

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

This week, Davangere saw an increase in arrivals, it increased by 19% to 3210 tonnes, from 2700 tonnes previous week. Whereas due to sluggish trade activity in Gulabbagh, Bihar, has received 1600 MT altogether this week which is less by 24% from previous week's 2100 MT.

The Davangere benchmark market sold arrivals (loose) last week for an average price of 2182 which is down from previous week's price of 2200.

Corn on CBOT went down by 1.08 USD to 266.82 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.

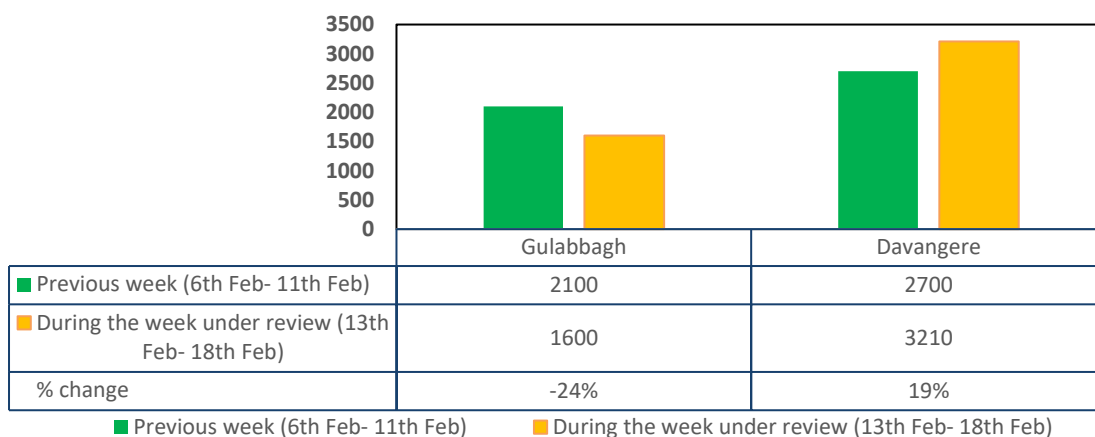
DOMESTIC SCENARIO

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



This week, Davangere saw an increase in arrivals, it increased by 19% to 3210 tonnes, from 2700 tonnes previous week. Whereas due to sluggish trade activity in Gulabbagh, Bihar, has received 1600 MT altogether this week which is less by 24% from previous week's 2100 MT.

Spot Price

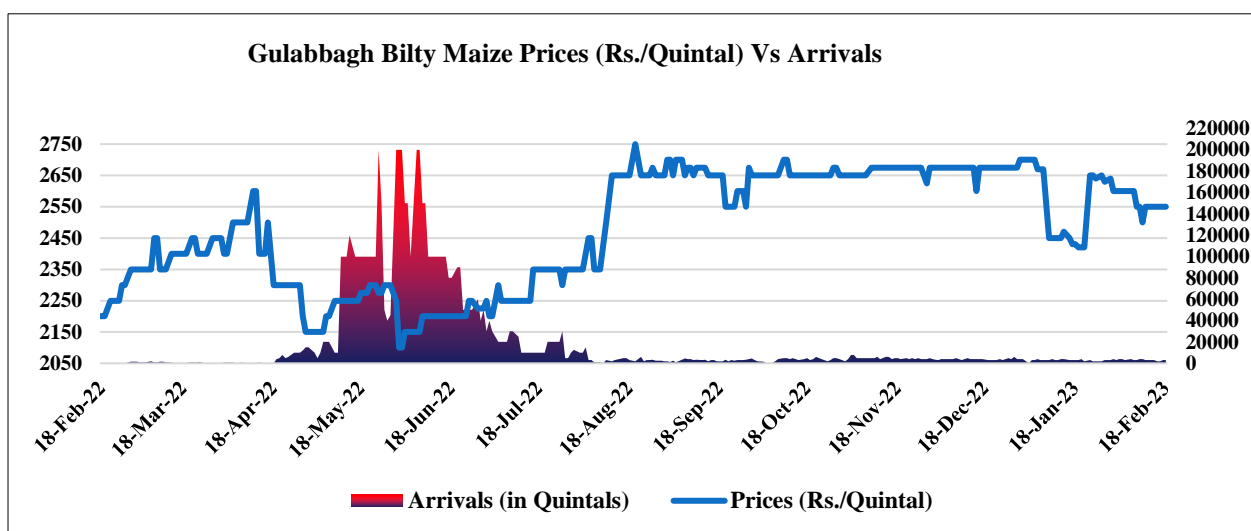
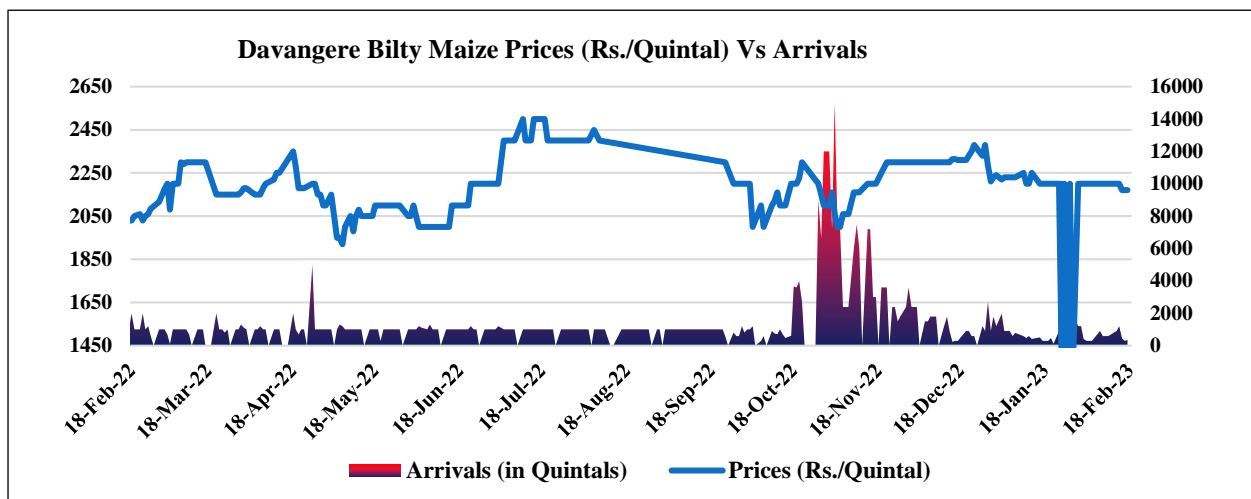
The price of maize had a range-bound pattern over the previous weeks. Farmers are afraid to sell their grain because they think prices will shortly increase. The price at which grain is sold is also impacted by the subpar quality of the grain arrivals.

Maize (Corn)Weekly Prices:						
Market	Grade	18-Feb-23	11-Feb-23	18-Jan-23	17-Feb-22	17-Feb-21
Naugachia	Bilty	Closed	2150	2350	2250	1425
Delhi	Hybrid Maize (U.P.)	2320	2400	2550	2200	1480
Davangere	Loose	Closed	Closed	2200	2030	1450
Shimoga	Bilty	NR	NR	2233	NR	NR
Ranebennur	Bilty	NR	NR	2200	NR	NR
Bagalkot	Hybrid/Local	NR	2125	2205	1945	NR
Gadag	Local	NR	NR	1944	1410	NR
Nizamabad	Bilty	NA	NR	NR	1900	1500
Khanna	Bilty	2210	2350	2390	2090	1360
Sangli	Feed	2367	2341	2389	2168	1619
Ahmedabad	Feed	Closed	NR	2350	2125	1450
	Starch	Closed	NR	2350	2060	1525

The Davangere benchmark market sold arrivals (loose) last week for an average price of 2182 which is down from previous week's price of 2200. The price ranged from Rs. 2170 to Rs. 2200. In Bengaluru and Namakkal, prices stayed the same at Rs. 2300 and Rs. 2350 respectively from the previous week. Whereas at Gulabghat, the average prices reported at Rs. 2550 per quintal, which was less than previous week's Rs. 2558.3 per quintal. The prices ranged from Rs. 2550 to Rs. 2600 per quintal.

Domestic Demand and Trade

In the past few weeks, the trade of maize has become sluggish due to lull supply and demand. Expectedly, the arrivals from new crop will begin from the last week of March and first week of April, as a result, there will be some movement in 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.

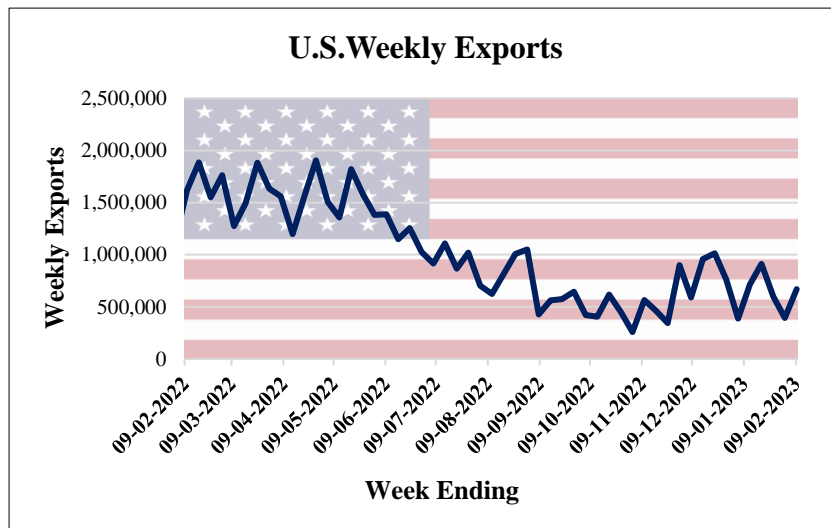
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.82.59)				
	Argentina	Brazil	US	India
FOB	314.00	311.33	305.67	-
C&F	50.00	55.00	60.00	-

As per sources, the sudden increase in domestic maize prices has had an effect on the global grain market. Malaysia, Vietnam, and to a lesser extent Bangladesh, who previously purchased

Indian maize frequently, are now purchasing South African, Ukrainian, and American corn due to falling prices. Bangladesh had chosen to ship its maize from Bihar by road and train prior to the restrictions. Despite the ban being lifted, Bangladesh has not purchased Indian grain due to the price disparity. As maize is not a necessity and the local supply will be sufficient by the conclusion of the rabi harvest, there will be no restriction on its export as of the export prohibition.

INTERNATIONAL SCENARIO

U.S. Maize exports have reached at 13.67 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.67 MMT for the period of 2nd February 2023 to 9th February 2023. Exports of 670,500 MT were up 70 percent from the previous week and 2 percent from the prior 4-week average. The



destinations were primarily to Mexico (386,000 MT), Saudi Arabia (73,500 MT), Guatemala (41,000 MT), El Salvador (35,800 MT), and Japan (35,600 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

Corn on CBOT went down by 1.08 USD to 266.82 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	17-Feb-23	10-Feb-23	Change
Corn CBOT Prices	Mar-23	266.82	267.90	-1.08
	May-23	266.72	267.02	-0.30
	July-23	262.19	262.39	-0.20
	Sep-23	240.44	240.15	0.30

DOMESTIC OUTLOOK

In the current scenario, prices are rangebound amid sluggish trading activity, and varied demand. Quality of maize is also not good in many states such as Bihar, which is keeping prices stable to down. 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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