

# Maize-Weekly Fundamental Report

## Contents

Weekly Digest and Outlook

Domestic Scenario

- Rabi Maize Sowing
- Spot Market Supply and Arrivals
- Spot Price
- Domestic demand and Trade
- Exports

International Scenario

Domestic Outlook

**WEEKLY DIGEST AND OUTLOOK**

Even if the demand is still rising, fewer fresh arrivals are made each week. Davangere arrivals decreased by 4% to 201.6 tonnes previous week, when they were 210 tonnes. The benchmark market in Gulabbagh, Bihar, has received 1800 MT altogether this week which is lower by 14% compared to 2100 MT previous week.

Last week, arrivals (loose) were sold at the Davangere benchmark market for an average price that narrowed down than the week before, ranging from Rs. 2050 to Rs. 2200.

Corn on CBOT up by 0.89 USD to 266.62 per MT for Mar'23 contract, as compared to previous week.

**Outlook:**

In the following weeks, prices are most expected to remain largely flat to slightly firm.

## WEATHER SCENARIO

Forecasts indicate that Andhra Pradesh, Karnataka, and Tamil Nadu will have dry weather for the next few days. The situation in Bihar, Madhya Pradesh, and Maharashtra is also similar. And this kind of weather is favorable for the current growth stage of Maize.

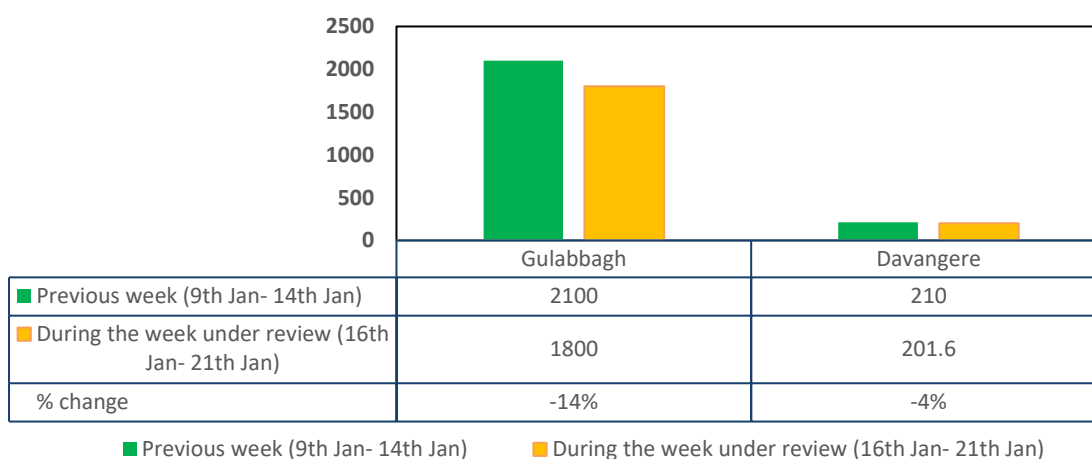
## DOMESTIC SCENARIO

### Rabi Maize Sowing Update

As of data released on 20<sup>th</sup> January, 2023 by India's Agriculture Department, GOI indicates that the country would have somewhat more Rabi Maize land covered this year than at the same time last year. Maize has currently been planted on 21,09 lakh hectares (ha), or around 18.87% more land, than at this time last year, when 17,74 lakh hectares were used for this purpose.

## New Rabi Arrivals/Supply in Markets

### Weekly Maize Arrivals

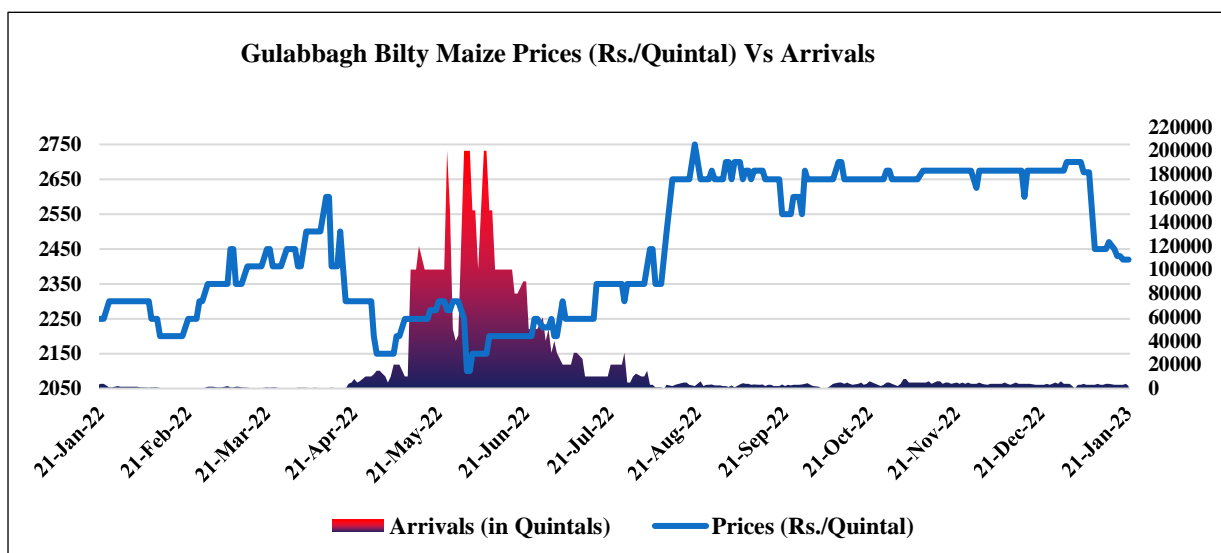
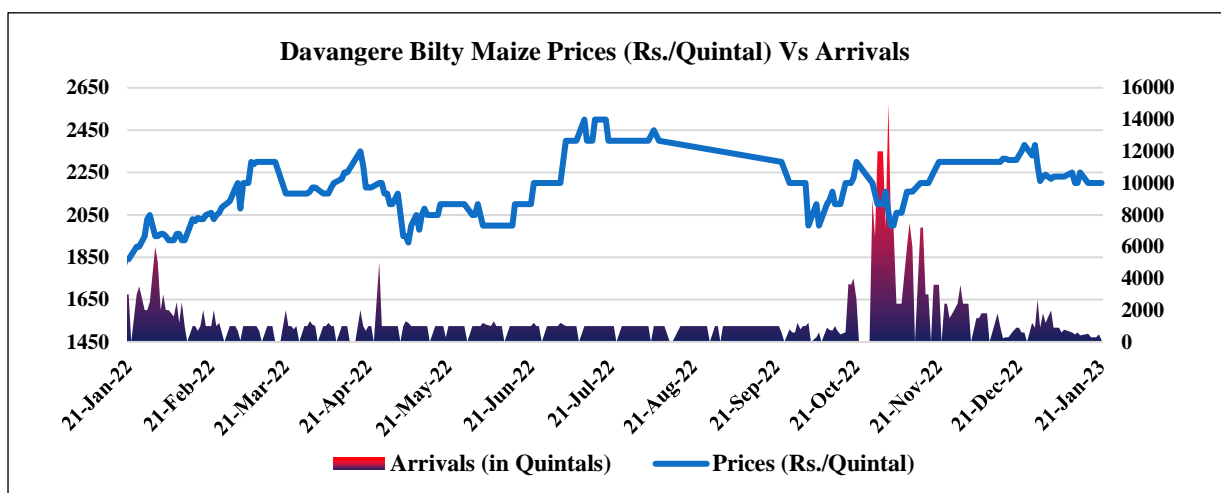


Even if the demand is still rising, fewer fresh arrivals are made each week. Farmers expect higher prices in the coming days, which is why this has happened. Davangere arrivals decreased by 4% to 201.6 tonnes previous week, when they were 210 tonnes. The benchmark market in Gulababagh, Bihar, has received 1800 MT altogether this week which is lower by 14% compared to 2100 MT previous week.

## Spot Price

During the previous weeks, the price of maize exhibited a range-bound pattern. Farmers are reluctant to introduce new supplies to the market because they expect prices to rise during the next few weeks. However, in some mandis active purchasing by exporters are also ongoing.

| Maize(Corn)Weekly Prices: |                     |           |           |           |           |           |
|---------------------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Market                    | Grade               | 21-Jan-23 | 14-Jan-23 | 21-Dec-22 | 20-Jan-22 | 20-Jan-21 |
| Naugachia                 | Bilty               | 2350      | 2400      | 2450      | 2200      | 1400      |
| Delhi                     | Hybrid Maize (U.P.) | 2425      | 2550      | 0         | 2000      | 1450      |
| Davangere                 | Loose               | 2200      | 0         | 2330      | 1840      | 1300      |
| Shimoga                   | Bilty               | 2150      | 0         | 0         | 1800      | 1320      |
| Ranebennur                | Bilty               | NR        | 0         | 2300      | 0         | 0         |
| Bagalkot                  | Hybrid/Local        | NR        | 2211      | 2312      | 1805      | 1450      |
| Gadag                     | Local               | NR        | 2169      | 2201      | 1820      | 1390      |
| Nizamabad                 | Bilty               | Closed    | 0         | 2350      | 1900      | 1400      |
| Khanna                    | Bilty               | 2380      | 2375      | 2400      | 2000      | 1380      |
| Sangli                    | Feed                | 2374      | 2390      | 2458      | 2007      | 1531      |
| Ahmedabad                 | Feed                | 2400      | 0         | 2375      | 2100      | 1500      |
|                           | Starch              | 2375      | 0         | 2375      | 2100      | 1500      |



Last week, arrivals (loose) were sold at the Davangere benchmark market for an average price that narrowed down than the week before, ranging from Rs. 2050 to Rs. 2200. The average price was Rs. 2350 in Namakkal, weaker than previous week whereas remained unchanged at Rs. 2300 in Bengaluru. However, over the time period under study, the average weekly price for bilty maize at Gulabbagh Market in Bihar were slightly weaker than the previous week at Rs. 2,653.57 per quintal due to low quality of maize.

### Domestic Demand and Trade

Over the course of the weeks, fewer supplies are arriving at the various markets. Markets are currently charging less for low-quality maize as a result of a decline in demand. Due to their expectation that prices will increase soon; farmers are likewise delaying the production of additional maize. In Bihar, rabi sowing continues, and older immigrants continue to set a fixed price for their wares. At the beginning of April, the newcomers ought to show up. In Maharashtra, sowing is currently practically finished. Additionally, because broken rice is less expensive, the poultry industry recently turned to utilizing it instead of maize, leaving only the starch industry as a buyer for maize.

### Exports

According to trade sources, India exported 4,74,552 MT of maize in December 2022 for an average FOB of roughly 346 USD/MT. In addition, maize was exported to Bangladesh and Nepal in quantities of 1,40,342 MT and 17,836 MT, respectively, at average FOB of about 317.4 USD/MT and 311.22 USD/MT.

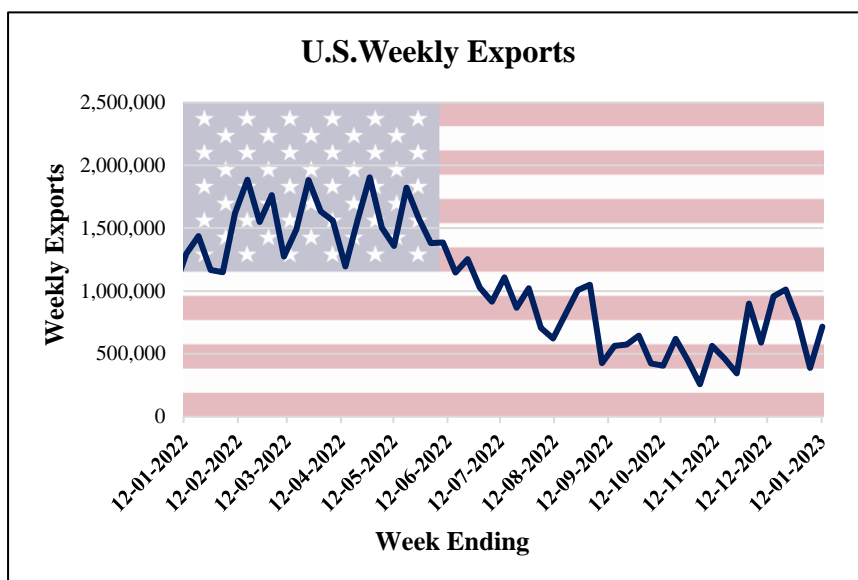
| Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.81.37) |           |        |        |       |
|--|-----------|--------|--------|-------|
|  | Argentina | Brazil | US     | India |
| <b>FOB</b>   | 312.33    | 308.33 | 307.33 | -     |
| <b>C&amp;F</b>   | 50.00     | 55.00  | 60.00  | -     |

According to sources, the abrupt rise in local maize prices has had an impact on the world grain market. Due to dropping prices, Malaysia, Vietnam, and to a lesser extent Bangladesh, who were regular consumers of Indian maize, are now buying South African, Ukrainian, and American corn. Prior to the restrictions, Bangladesh had made the decision to transport its maize from Bihar via road and train. Bangladesh hasn't bought Indian corn despite the embargo being lifted because of the price differential. There will be no restriction on maize export as of the export ban because it is not a necessary item and the local supply will be adequate by the end of the rabi harvest.

## INTERNATIONAL SCENARIO

U.S. Maize exports have reached at 11.09 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.71 MMT for the period of 5<sup>th</sup> January 2023 to 12<sup>th</sup> January 2023. Exports of 715,700 MT were up 85 percent from the previous week, but down 8 percent from the prior 4-week average. The destinations were primarily to

Mexico (290,500 MT), China (275,400 MT), Japan (55,500 MT), Costa Rica (32,300 MT), and Canada (24,300 MT).



| Maize CBOT Weekly Futures Price Listing (USD/Ton) |                |           |           |        |
|---|----------------|-----------|-----------|--------|
|   | Contract Month | 20-Jan-23 | 14-Jan-23 | Change |
| Corn<br>CBOT<br>Prices                            | Mar-23         | 266.62    | 265.74    | 0.89   |
|   | May-23         | 265.64    | 265.24    | 0.39   |
|   | July-23        | 261.11    | 261.31    | -0.20  |
|   | Sep-23         | 240.54    | 241.82    | -1.28  |

## Corn on CBOT

Corn on CBOT up by 0.89 USD to 266.62 per MT for Mar'23 contract, as compared to previous week. However, AgriWatch expects that for upcoming week Corn on CBOT would trade bearish.

## DOMESTIC OUTLOOK

When the maize harvest in Tamil Nadu is finished, arrivals will begin to slowly trickle into the markets in Karnataka and the neighbouring states. In the meantime, as prices are predicted to rise soon, the stockists and merchants are stockpiling maize. It won't be until the end of March or the beginning of May that prices start to drop dramatically. In the following weeks, prices are most expected to remain largely flat to slightly firm. Exports are on the lower side due to discrepancies even with the neighbours.

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