department, GOI, India marked a slight rise in Maize area coverage till 30<sup>th</sup> September 22 as compared to same period last year. Till last week Maize has been sown in 84.32 lakh Ha. compared to 82.17 lakh Ha. same period



last year, which is approximately 3% more compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 16.14 Lakh hectares as compared to 15.13 Lakh hectares during same period last year. The latest updates are much awaited.

## New Rabi Arrivals/Supply in Bihar Markets

### Weekly Maize Arrivals

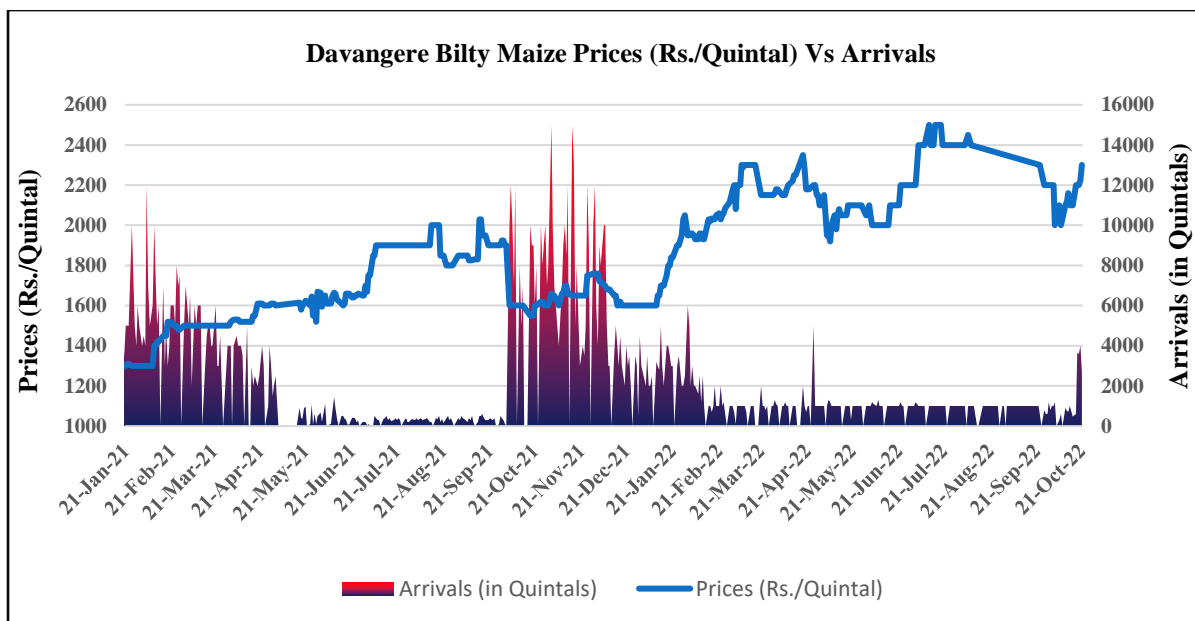
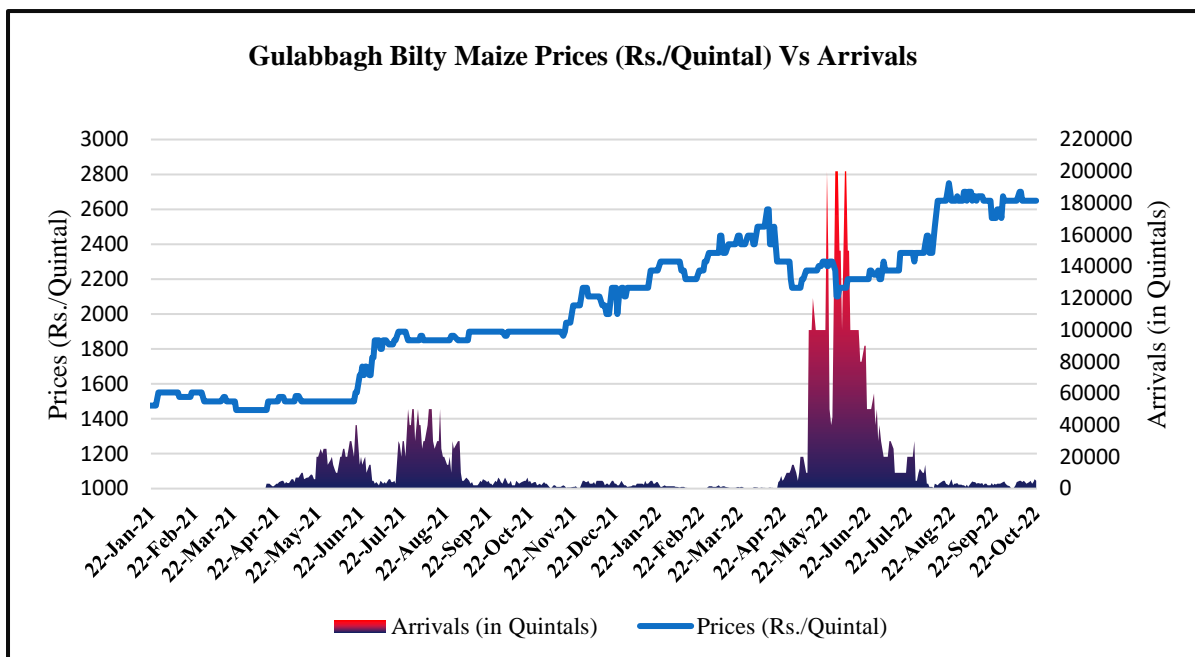


It has been consistent with the seasonal tendency for maize to arrive at numerous spot markets across the country. When compared to the previous week's arrivals at Davangere, which were at 455 MT, the arrivals have increased tremendously to 1456 MT for the week under review. Additionally, there was increase in total arrivals at benchmark market Gulababagh, Bihar, from the previous week of 2600 MT to 2700 MT during the week under review. This is in accordance with the starting of the arrivals upon new harvest.

### Spot Price

An overall steady to slightly firm movement witnessed in Maize prices across the major spot markets of the country, on the contrary arrivals were less during the end of week due to ongoing festival of Diwali.

Maize (Corn)Weekly Prices:						
Market	Grade	22-Oct-22	15-Oct-22	21-Sep-22	21-Oct-21	21-Oct-20
Naugachia	Bilty	Closed	2450	2450	1825	1450
Delhi	Hybrid Maize (U.P.)	2300	2400	2450	1850	1350
Davangere	Loose	Closed	2100	NR	1600	1150
Shimoga	Bilty	NR	NR	2400	NR	NR
Ranebennur	Bilty	NR	NR	2300	NR	1300
Bagalkot	Hybrid/Local	NR	2190	NR	1670	1260
Gadag	Local	NR	2029	NR	NR	1120
Nizamabad	Bilty	Closed	Closed	2500	1800	1350
Khanna	Bilty	Closed	2160	NR	1740	1100
Sangli	Feed	2440	2455	2490	1854	1434
Ahmedabad	Feed	Closed	2450	2625	1870	1400
	Starch	Closed	2400	2550	1800	1400



At bench mark market Davangere, the new arrivals on an average for the week were bought at Rs.2100 to Rs.2300, more than the previous week. The delivery prices to Namakkal and Bengaluru on an average were at Rs. 2517 and Rs. 2350 respectively. However, Average weekly prices at Gulabghat market in Bihar were at Rs. 2,650 per quintal, less than the previous week's average weekly prices.

### Domestic Demand and Trade

Trade sources report that while the harvest is progressing in several states, the fresh arrivals in the benchmark marketplaces are beginning in full force. The new arrivals are however containing moisture content above 20% in various states like Karnataka due to continuous rains and therefore the demand among the major sectors like poultry are comparatively less. The demand from poultry industry will increase as and when the old stocks of maize exhaust and the weather becomes clear. Because of the favourable weather, harvest activities are going well in areas like Andhra Pradesh. The crop that is being dried has suffered little to no fungal damage as a result of the rainfall incidence. Also, since good quality maize is arriving at the market, buyers are coming from various locations and are willing to buy at a higher price. While the weather is calm and the drying process is going well in Madhya Pradesh. A few arrivals have already started to reach their ideal moisture content. Overall, it is anticipated that arrivals would rise in the upcoming weeks. The demand of poultry will rise after Diwali if older stockpiles also run out and under favourable weather conditions.

### Exports

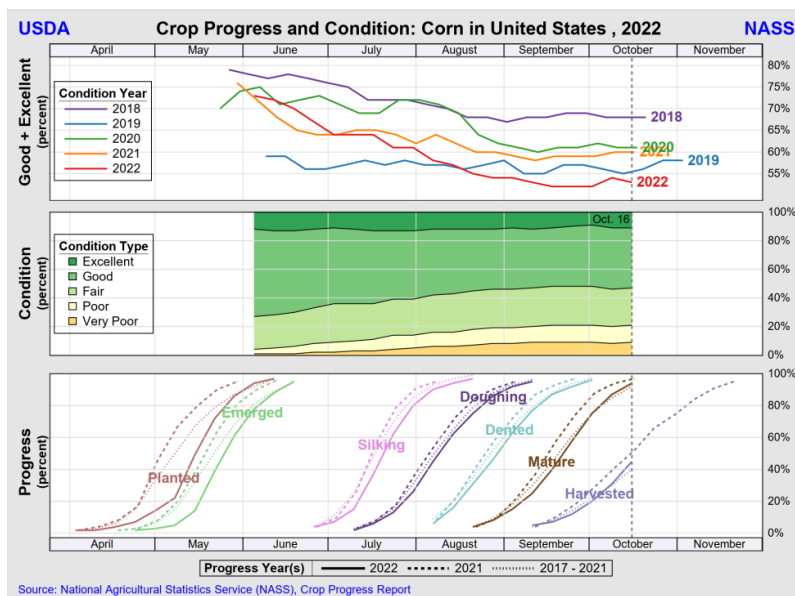
As per the Trade sources India exported around 1,50,019 MT of Maize during September 2022 with the average FOB of around 321.49 USD/MT. Also, out of this around 66,888 MT of Maize was exported to Bangladesh with an average FOB of around 326.03 USD/MT and 23,491 MT of Maize was exported to Nepal with an average FOB of around 320.61 USD/MT. The latest data is awaited.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.82.60)				
	Argentina	Brazil	US	India
<b>FOB</b>	307.67	294.00	358.67	286.72
<b>C&amp;F</b>	357.67	349.00	418.67	321.72

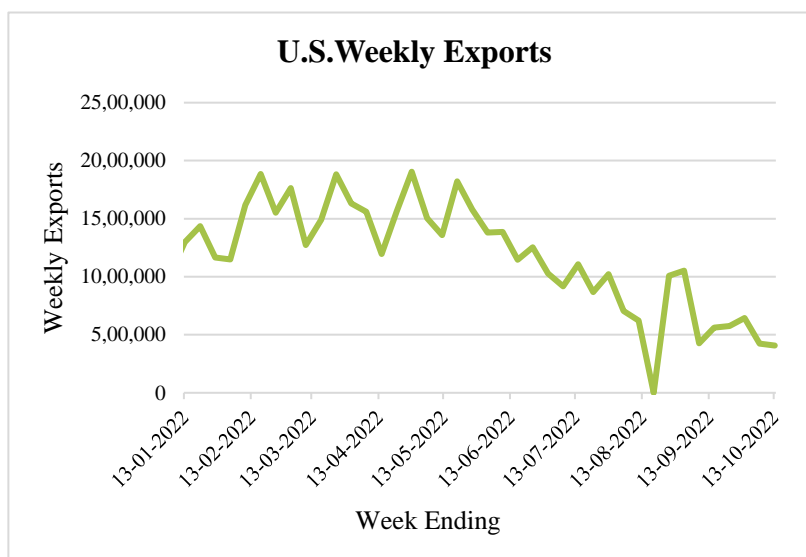
The most recent updates indicate that the current crop in India is of a fair size, combined with an increase in harvesting activities in the main growing states. The exports are also expected to start by December. Additionally, the FOB and C&F prices of other countries like Argentina and Brazil are also decreasing as they are estimating large production this marketing year compared to major producer, U.S. U.S. production has been harshly affected by the drought conditions such that their production is estimated about 49 million bushels lower than last year. As per October reports, U.S. exports have reduced by 125 million bushels.

## INTERNATIONAL SCENARIO

As per U.S Corn planting report as of USDA as on date 17 th October 2022, 42% of Corn was in good and 11% was in excellent condition which was in par for past week and was 45% good and 15% excellent for same time period during last year. Also, 94% corn at matured stage and 45% of Corn crop was in harvest stage.



U.S. Maize exports have reached at 3.07 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.40 MMT for the period of 6<sup>th</sup> October 2022- 13<sup>th</sup> October 2022. Exports were primarily to Mexico (163,300 MT), China (71,400 MT), Honduras (49,000 MT), Japan (37,000 MT), and Saudi Arabia (30,700 MT).



Corn on CBOT down by 2.16 USD to 269.38 USD per MT for Dec'22 contract, as compared to previous week. 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	21-Oct-22	15-Oct-22	Change
Corn CBOT Prices	Dec-22	269.38	271.54	-2.16
	Mar-23	271.84	274.1	-2.26
	May-23	271.54	274.5	-2.96
	July-23	269.08	271.94	-2.86

## DOMESTIC OUTLOOK

Given that the fresh arrivals are coming in with a high moisture content and the demand is weak, AgriWatch anticipates steady to somewhat weak price movement of maize for the upcoming week on the domestic market. Additionally, there is still rain in southern states like Karnataka, so until the weather is clear, there will be less demand from poultry. Due to the recent rain, the currently harvested crop is also susceptible to fungus; hence, prices will likely rise as demand rises. However, until about December, global demand will progressively rise.

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