



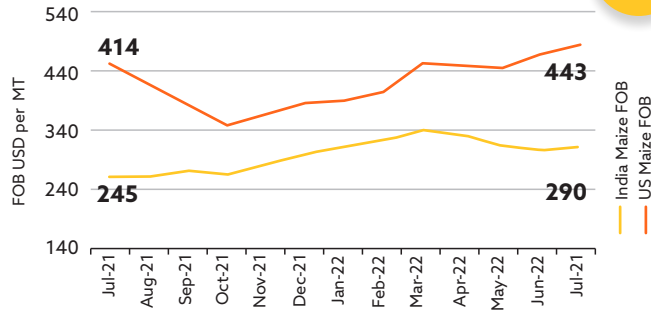
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India | Vol. 18 August 2022

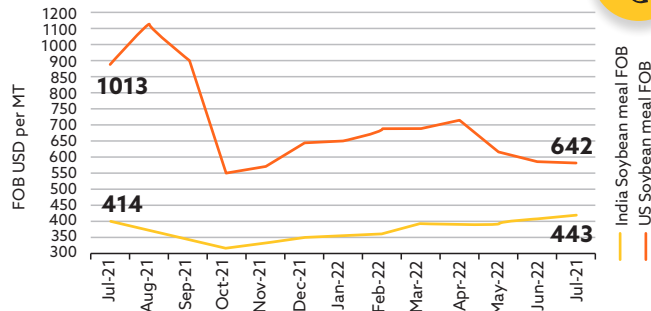
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EXPORT PARITY CHART

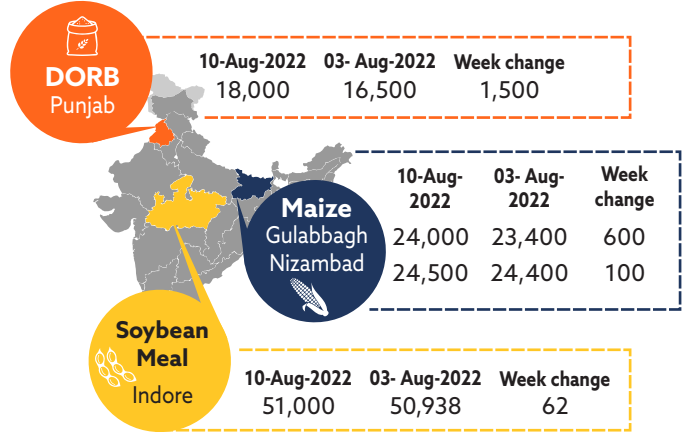
Maize export parity (USD per MT)



Soybean meal export parity (USD per MT)

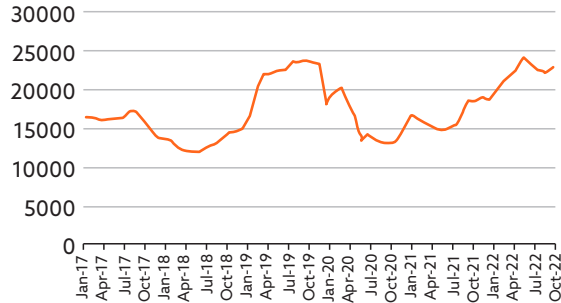


SPOT Price (INR per MT)



BULLISH MAIZE IS SHORT TERM OR LONG TERM

Maize price trend (Gulabghagh)



From January onwards, Maize price is on steep increase due to lower production estimate of Rabi maize. The lower arrival has kept the price in higher side in the first half of the year.

In India, sowing for Kharif season has started in major maize producing states in India. As on 29th July 2022, the area covered for Kharif maize crop is -3.4 Lakh Ha (69.1 vs 72.5) lower than 2021. Major Crop cultivating areas like Bihar, Uttar Pradesh, Telangana, West Bengal and Jharkhand are reporting lower plantation as on date.

Rainfall status for the season

State	Area Covered (Lakh Ha)		
	2022	2021	Diff
A.P	0.5	0.4	0.08
Arunachal Pradesh	0.4	0.4	0.0
Bihar	1.7	3.1	(1.4)
Chattisgarh	1.6	1.5	0.0
Gujarat	2.5	2.5	(0.1)
Jharkhand	1.7	2.2	(0.5)
Karnataka	12.3	12.5	(0.2)
M.P	15.0	15.3	(0.3)
Maharashtra	7.9	7.8	0.1
Punjab	1.0	1.1	(0.1)
Odisha	2.0	2.1	(0.1)
Rajasthan	9.2	7.5	1.7
Tamil Nadu	0.1	0.0	0.0
Telangana	1.5	2.3	(0.8)
Uttar Pradesh	4.7	6.6	(2.0)
West Bengal	0.3	0.3	(0.1)
Others	6.8	6.8	0.0
Total	69.1	72.5	(3.4)



State wise Kharif maize area in India (as on July 29th, 2022)

Due to advancement of Southwest monsoon, the rainfall distribution across India improved. India's cumulative rainfall departure % is 6% (i.e normal) during this monsoon season. The overall rainfall distribution is good in all regions except East and Northeast with -14% for this season. It has impacted the sowing areas in East & Northeast regions like Bihar, West Bengal and Jharkand. The good rainfall distribution has positively impacted the Kharif maize sowing (10% improvement in sowing acreage compared to July 15th, 2022). But heavy rainfall in the past few weeks have impacted the already plated crops in AP, Karnataka, Rajasthan and M.P.

Rainfall status for the season						
Region	Week (28/07/22 to 03/08/22)			Season (01/06/22 to 03/08/22)		
	Actual	Normal	% Dep	Actual	Normal	% Dep
East & North-East	74	82.3	-10%	672.3	785.3	-14%
North - West	53.5	51.4	4%	315.4	308.9	2%
Central	22.3	76.3	-71%	584.5	524.7	11%
South Peninsula	72.7	46.1	58%	512.9	385.7	33%
Overall India	50	63.7	-21%	501.7	472.6	6%

Lower plantation along with poor crop condition will further reduce the arrivals. It may impact the price further upwards in the coming weeks till the fresh arrivals start hitting the mandis.

Indian Maize Balance Sheet (Oct - Sep)				
Parameter (in MT)	2019-20	2020-21	2021-22	2022-23
Opening Stocks	2.41	3.69	3.78	2.13
Production	28.1	28.02	27.5	29.5
Imports	0.3	0.2	0.15	0
Total Supply	30.81	31.91	31.43	31.63
Exports	1.12	3.63	3.6	2.8
Dom.Consumption	26	24.5	25.7	27
Total Demand	27.12	28.13	29.3	29.8
Ending Stocks	3.69	3.78	2.13	1.83

Indian government has received representation for allowing import of GM based Maize. However, decision regarding this might take time. As on data, the balance sheet reports further drop in the ending stock again pointing out upward trend for the future price.

As per USDA acreage report, corn production for 2022/23 is forecasted 45 million bushels higher based on greater plantation in major producing countries. Along with lower usage in feed and residual industry, the ending stock for 2022-23 is increased over previous year. This has directly impacted the Maize FOB price.



International Corn Projections in MMT

	2020/21 Estimate	2021/22 Forecast	2022/23 Projected
Opening Stocks	326.4	297.5	266.6
Production	1,125.6	1,130.6	1,201.6
Imports	174.5	189.1	181.0
Total Availability	1,626.5	1,617.2	1,649.2
Food	129.5	130.6	132.7
Feed	692.0	690.4	717.6
Industrial	293.4	302.0	307.8
Others	39.6	38.6	42.9
Total Consumption	1,154.5	1,161.6	1,201.0
Exports	174.5	189.1	181.0
Ending Stocks	297.5	266.5	267.2

As per USDA, Maize production will be higher than previous year, which has resulted in lowering FOB price for International Maize. Gap between India and International Maize FOB price has impacted the export demand for Indian maize majorly from Asian market. Indian maize export is 8.3% lower than last year.

The broiler prices are highly fluctuating due to seasonal drop in consumption. Egg price recovery and ending of holy month "Sawan" are indicating demand pick up in the coming months.

Lower plantation along with poor crop health and higher demand from feed industry will keep the supply and demand tight with a bullish price in the coming months. Export demand drop might support the price a little bit in the coming days.

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References:

NCDEX, SEA of India, investing.com & USDA



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