

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

Davangere arrivals increased by 13% to 3720 tonnes this week, from 3360 tonnes previous week. The benchmark market in Gulabbagh, Bihar, has received 2100 MT altogether this week which is tremendously higher by 75% compared to 1200 MT previous week.

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

Corn on CBOT down by 2.66 USD to 266.72 per MT for Mar'23 contract, as compared to previous week.

Outlook:

Prices are most likely going to stay flat to slightly firm in the upcoming weeks.

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.

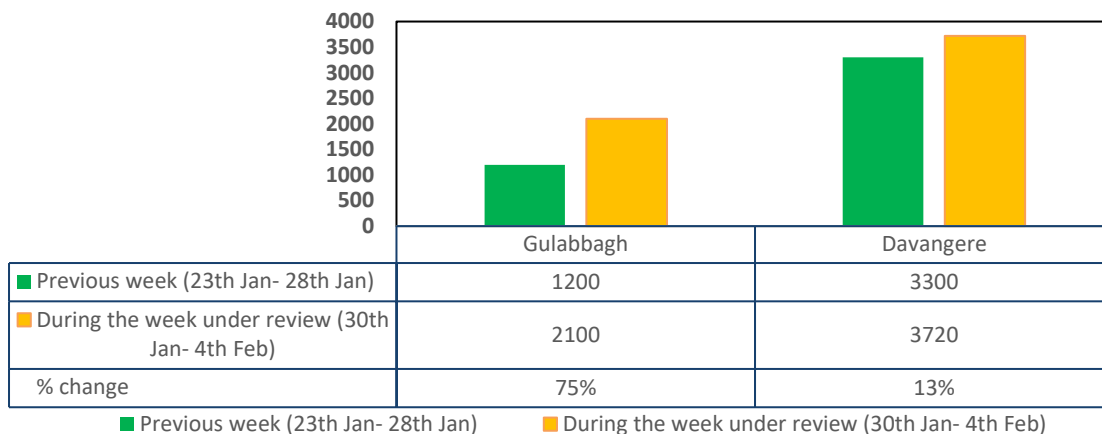
DOMESTIC SCENARIO

Rabi Maize Sowing Update

As of latest data released on 2nd February, 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 22.67 lakh hectares (ha), or around 16% more land, than at this time last year, when 19.48 lakh hectares were used for this purpose.

New Rabi Arrivals/Supply in Markets

Weekly Maize Arrivals



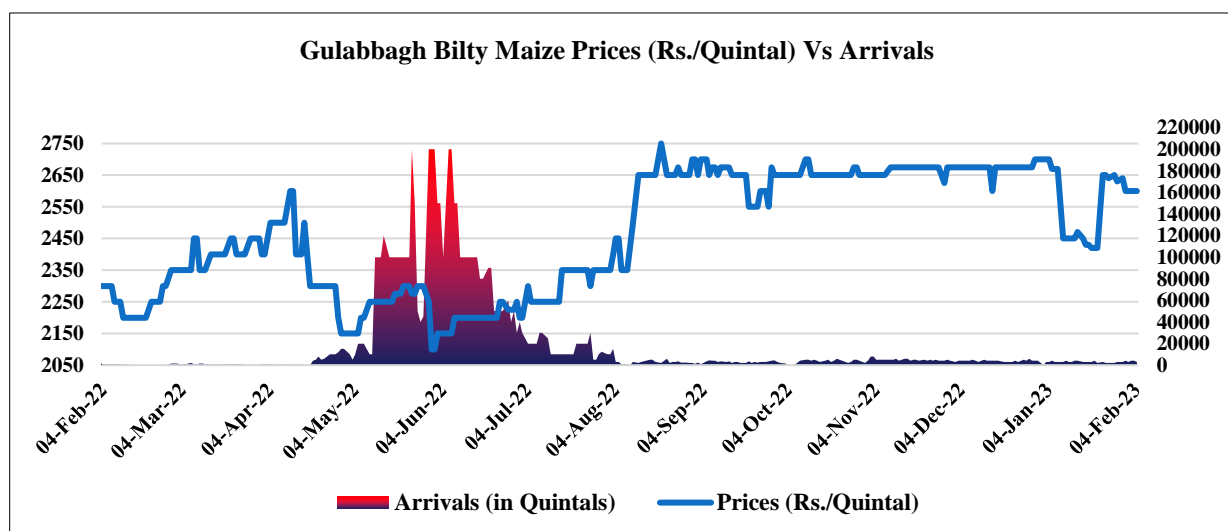
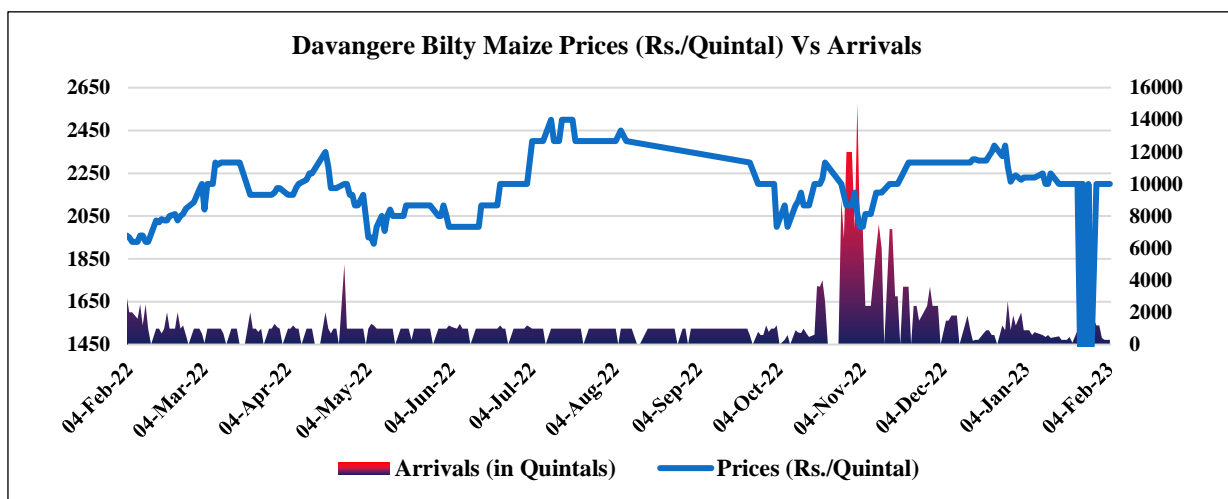
Now there is lull demand in markets amid lower arrivals. Farmers expect higher prices in the coming days, which is why this has happened. Davangere arrivals increased by 13% to 3720 tonnes this week, from 3360 tonnes previous week. The benchmark market in Gulabbagh, Bihar, has received 2100 MT altogether this week which is tremendously higher by 75% compared to 1200 MT previous week.

Spot Price

The price of maize had a range-bound pattern throughout the previous weeks. Farmers are hesitant to add new products to the market because they anticipate a price increase in the

coming weeks. Since the quality of the corn arrivals is poor, they are also being sold for less money.

Maize (Corn)Weekly Prices:						
Market	Grade	04-Feb-23	28-Jan-23	04-Jan-23	03-Feb-22	03-Feb-21
Naugachia	Bilty	2250	2400	2500	2300	1400
Delhi	Hybrid Maize (U.P.)	2360	2400	2420	2200	1480
Davangere	Loose	2200	NR	2230	1960	1300
Shimoga	Bilty	NR	NR	NR	1960	1290
Ranebennur	Bilty	NR	NR	2350	NR	NR
Bagalkot	Hybrid/Local	2080	NR	2250	1950	1445
Gadag	Local	NR	NR	2151	1610	1390
Nizamabad	Bilty	NA	NR	NR	2000	1550
Khanna	Bilty	2300	2400	2300	2100	1400
Sangli	Feed	2338	2339	2396	2107	1522
Ahmedabad	Feed	2350	NR	2375	2150	1500
	Starch	2300	NR	2375	2100	1500



The Davangere benchmark market sold arrivals (loose) last week for an average price that was constant from the week before, ranging from Rs. 2050 to Rs. 2200. In Bengaluru, prices stayed the same at Rs. 2300, and in Namakkal, the average price remained the same at Rs. 2350 from the previous week. Due to poor quality maize and low demand, the average weekly price for bilty maize at Gulabghat Market in Bihar for the research period, however, was marginally lower than the previous week at Rs. 2,644 per quintal.

Domestic Demand and Trade

During last few weeks the amount of arrivals has reduced in different markets throughout the country. Prices have also decreased due to low quality of maize amid lull demand. In Bihar, rabi sowing is at its peak and have surpassed its normal growing area in the anticipation of higher prices. At the beginning of April, the arrivals from new crop will begin which as a result ease the prices. In most of the major rabi growing states, sowing is coming to end. 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

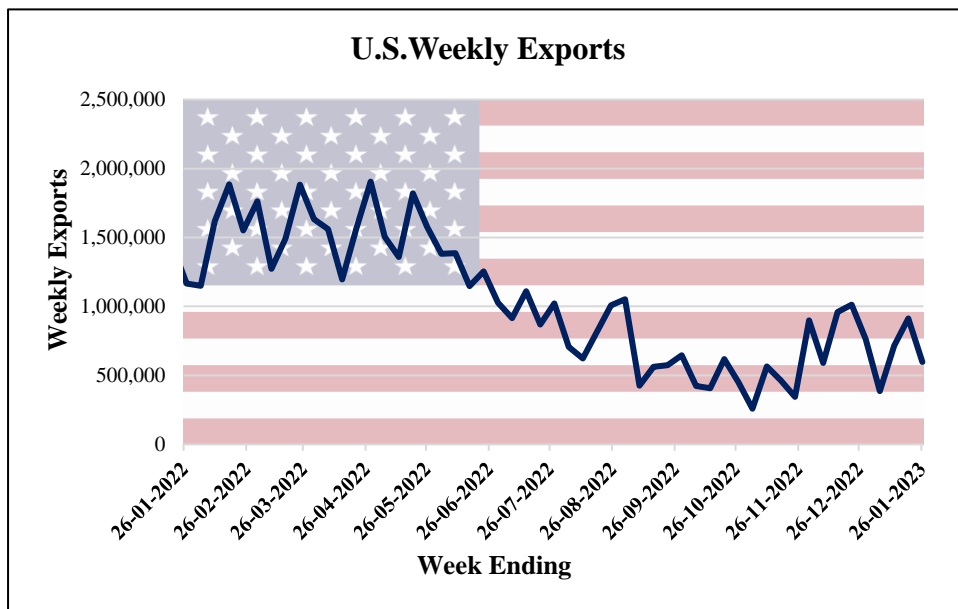
According to trade sources, India exported 4,74,552 MT of maize in December 2022 for an average FOB of roughly 346 USD/MT. In addition, maize was exported to Bangladesh and Nepal in quantities of 1,40,342 MT and 17,836 MT, respectively, at average FOB of about 317.4 USD/MT and 311.22 USD/MT.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.81.92)				
	Argentina	Brazil	US	India
FOB	317.50	310.75	307.00	-
C&F	367.50	365.75	367.00	-

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 12.01 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.59 MMT for the period of 19th January 2023 to 26th January 2023. Exports of 912,600 MT were up 28 percent from the previous week and 27 percent from the prior 4-week average.



The destinations were primarily to Mexico (393,800 MT), Japan (116,600 MT), Guatemala (108,300 MT), Saudi Arabia (73,100 MT), and China (71,500 MT).

Corn on CBOT

Corn on CBOT down by 2.66 USD to 266.72 per MT for Mar'23 contract, as compared to previous week. However, AgriWatch expects that for upcoming week Corn on CBOT would trade bearish.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	3-Feb-23	26-Jan-23	Change
Corn CBOT Prices	Mar-23	266.72	268.89	-2.17
	May-23	265.93	267.70	-1.77
	July-23	261.70	262.09	-0.39
	Sep-23	240.34	237.59	2.76

DOMESTIC OUTLOOK

Arrivals will start to slowly begin into the marketplaces in Karnataka and the neighbouring states once the maize harvest in Tamil Nadu is complete. The stockists and merchants are storing maize in the interim since prices are anticipated to increase soon. Prices won't start to decline significantly until the end of March or the beginning of May. Prices are most likely

going to stay flat to slightly firm in the upcoming weeks. Due to differences even with neighbours, exports are on the lower side.

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