

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

Due to sluggish trade activity in Davangere, arrivals decreased by 27% to 2700 tonnes this week, from 3720 tonnes previous week. The benchmark market in Gulabbagh, Bihar, has received 2100 MT altogether this week which is same as that of previous week.

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.

Corn on CBOT went up by 0.59 USD to 267.90 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

According to forecasts, the upcoming few days would be dry in Tamil Nadu, Andhra Pradesh, and Karnataka. Similar circumstances exist in Bihar, Madhya Pradesh, and Maharashtra. Additionally, the current stage of maize growth benefits from this type of weather.

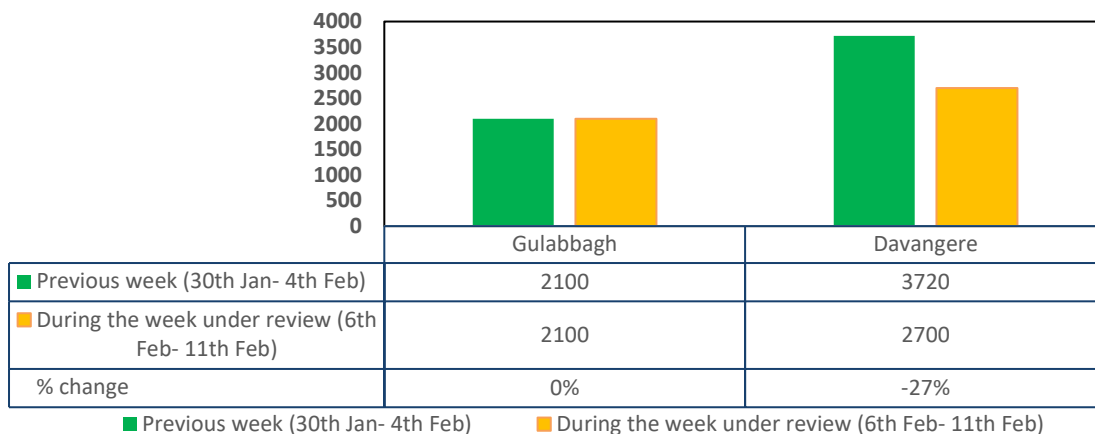
DOMESTIC SCENARIO

Rabi Maize Sowing Update

According to the most recent statistics from India's Agriculture Department, which was issued on February 2, 2023, GOI estimates that the nation will have somewhat more Rabi Maize land covered this year than it did at the same time last year. In comparison to this time last year, when 19.48 lakh hectares were used for this purpose, maize has already been planted on 22,67 lakh hectares (ha), or almost 16% more area.

New Rabi Arrivals/Supply in Markets

Weekly Maize Arrivals

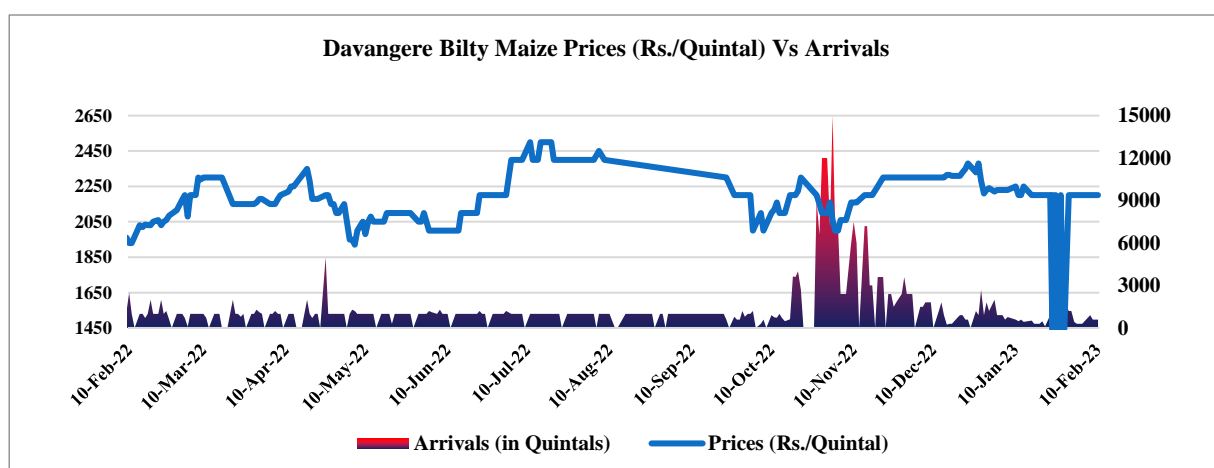
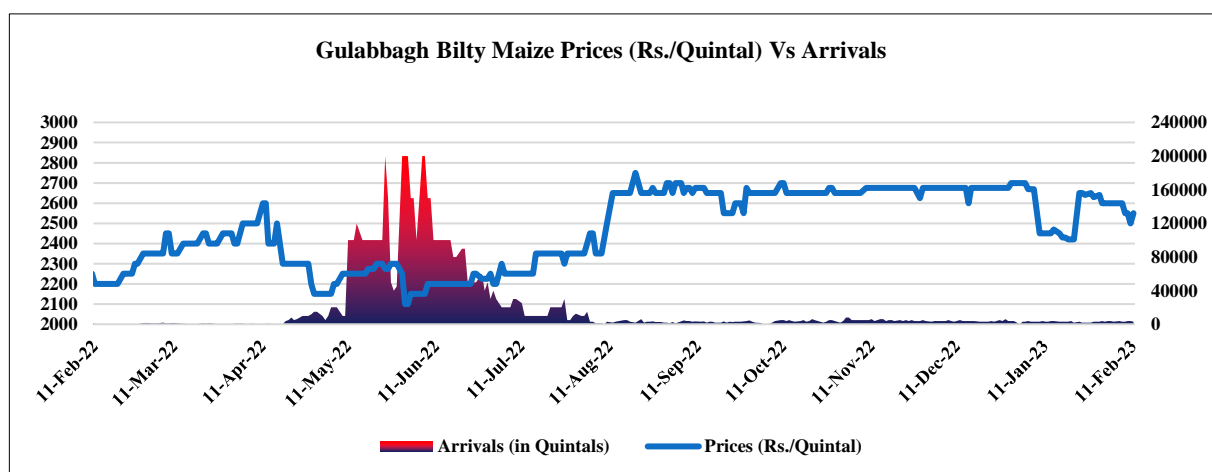


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Spot Price

Over the previous weeks, the price of maize had a range-bound pattern. Farmers are hesitant to introduce their crop to the market because they believe prices will rise soon. The poor quality of the grain arrivals also affects how much they are being sold for.

Maize (Corn)Weekly Prices:						
Market	Grade	11-Feb-23	04-Feb-23	11-Jan-23	10-Feb-22	10-Feb-21
Naugachia	Bilty	2150	2250	2400	2300	1450
Delhi	Hybrid Maize (U.P.)	2400	2360	2500	2200	1500
Davangere	Loose	Closed	2200	2200	1930	1400
Shimoga	Bilty	NR	NR	NR	NR	NR
Ranebennur	Bilty	NR	NR	2380	NR	1360
Bagalkot	Hybrid/Local	2125	2080	2203	1935	1420
Gadag	Local	NR	1565	2107	1320	1365
Nizamabad	Bilty	NA	NR	NR	1950	1500
Khanna	Bilty	2350	2300	NR	2100	1400
Sangli	Feed	2341	2338	2380	2067	1534
Ahmedabad	Feed	NR	2350	NR	2050	1450
	Starch	NR	2300	NR	2030	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 review week, however, was slightly lower than the previous week at Rs. 2,270 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

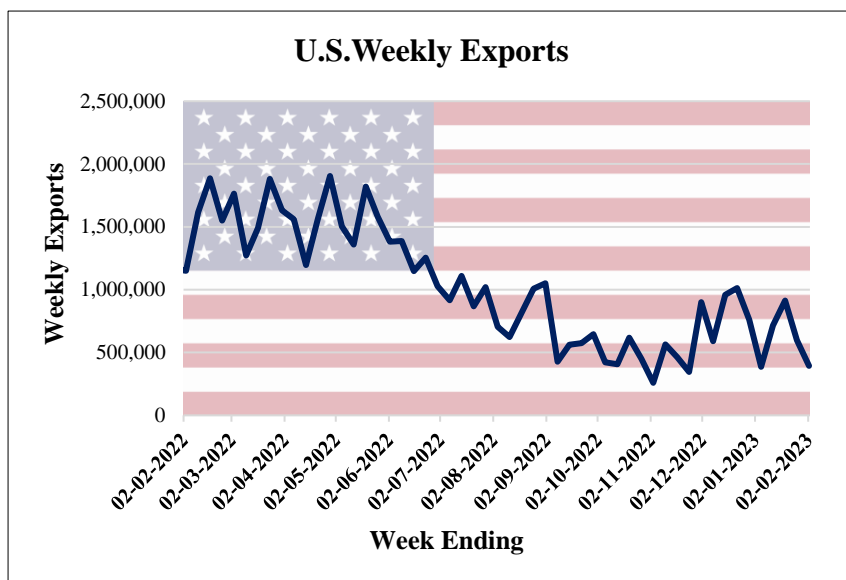
According to trade sources, India exported 4,74,552 MT of maize in December 2022 for an average FOB of roughly 346 USD/MT. In addition, maize was exported to Bangladesh and Nepal in quantities of 1,40,342 MT and 17,836 MT, respectively, at average FOB of about 317.4 USD/MT and 311.22 USD/MT.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.82.58)				
	Argentina	Brazil	US	India
FOB	313.25	309.25	306.75	-
C&F	363.25	364.25	366.75	-

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 13 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.39 MMT for the period of 26th January 2023 to 2nd February 2023. Exports of 394,900 MT were down 34 percent from the previous week and 40 percent from the prior 4-week average. The destinations were primarily to Mexico



(283,900 MT), Costa Rica (33,200 MT), Canada (26,300 MT), Hong Kong (15,300 MT), and Nicaragua (12,200 MT).

As per February, 2023 WASDE report, Brazil, Ukraine, Paraguay, Turkey, and Indonesia are expected to export more corn than Argentina. Based on observed shipments to date, Brazil's exports are increased for the marketing year beginning in March 2022, while Argentina's exports are decreased. The EU will import more corn in 2022–2023, somewhat offsetting losses in Indonesia and Malaysia. In comparison to last month, foreign corn ending stocks are down, with decreases for Ukraine and Indonesia partially offsetting rises for Brazil and Canada. With 295.3 million tonnes, global corn ending inventories are down 1.1 million tonnes.

Corn on CBOT

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Feb-23	6-Feb-23	Change
Corn CBOT Prices	Mar-23	267.90	267.31	0.59
	May-23	267.02	266.82	0.20
	July-23	262.39	262.98	-0.59
	Sep-23	240.15	241.33	-1.18

Corn on CBOT went up by 0.59 USD to 267.90 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

Once the maize harvest in Tamil Nadu is finished, arrivals will start to slowly trickle reaching the markets in Karnataka and the neighbouring states. Since it is predicted that prices would shortly rise, the stockists and merchants are hoarding maize in the interim. 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 likely going to be unchanged to slightly strengthen. The exports are on the lower side because of disagreements even with neighbours.

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