



## INDIAN GRAINS REPORT

26 SEPT 25





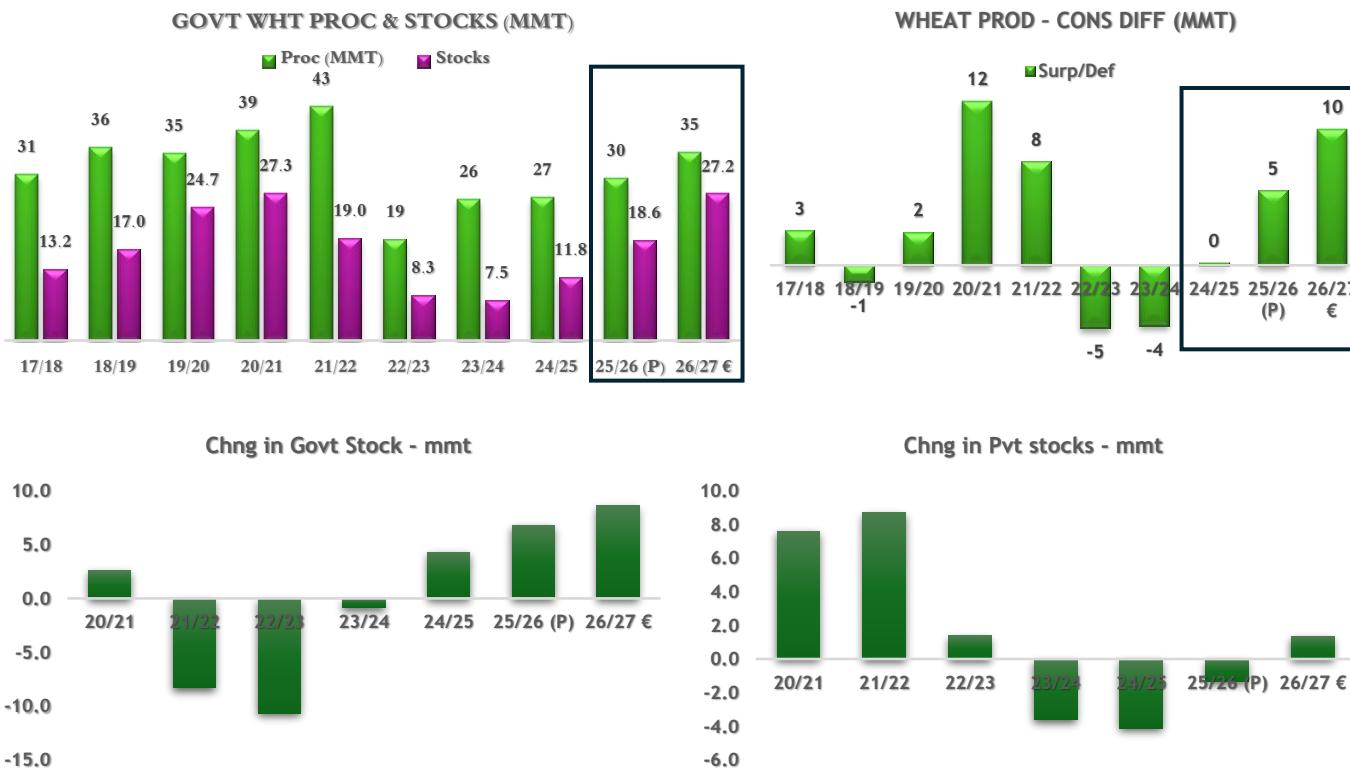
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## CAN INDIA LOOK TO EXPORT WHEAT AGAIN

- The Indian Govt wheat stocks are expected to swell by the end of this current 25/26 season whereby the stocks are expected to close @ 18.5 MMT.**
- The addition to the stocks from last year shall be a massive 7 MMT which is due to the higher procurement by the Govt this season and hopefully should be able to maintain the momentum in the coming seasons as well.**
- The overall dispatches of wheat from the Govt has been lower than last year for the period Apr - Aug as Govt has given 500 KMT lower wheat for distribution.**
- The stocks with the Govt as of end Aug are higher by 8 MMT from last year, thus enough ammunition to control the price and play with the market the way they want to.**
- The Private stocks are the ones which shall be going down by 1.4 MMT as per our balance sheet, thus keeping the market prices supported.**
- The Govt shall continue to run the policy of releasing wheat in the market when it is required and keep the stocks with itself for as long as possible.**
- The last quarter shall be the one Dec-Jan-Feb when the Govt will push more wheat in the market for sale under OMSS to keep the domestic prices under check and wait for the new crop to arrive.**
- With the wheat crop getting better especially with the current harvest helping building stocks, the rains in the current season have been too good that is should provide the decent sowing and growing conditions.**
- The weather at the time of harvest shall be an important event like every year.**
- Just running a small estimate for 26/27 season, expecting production @ 116 MMT, Govt procurement @ 35 MMT, offtake of 26.4 MMT, leaves the Govt with 27.2 MMT of wheat with them.**
- The Govt needs 24-25 MMT of wheat for their distribution program and with 27 MMT of wheat in the warehouse, a better outlook of the next crop (27/28) might bring some wheat in the market for EXPORTS.**
- This shall make the next 2 seasons interesting and important.**



## INDIAN WHEAT MARKET UPDATE

- Indian wheat prices have been bearish in the recent week and as compared it from last month.**
- From the start of the season though the prices are higher as the prices went down too sharply during the start of the season.**
- The one reason we see the prices getting support are because it is the private stocks which is coming out largely in the market and Govt is just busy with the PDS distribution.**
- As of Apr-Aug, this year, the total OMSS sales has been 40 KMT against 700 KMT last year which is a major reduction.**
- Govt shall be pushing the sales in the last Qtr as per our estimates to keep the prices under check and if the area under wheat is good, the OMSS might not be as big as last year number.**



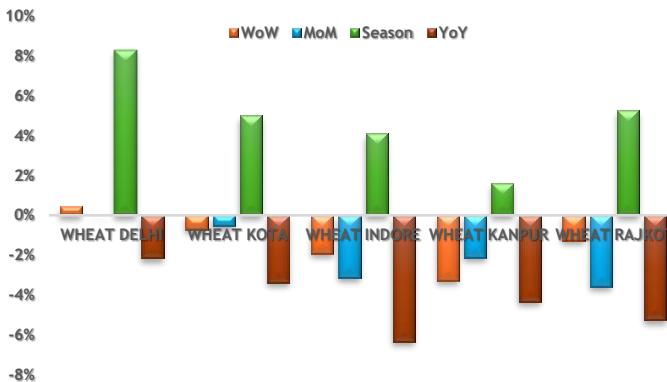
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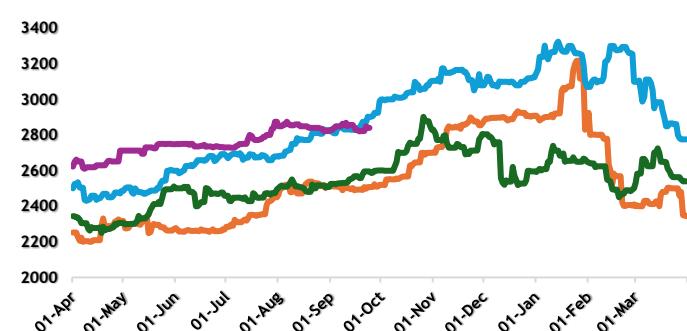
% CHNG IN WHT PRICES IN INDIA

■ WoW ■ MoM ■ Season ■ YoY



PRICE SEASONALITY OF WHEAT DELHI - Rs/QtL

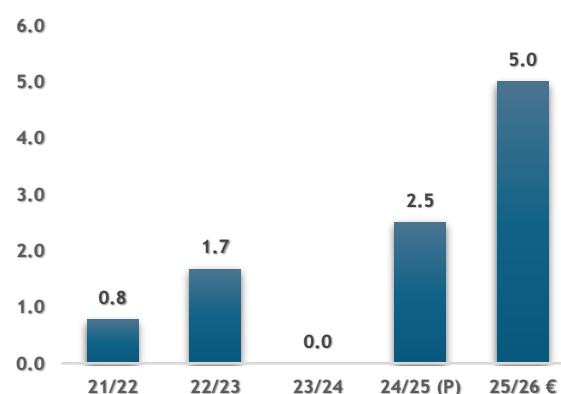
■ 22/23 ■ 23/24 ■ 24/25 ■ 25/26



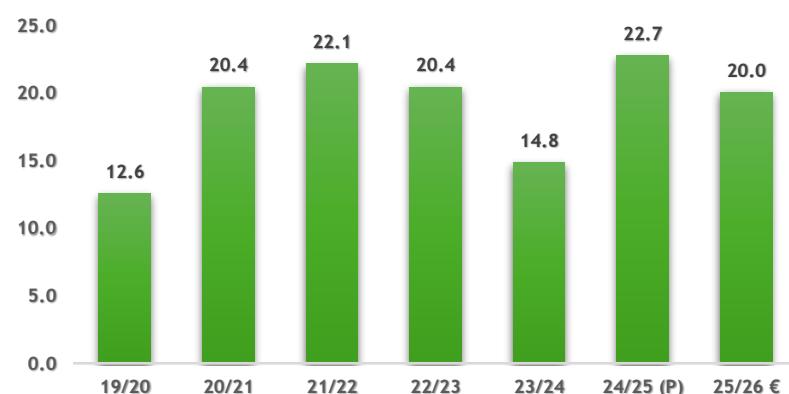
## INDIAN RICE OUTLOOK

- Rice crop has been hit by the flash floods in the state of Punjab and now with the torrential rains in West Coast of India, we might have some issue with the rice output in that region too as the crop is standing tall and ready to be harvested.
- The rice area though is up yoy which shall surely cover up for the loss in crop due to the extra rains and rather help the crop grow in size as compared to last year.
- We @ GreenLeaf are thus projecting a production of 154 MMT of rice in the upcoming 25-26 season as compared to 149 MMT last year.
- Its an increase of 5 MMT from last year which should only add to the stocks and also give the Govt ammunition to give out more rice for Ethanol production.
- The Govt offtake we have taken for the upcoming 25/26 season @ 55 MMT, an increment on account of higher release for the Ethanol production.
- The Procurement target which the Govt has set for the upcoming 25/26 season is 50 MMT, in lower than last year by 4 MMT, in view of the high stocks they are already carrying in the warehouses, but the Govt target looks like will be breached on higher side for there shall be too much rice in the market and Govt might overshoot its target.
- Thus procurement for the next year has been taken same at 54 MMT by Greenleaf.
- During the season 2024-25, the Govt of India has released closed to 2.3 MMT of Rice for ethanol production till end Aug and will issue another 250-300 KMT of rice for the month of Sept which shall take the total tally to 2.5 MMT for the year.
- Next year in order to promote the grain based ethanol production and how much Maize is going to contribute to the overall requirement to meet 20% blend, the Govt might issue more rice in 25/26 season.
- The Govt has also increased the price of Rice Ethanol by 3% this year for the season 2025-26, whereby keeping the prices from other feedstocks same as last year, a clear signal to promote more rice into Ethanol production not to miss the 20% blend target.
- Apart from this, there shall be rice moving out from the private stocks too for Ethanol production as Damaged food grains and also some portion going in as Maize ethanol to take advantage of the price arbitrage between the Ethanol prices from the 2 feedstocks.
- GreenLeaf is estimating 8 MMT of rice going to Ethanol next season and 20 MMT of rice going for Exports against 22 MMT this year (owing to higher Basmati prices due to crop losses in North India, we might see some demand rationing). But will have to keep a close watch on rice prices and export pace as India can surely achieve 22 MMT exports for 25/26 season too, which shall further bring the stocks down.
- With overall production growth and higher demand for Rice for Ethanol and for domestic market, the stocks are only increasing of Rice in the country, thus no concern on account of food security for the time being and no major debate of FOOD vs FUEL.

Govt Rice for Ethanol - MMT



Rice Exports from India - MMT

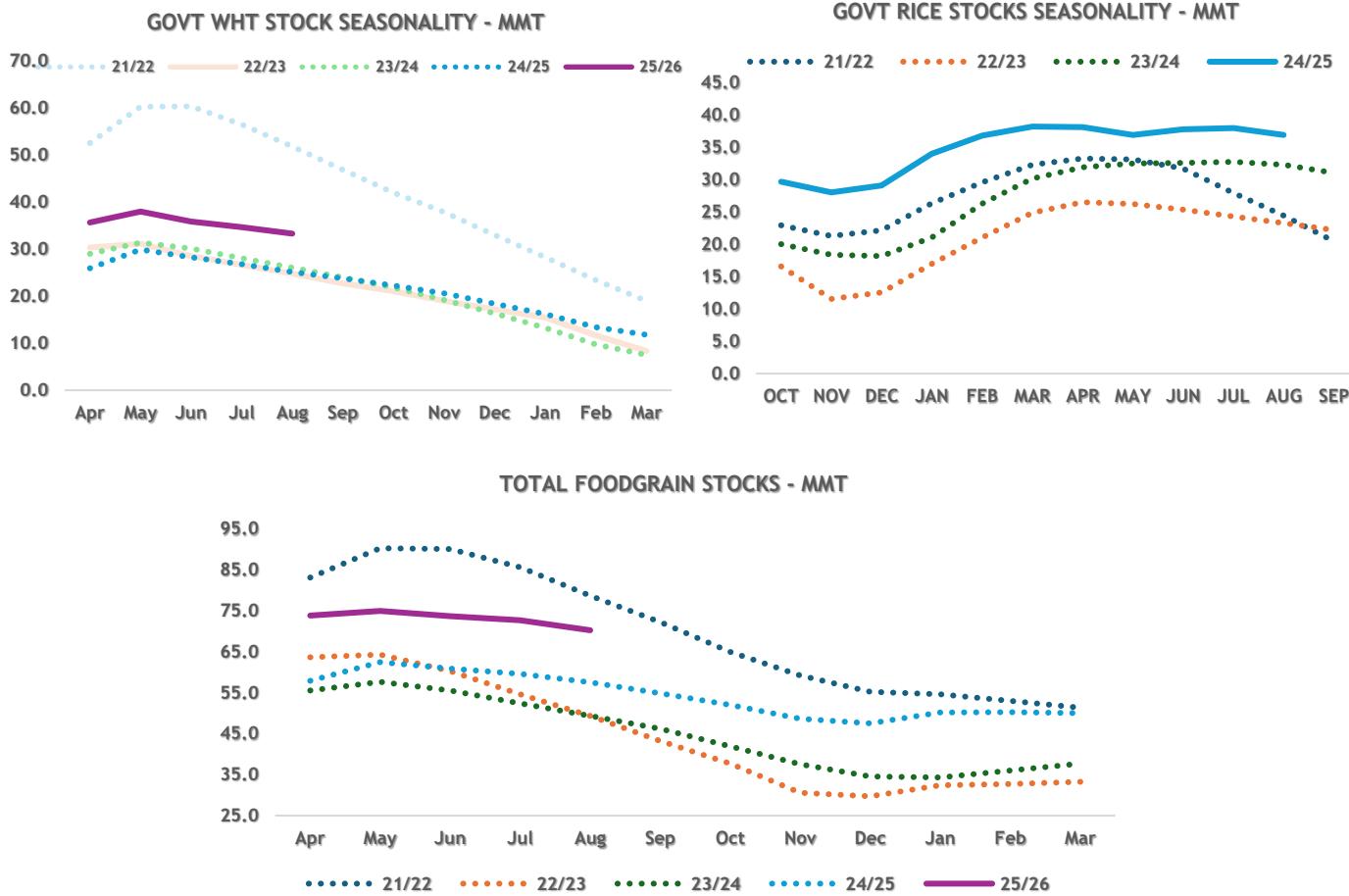




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## INDIAN MAIZE OUTLOOK

- We have an increment of 10.65% area increase in area under Maize for the upcoming 25/26 season.
- With the ongoing rains in most of the parts of the country, there is likelihood of some of the crop getting deteriorated though the crop loss should not be extremely high.
- The rains shall impact the quality of the crop more than loss to the overall crop but the increment in crop production is expected.
- Though the final output shall be known in due course once the rains stops across the country and the crop harvest starts which shall give indication of yield loss and condition of the crop.
- There is Rabi season also for the crop which is yet to be sown which can surely make up for the loss of the current Kharif Crop.
- GreenLeaf, has thus increased the overall crop production from its previous estimate of 44.2 MMT to 46 MMT.
- What shall be driving the demand of corn shall be
  - Ethanol demand for the 25/26 season - GreenLeaf is assuming 10 MMT of Corn diversion to ethanol which shall give 3800 Mn Litre of Ethanol.
  - 3200 Mn Litre from Sugar expected during and 3600 Mn Litre coming from Rice by using almost 8 MMT of rice, the total availability of Ethanol shall be 10.62 Bn Ltre, which is the requirement to meet the 20% blending of ethanol in petrol for the season 25-26
  - Poultry demand - assumed to grow by 3% yoy which is to be validated in due course
  - Starch industry suffered a lot last year thus keeping the demand unchanged.
- With the increased production of corn in the current season to 46 MMT and expected consumption as above, we shall have end stocks of 1.4 MMT which is still tight, as it shall be only 1/2 month of stocks to use.
- The price of corn shall be the major driver too which shall define the demand for corn especially for Ethanol.
- Most importantly need to see how the production shapes up and potential losses in the crop due to the torrential rains.
- If production turns out to be as expected, we should have a flat year for Maize in India, else we might need IMPORT of corn
  - If there is production issue
  - Consumption of Corn is higher in other sectors and for Ethanol as expected by GreenLeaf.

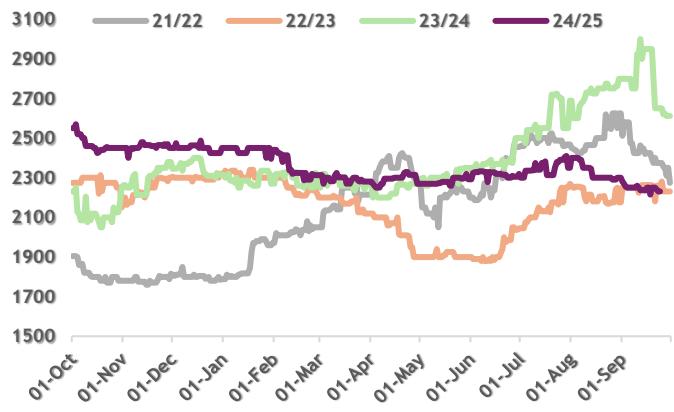


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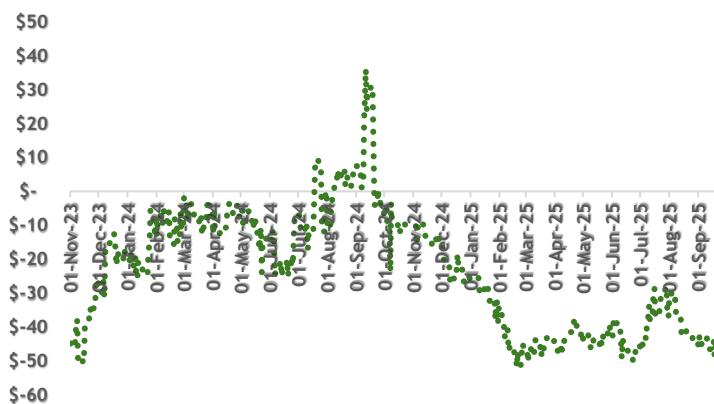
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PRICE SEASONALITY OF MAIZE - Rs/QtL



Import parity of Yangon Corn -\$/MT



## INDIAN MAIZE BALANCE SHEET OUTLOOK

Year	Op. stocks	Prod	Imp	Feed Demand	Starch	Seed, feed and residue	Total Dom. Consumption	Ethanol	Exports	End Stocks	STOCK USE (Months)
2023	6.21	37.5	0.90	22.0	4.8	8.2	35.1	5.5	0.5	3.5	1.2
2024 (P)	3.55	42.0	0.50	22.5	4.9	8.5	35.8	8.0	0.0	2.2	0.7
2025 (f)	2.17	46.0	0.00	23.2	4.9	8.7	36.8	10.0	0.0	1.4	0.5