

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize would trade with firm to steady sentiment in coming week since demand seems to be steady and market awaits the new crop, as previous season's stocks are over.

MAIZE TRADE SCENARIO

Maize in Nizamabad market is being traded at Rs. 2,100 per quintal. Loose Maize in market of Davangere, Karnataka is being traded between Rs. 2,100 to Rs. 2,300 per quintal.

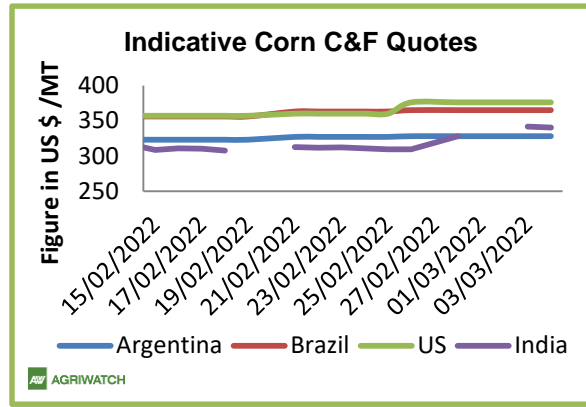
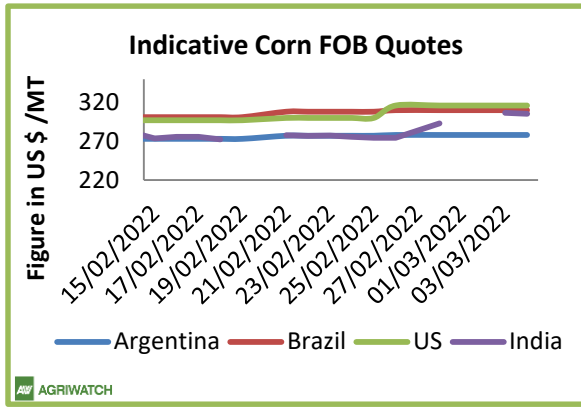
Good quality Maize with optimum moisture content is being traded in Bihar between Rs. 2,100 to Rs. 2,300 per quintal. Average quality Maize sourced from Bihar is being supplied to Kharagpur, Kolkata and Siliguri to fulfil the demand of poultry industry at the rate of Rs. 2,250 per quintal. Sourced from Bihar, Bangladesh is buying Maize at Rs. 2,250 per quintal. Arrivals in major markets are very little leading to hike in prices at various spot markets. At Chhindwara market maize is being traded between Rs. 1920 per quintal to Rs. 2030 per quintal.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT increased by 22.14 USD/MT to 295.75 USD/MT for March '22 contract as compared to previous week, due to Ukraine-Russia tensions.

U.S. Maize exports have reached at 25.76 million metric tonne (MMT) for the 2021-22 Marketing Year, with the exports of 1.55 MMT for the period of 17th Feb 2022 – 24th Feb 2022, these exports were down by 18 percent from the previous week but up by 7 percentage from the prior 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1=Rs.75.65)				
As on 03.03.2022	Argentina	Brazil	US	India
FOB	278.00	310.00	316.00	306.68
C&F	328.00	365.00	376.00	341.68

As depicted by the above data, we can see that there has been parity for Indian maize, though Argentina remains the most competitive.

Ukraine and Russia are major exporters of grains like wheat and corn. If current situation lasts longer, flow of corn from Black Sea ports would be hampered, and most affect the African countries. Ukraine is the world’s third largest corn exporter. Corn prices in international market rose drastically over past week. In this scenario a supply pressure would be created on U.S, Brazil and Argentina. On the other hand, these countries are already expecting a lower corn crop due to dry weather conditions. So, there are high chances of a severe corn shortage in the international market in the upcoming season, with unexpectedly high corn prices. A further increase in FoB prices of all the countries including India, is expected due to increase in the prices of crude oils following more requirement of Bio-diesel and Ethanol in Countries like America. FOB and C&F rates are expected to increase.

INDIAN EXPORTS FOR THE MONTH OF January’22

As per the trade sources, India exported around 3,00,747 MT of Maize in January 2022 at an average FoB of US\$ 288.31 per MT, out of which, 96,590 MT was exported to Bangladesh at an average FoB of US\$ 296.94 per MT. And 1,20,289 MT was exported to Bhutan at an average FoB of US\$ 288.88 per MT. Around 41,415 MT was exported to Malaysia at an average FoB of US\$ 273.68 per MT and approximately 33,488 MT was exported to Nepal at an average FoB of US\$ 277.97 per MT.

VESSEL POSITION

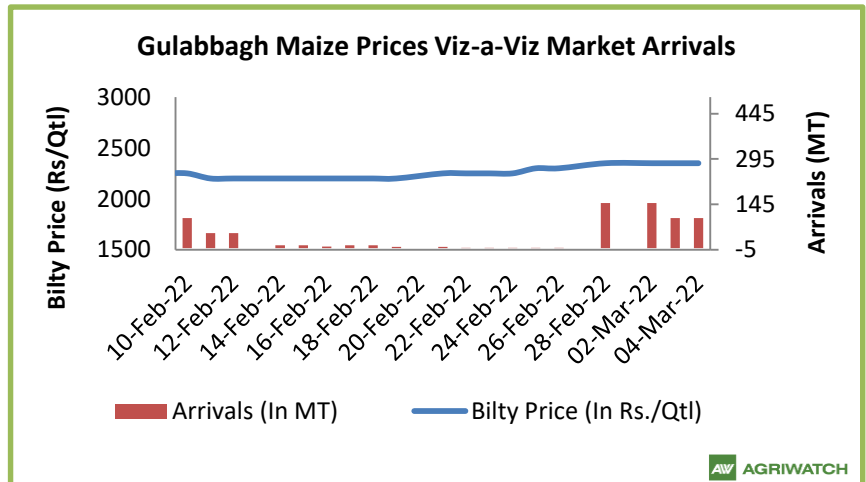
As per the source, 33,000 metric tonne (MT) of Maize Vessel KALIXENOS is waiting at berth for loading at Tuticorin port since 21st Feb 2022. Also, 36,000 MT of Maize Vessel OCEAN REEF is waiting at berth for loading at Vizag port since 9th Feb 2022. And, 31,500 MT of Maize Vessel GOLDEN EAGLE has completed loading at Krishnapathnam port.

CURRENT MARKET DYNAMICS

During the week under review, almost firm to steady price sentiments were reported in most of the major cash markets of Maize. The various key spot markets dynamics are as under:

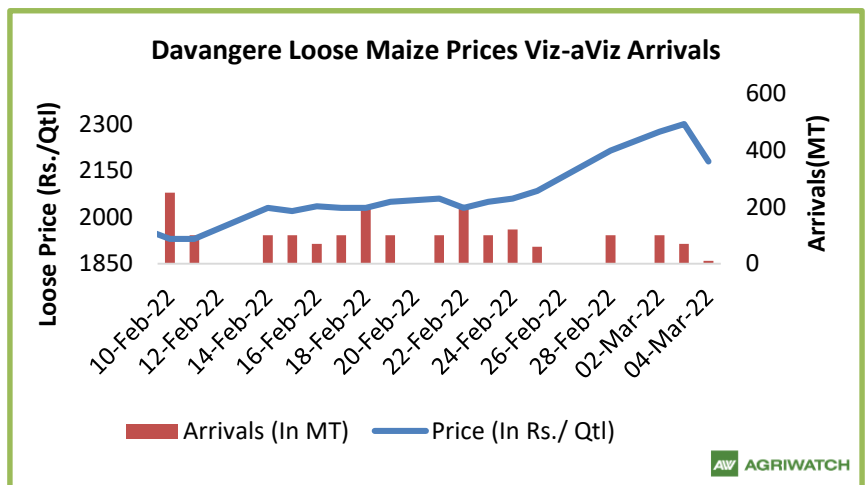
BIHAR:

In Gulabgh region of Bihar, maize is being traded at Rs. 2,350 per quintal (Bilty Price). Maize in Gulabgh would trade with sideways sentiment in the range of Rs. 2,250 – Rs. 2,400 per quintal for this week, with expectation of new Rabi arrivals by May 2022 and almost no arrivals of current season's crop in market.



KARNATAKA:

In Davangere region of Karnataka Market, loose maize is being traded between Rs. 2,215 to Rs. 2,300 per quintal. Maize in Davangere region would trade with sideways sentiments in the range of Rs. 2,100 - Rs. 2,300 per quintal, with steady to firm bias for this week, due to decreased arrivals.

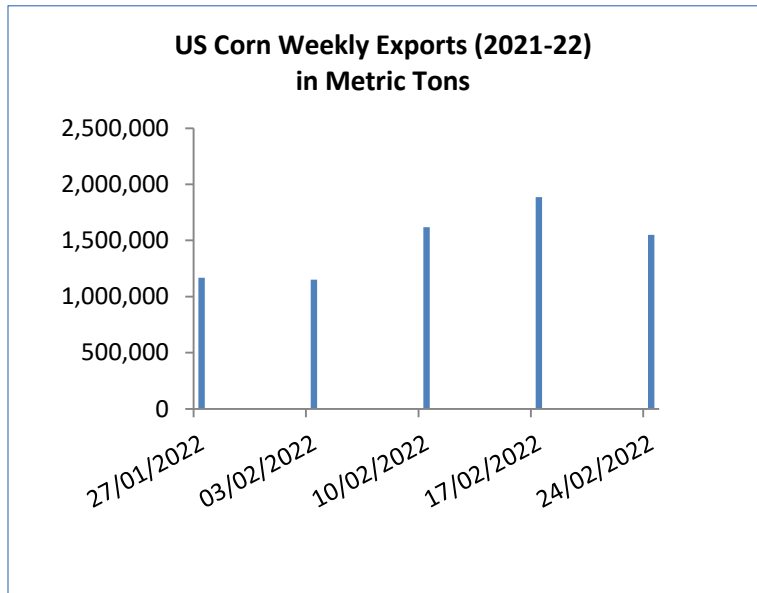


DOMESTIC MAIZE OUTLOOK:

Maize would trade with firm to steady sentiment in coming week since demand seems to be steady and market awaits for the new crop, as previous season's arrivals have already reached market. It is also expected that the Rabi arrivals will be slightly delayed, as in major Rabi Maize producing states like Bihar sowing has been delayed in this season. Along with this hike in international Maize prices would also provide support to domestic Maize market.

INTERNATIONAL MARKET HIGHLIGHT:

U.S. Maize exports have reached at 25.76 million metric tonne (MMT) for the 2021-22 Marketing Year, with the exports of 1.55 MMT for the period of 17th Feb 2022 – 24th Feb 2022, these exports were down by 18 percent from the previous week but up by 7 percentage from the prior 4-week average, to the destinations like China (555,200 MT), Japan (388,100 MT), Mexico (351,700 MT), Canada (172,500 MT), and Guatemala (101,200 MT). Rising crude oil prices amid Ukraine-Russia War may impact U.S Corn exports.



PREVIOUS UPDATES

USDA in its February month report, decreased its World Maize Ending Stock Estimate by 0.84 MMT to 302.222 MMT for February'22/ 2021-22, however USDA kept its World Maize Production Estimates same at 120.534 MMT for February '22/ 2021-22. USDA kept its Ending Stock Estimates same at 39.11 MMT for February'22/ 2021-22. Also USDA kept its Ending Stock Estimates for Argentina same at 2.12 MMT February'22/ 2021-22 and for Brazil USDA decreased its Ending Stock Estimates by 0.90 MMT to 5.32 MMT for February'22/ 2021-22.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT increased by 22.14 USD/MT to 295.75 USD/MT for March '22 contract as compared to previous week, due to Ukraine-Russia tensions. AgriWatch expects that ongoing conflict between Ukraine and Russia as well as dry weather-related conditions in Brazil and Argentina will support corn on CBOT.

ANNEXURE:

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize (Corn) Weekly Prices:						
Market	Grade	04-Mar-22	25-Feb-22	01-Feb-22	03-Mar-21	03-Mar-20
Naugachia	Bilty	2300	2300	2250	1450	NA
Delhi	Hybrid Maize(U.P.)	2280	2250	2200	1550	1825
Davangere	Loose	2080	2085	1950	1500	NA
Shimoga	Bilty	1700	NA	NA	NA	NA
Ranebennur	Bilty	NA	NA	NA	NA	1630
Bagalkot	Hybrid/Local	2070	1940	NA	1450	1610
Gadag	Local	NA	1630	NA	1370	1610
Nizamabad	Bilty	2100	1950	Closed	1500	1800
Khanna	Bilty	2080	2070	2100	1400	1750
Sangli	Feed	2308	2212	2130	1701	1746
Ahmedabad	Feed	2300	2200	2150	1400	1800

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	03-Mar-22	24-Feb-22	Change
Corn CBOT Prices	Mar-22	295.75	273.61	22.14
	May-22	294.38	271.74	22.64
	July-22	276.96	267.11	9.85
	Sep-22	248.71	244.38	4.33
	Dec-22	240.93	238.08	2.85

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