

# Maize-Weekly Fundamental Report

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**WEEKLY DIGEST AND OUTLOOK**

Week by week, fewer arrivals are coming to the market even though demand is still rising. When compared to the prior week, when they were at 473 tonnes, Davangere arrivals had dropped even further, to 372 tonnes. Similarly, this week, 1900 MT have arrived overall at the benchmark market in Gulabghat, Bihar, compared to 2500 MT last week.

Maize prices displayed a slightly firm price trend across the major spot markets in the nation, while arrivals have decreased as the week came to a close. The Davangere benchmark market sold the fresh arrivals (loose) for an average price that ranged from Rs. 2310 to Rs. 2380, which is pricier than the previous week.

Corn on CBOT up by 5.22 USD to 257.07 per MT for Dec'22 contract, as compared to previous week.

**Outlook:**

AgriWatch expects range-bound maize price movement in the next weeks due to probable swings triggered by talk of an export restriction.

## WEATHER SCENARIO

Weather reports indicate that Andhra Pradesh is experience a chief amount of rainfall in certain parts especially along the coastal zone. Karnataka faces a cloudy weather upon which transportation of arrivals have reduced in markets. Heavy rainfall with thunderstorms is occurring in most places of Tamil Nadu leading to even destruction of crops. Normal weather conditions prevail in Maharashtra and Madhya Pradesh with slight cold conditions in states like Bihar.

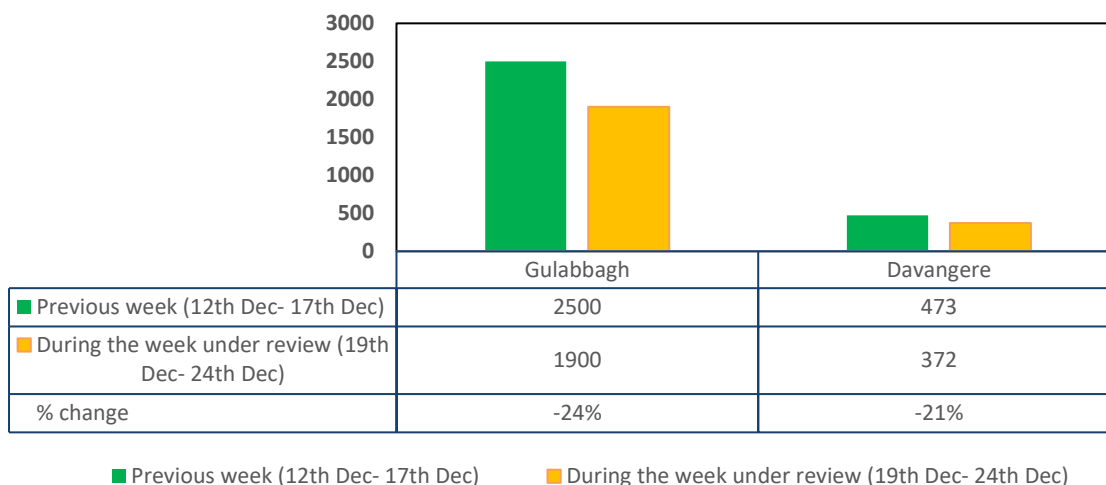
## DOMESTIC SCENARIO

### Maize Sowing Update

According to the most recent report from the Agriculture Department of GOI, India's Rabi Maize area coverage until December 23<sup>rd</sup> 2022 will have slightly increased compared to the same time previous year. In comparison to the same period last year, when maize was sown on 12.72 lakh hectares, it has now been planted on 15.59 lakh ha, or around 23% more land.

### New Rabi Arrivals/Supply in Markets

#### Weekly Maize Arrivals

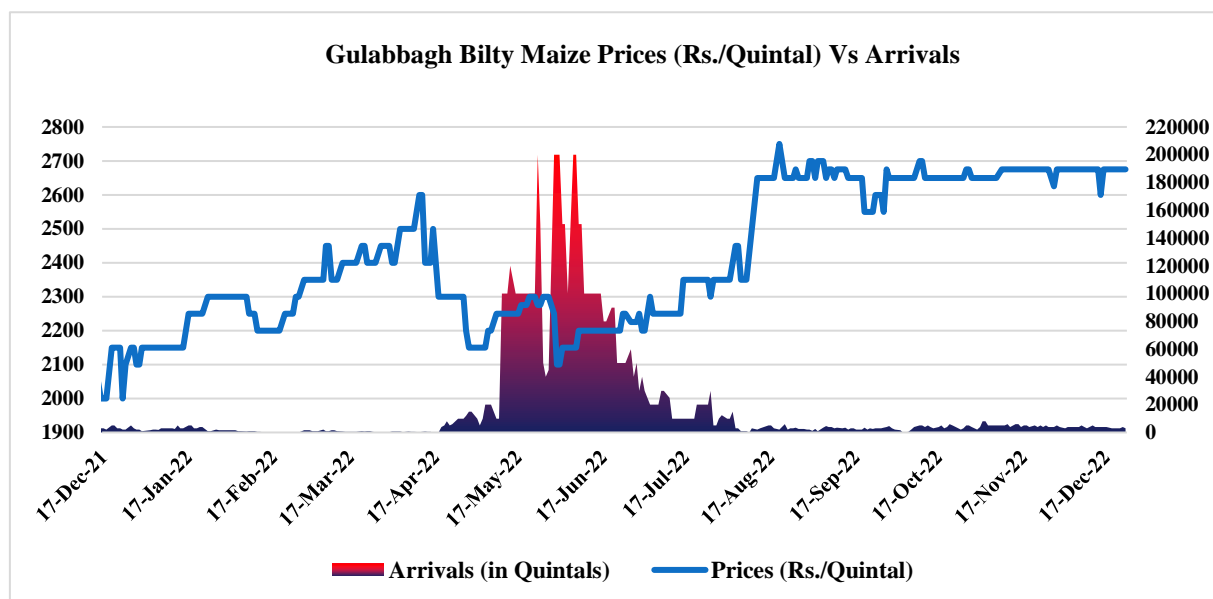


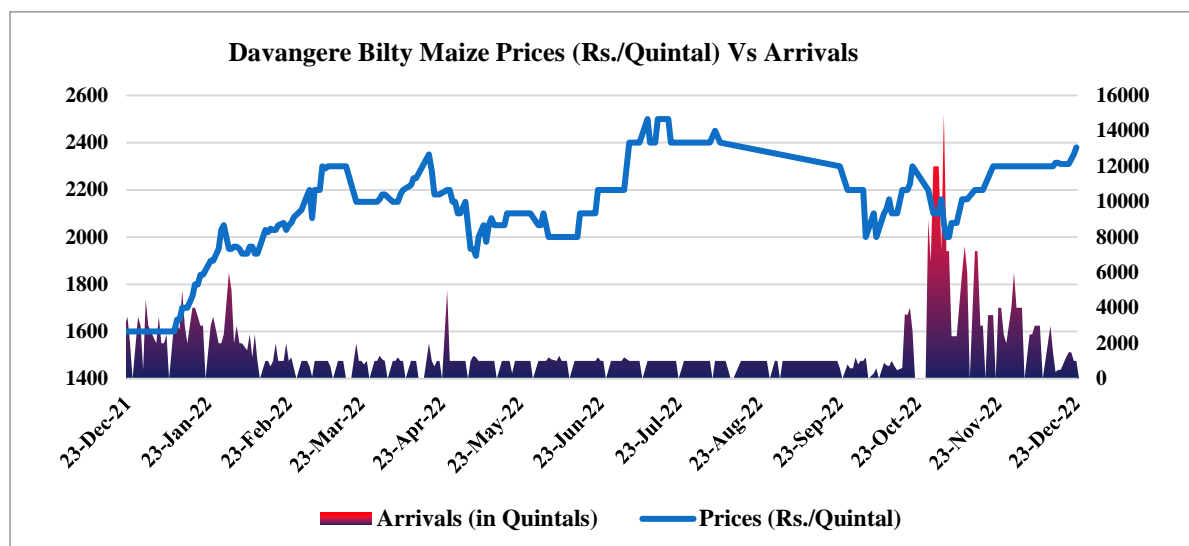
Week by week, fewer arrivals are coming to the market even though demand is still rising. This is due to the anticipation by farmers that prices will go higher on the coming days. When compared to the prior week, when they were at 473 tonnes, Davangere arrivals had dropped even further, to 372 tonnes. The weather conditions prevailing is unfavorable for transportation of arrivals to the market. Similarly, this week, 1900 MT have arrived overall at the benchmark market in Gulabgagh, Bihar, compared to 2500 MT last week.

## Spot Price

Maize prices displayed a slightly firm price trend across the major spot markets in the nation, while arrivals have decreased as the week came to a close. This is due to decrease in arrivals as compared to same period last year while the demand is currently more. Export demand is also on the higher end.

Maize (Corn)Weekly Prices:						
Market	Grade	24-Dec-22	17-Dec-22	23-Nov-22	23-Dec-21	23-Dec-20
Naugachia	Bilty	2450	2450	2400	2150	1550
Delhi	Hybrid Maize (U.P.)	NR	2400	2300	1875	1520
Davangere	Loose	Closed	2310	2300	1600	Closed
Shimoga	Bilty	NR	2282	NR	1680	NR
Ranebennur	Bilty	NR	2250	NR	NR	NR
Bagalkot	Hybrid/Local	NR	2179	NR	NR	1370
Gadag	Local	2209	2206	NR	1555	1360
Nizamabad	Bilty	Closed	Closed	Closed	1850	NR
Khanna	Bilty	2250	2300	2350	1890	NR
Sangli	Feed	2442	2354	2258	1879	1537
Ahmedabad	Feed	2375	NR	NR	1880	1520
	Starch	2375	NR	NR	1850	1540





Last week, the Davangere benchmark market sold the fresh arrivals (loose) for an average price that ranged from Rs. 2310 to Rs. 2380, which is pricier than the previous week. The average price for Namakkal and Bengaluru was Rs. 2490 and Rs. 2400, respectively, indicating a somewhat firmer movement than the previous week. The average weekly price for bilty maize at Gulabbagh Market in Bihar, however, remained unchanged from the previous week at Rs. 2,675 per quintal for the week under consideration.

## Domestic Demand and Trade

The various markets are still receiving arrivals although at a very minimal level. However, maize prices are moving in a firm manner. Strong demand for maize kept the prices firm despite the peak arrival season especially from stockists, merchants, exporters, and feed producers. Additionally, this year's maize rail rake traffic is still robust. In addition, rail rake traffic for maize this year is still active. This year, it is predicted that domestic demand for maize will rise by 2.3% year over year to 28.8 million MT, led by increases in feed demand of 2.5 percent to 17 million MT and 2.0 percent to 11.7 million MT. Therefore, a significant rise in maize demand and strong pricing for replacement feed grains would keep maize prices on the uptick.

## Exports

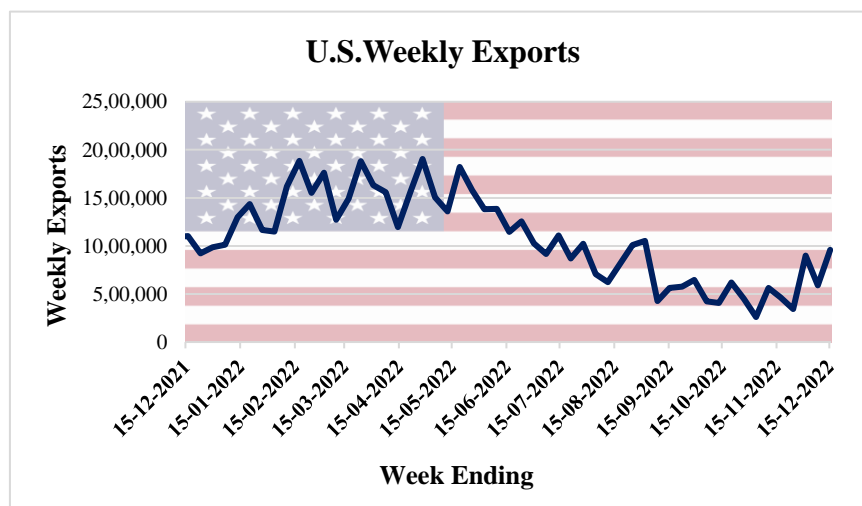
As per the Trade sources India exported around 5,17,625 MT of Maize during November 2022 with the average FOB of around 375 USD/MT. Also, out of this around 1,76,693 MT of Maize was exported to Bangladesh with an average FOB of around 317 USD/MT and 50,172 MT of Maize was exported to Nepal with an average FOB of around 309 USD/MT.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.82.63)				
	Argentina	Brazil	US	India
FOB	316.00	302.00	310.67	306.17
C&F	366.00	357.00	370.67	341.17

The South East Asian nations' demand for Indian maize would diminish as Argentina and Brazil started harvesting their new crops, and they would switch to South American corn instead. Brazil and Argentina both offer maize at FOB rates at \$357 and \$366 per metric ton (MT) respectively, while India offers \$41.17/MT and Vietnam CIF bids are at \$330.75/MT, making India uncompetitive for exports to Southeast Asia. On the other hand, this year's maize crop supply in India is not significantly constrained. For the Kharif season, a maize crop of 21.31 million MT was projected, which was 2% less than the 21.77 million MT production from the previous year.

## INTERNATIONAL SCENARIO

U.S. Maize exports have reached at 8.22 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.95 MMT for the period of 8<sup>th</sup> December 2022 to 15<sup>th</sup> December 2022. Exports of



958,700 MT were primarily to China (415,300 MT), Mexico (359,700 MT), Japan (88,200 MT), Colombia (52,900 MT), and Nicaragua (15,500 MT).

Corn on CBOT up by 5.22 USD to 257.07 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 a bearish trend.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-Dec-22	17-Dec-22	Change
<b>Corn CBOT Prices</b>	<b>Dec-22</b>	262.29	257.07	+5.22
	<b>Mar-23</b>	261.8	257.27	+4.53
	<b>May-23</b>	259.04	255.21	+3.83
	<b>July-23</b>	242.8	240.25	+2.55

## DOMESTIC OUTLOOK

AgriWatch expects range-bound maize price movement in the next weeks due to probable swings triggered by talk of an export restriction. Additionally, the poultry and starch industries have started purchasing maize from various markets as a result of the depletion of their earlier stockpiles. As shipments begin to dwindle, price hikes are projected later on until the arrival of Rabi maize.

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