

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

Maize cash market prices witnessed a mixed tone with slightly firm tone across the major cash markets of the country during the week under review.

At bench mark Gulabbaugh market, the average weekly prices rose to Rs. 2,210 per quintal from previous week's Rs. 2,225 per quintal.

As per trade sources, the demand from feed industry and starch industry reportedly improved during the past week. As per the sources, Hyderabad feed makers are buying Maize from Nizamabad, Telangana at the delivery rate of Rs. 2,650 per quintal. As the Rabi Maize supply is about to end and the flow of supplies have reduced in Bihar markets, the previously stocked is being released in the Southern markets of the country.

Corn on CBOT fell by 1.18 USD to 292.80 USD per MT for July'22 contract, as compared to previous week, as the result of ease related to tight global supply related concerns on the account of cooling weather progress in U.S and rapid harvest of second crop of Brazilian Corn.

Outlook:

AgriWatch expects, Range-bound to slightly firm price movement of Maize during the coming week in domestic market on the account of normal domestic demand and continuously declining arrivals in major cash markets.

WEATHER SCENARIO

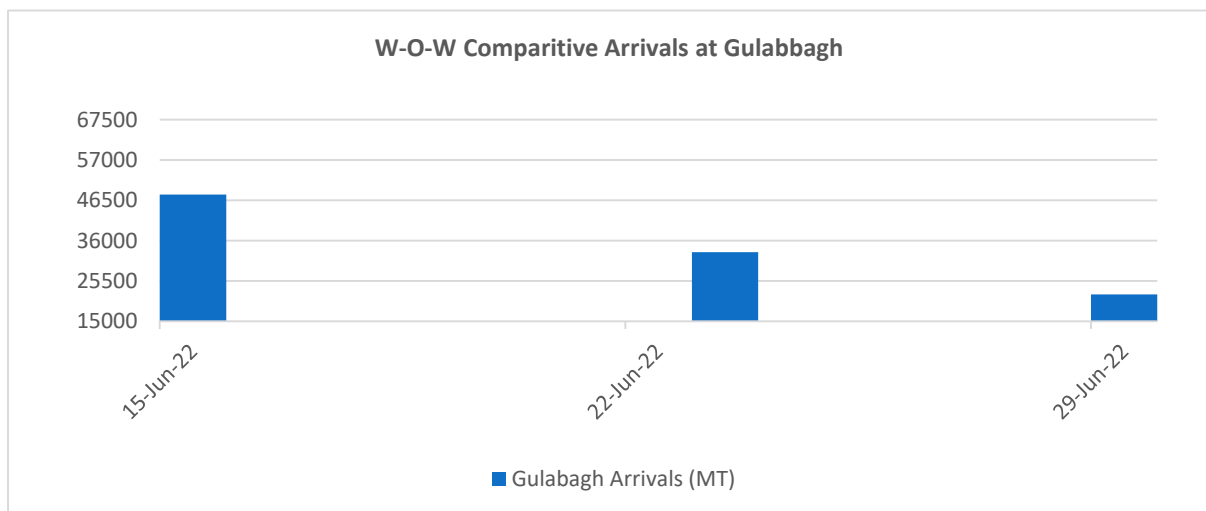
As per the latest update, the SW Monsoon (SWM) so far has covered the entire country prior to the estimated date of 8th July 2022 as per Indian Meteorological Department (IMD). After this it advanced into remaining parts of Gujarat, Rajasthan and Arabian Sea. According to latest updates between June 1 and July 1, the cumulative average monsoon rainfall received in the country was 171.5 mm, which is 5% less than the normal volume of rainfall received during this time period.

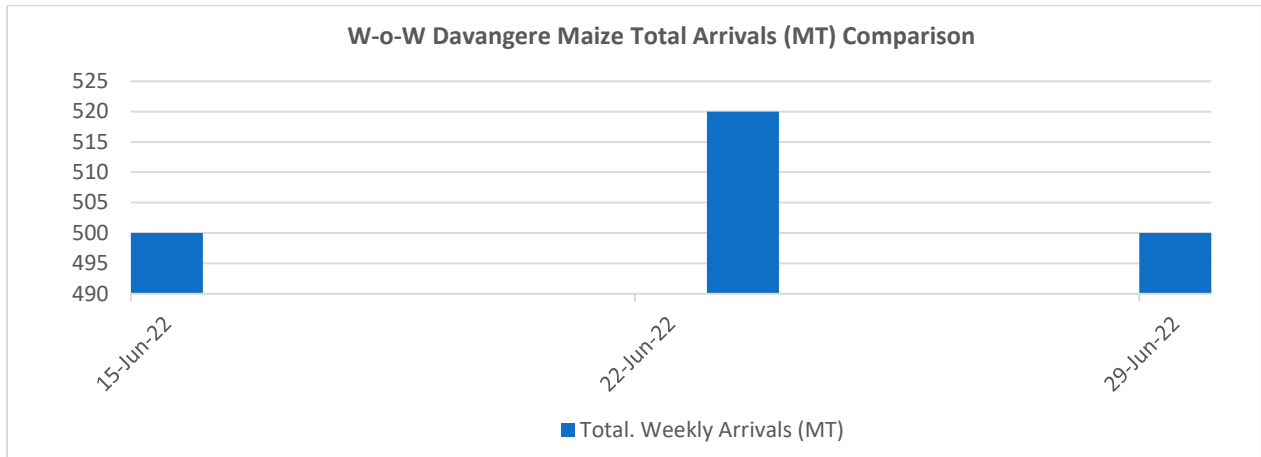
DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, Gol, India marked a decline in Maize area coverage till 1st July 22 as compared to same period last year due to deficit and uneven distribution of monsoon rains over key states. Till last week Maize has been sown in 19.03 lakh Ha. compared to 22.09 lakh Ha. same period last year, which is approximately 13.86 % less. As per the report, largest area coverage under Maize was in Karnataka at around 7.18 Lakh hectares as compared to 7.47 Lakh hectares during same period last year. Looking at the current progress of Monsoon and the return relative to competing crops, it is likely that sown area under Maize is likely to increase in M.P, Maharashtra and Rajasthan.

New Rabi Arrivals/Supply in Bihar Markets



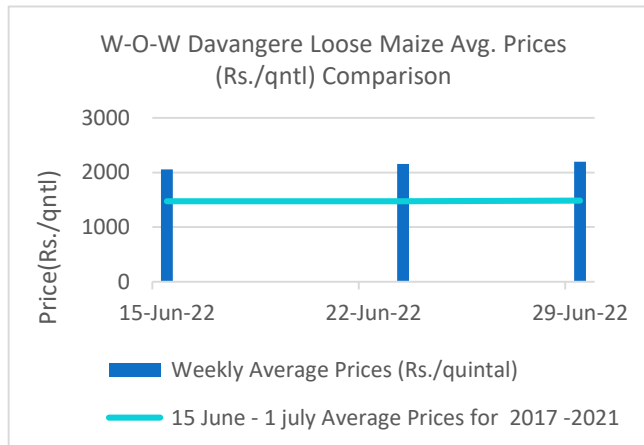
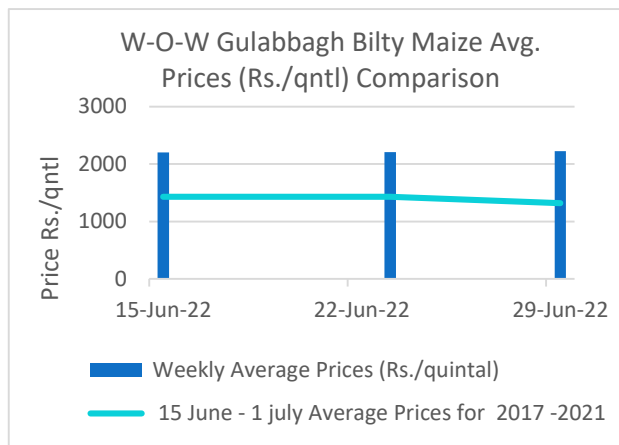


Arrivals of Maize at various spot markets around the country encountered a seasonal consecutive downfall over past week. This includes bench mark market Gulabgh (Bihar), as well as at Davangere (Karnataka). In various markets at Bihar farmers brought stocked material to the market due to the fear of stuff being spoiled on the behalf of continuous heavy rainfall. Arrivals are expected to decrease further to more extend as Rabi harvested material is declining continuously.

Spot Price

An overall steady to firm movement witnessed in Maize prices across the major spot markets of the country.

Maize (Corn) Weekly Prices:						
Market	Grade	1-Jul-22	24-Jun-22	31-May-22	30-Jun-21	30-Jun-20
Naugachia	Bilty	2250	2250	2025	1700	1225
Delhi	Hybrid Maize (U.P.)	2250	2200	2200	1700	1375
Davangere	Loose	2200	2200	2050	1700	1450
Shimoga	Bilty	2160	2200	2160	NA	NA
Ranebennur	Bilty	NA	NA	NA	NA	NA
Bagalkot	Hybrid/Local	NA	2285	2155	NA	NA
Gadag	Local	NA	NA	2010	NA	1515
Nizamabad	Bilty	2400	2350	2200	1700	1375
Khanna	Bilty	1950	1950	2100	1550	1100
Sangli	Feed	2648	2550	2369	2105	1535
Ahmedabad	Feed	2400	NA	2300	2000	1380
	Starch	2375	NA	2250	2000	1440



Maize prices throughout the week displayed an almost firm sentiment on the account of normal domestic demand from poultry as well as starch industry and declining arrivals at major bench mark markets of the country. Bench mark Gulabgh market in Bihar and bench mark market Davangere, Karnataka displayed 1 % and 2% increase in the average weekly prices when compared to the prices of previous week.

Domestic Demand and Trade

As per trade sources, the demand from feed industry and starch industry reportedly improved during the past week. As per the sources, Hyderabad feed makers are buying Maize from Nizamabad, Telangana at the delivery rate of Rs. 2,650 per quintal. As the Rabi Maize supply is about to end and the flow of supplies have reduced in Bihar markets, the previously stocked is being released in the Southern markets of the country. From Gulabgh, Bihar Maize for poultry purpose was being supplied to Siliguri and Kolkata at that delivery rate between Rs. 2,350 per quintal to Rs. 2,450 per quintal.

However, overall export as well as domestic demand of Maize took a fair pace with monsoon progressing further resulting in the demand from poultry industry. However, disparity in terms of inter- state delivery of Maize still continues which is hampering domestic trade activities.

Exports

As per the Trade sources India exported around 93,773 MT of Maize during May 2022 with the average FOB of around 327.21 USD/MT. Also, out of this around 52,359 MT of Maize was exported to Bangladesh with an average FOB of around 327.83 USD/MT and 34,790 MT of Maize was exported to Nepal with an average FOB of around 297.85 USD/MT.

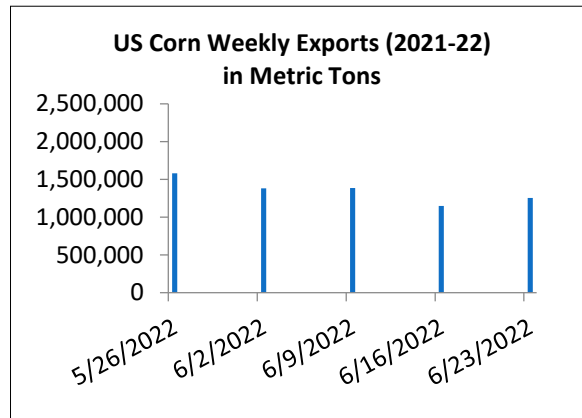
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.78.75)				
	Argentina	Brazil	US	India
FOB	285.00	307.67	342.33	323.79
C&F	335.00	362.67	402.33	358.79

A fair ongoing requirement of Indian Maize can be observed from neighboring countries like Bangladesh and Nepal.

INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 27th June 2022, 67 % of Corn was in good to excellent condition this week against 70 % during past week and 64 % for the same time period during last year. Also, 4 % of Corn crop was in silking stage.

U.S. Maize exports have reached at 51.47 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.25 MMT for the period of 17th June 2022 – 23rd June 2022, these exports were up by 9 percent from previous week but down by 9 percent from prior 4-week average, to the destinations Japan (425,900 MT), Mexico (296,300 MT), China (207,700 MT), South Korea (69,800 MT), and Guatemala (66,800 MT).



	Contract Month	30-June-22	23-June-22	Change
Corn CBOT Prices	July-22	292.80	293.98	-1.18
	Sep-22	247.53	262.49	-14.96
	Dec-22	243.99	258.06	-14.07
	Mar-23	246.54	260.22	-13.68

Corn on CBOT fell by 1.18 USD to 292.80 USD per MT for July'22 contract, as compared to previous week, as the result of ease related to tight global supply related concerns on the account of cooling weather progress in U.S and rapid harvest of second crop of Brazilian Corn. However, AgriWatch expects that for upcoming week Corn on CBOT would not suffer any further dip due to further overall tight global Corn supply during upcoming season.

DOMESTIC OUTLOOK

AgriWatch expects, Range-bound to slightly firm price movement of Maize during the coming week in domestic market on the account of normal domestic demand and continuously declining arrivals in major cash markets. Also, buyers are not interested in buying material at higher prices due to existing disparity between supply and source location.

At present, considering the overall scenario, current revival and progress of SW Monsoon, expected increase in sowing area under Maize, in medium to long term it is advisable to gradually liquidate stocks at higher price levels while in very-short to short term one can expect some increase in prices amid improved demand and declining Rabi supplies.

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