
Higher corn prices
would increase
feed and poultry
production costs
SenFin
SECURITIES
Associate Company of SENKADAGALA FINANCE PLC
September 1, 2026

Corn Price surge

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Associate Company of SENKADAGALA FINANCE PLC

US$5.15

PER BUSHEL

31-Aug-2026

+29.5%

YEAR-ON-YEAR

vs. US$4.00 a year ago

3-Year

HIGH

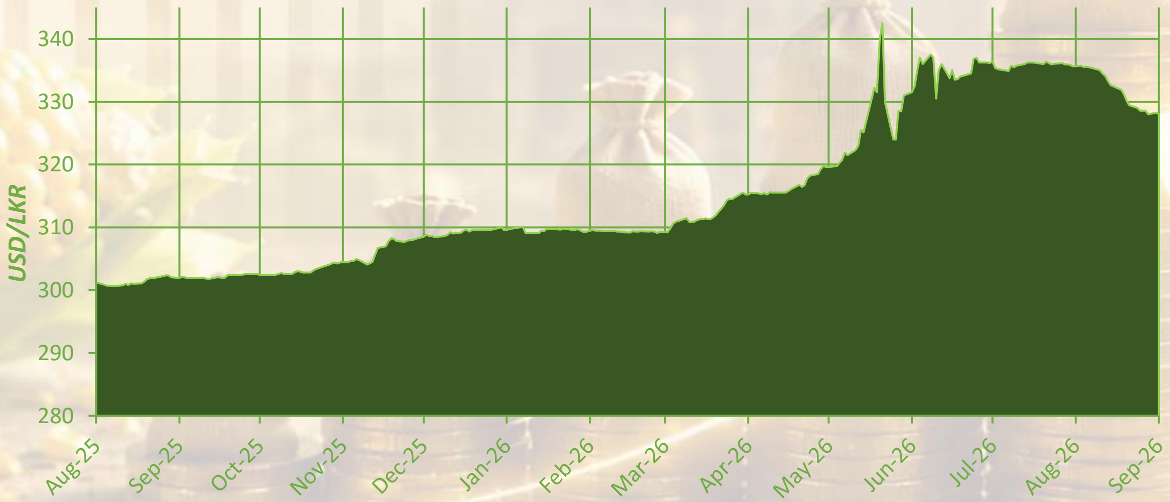
highest level since August 2023

+12%

MONTH-TO-DATE

August 2026 gain alone

Exchange Rate Movement



CBOT corn has staged a strong recovery from its 2024–2025 lows, with prices now trading at levels not seen since mid-2023. For Sri Lanka, where local maize production remains insufficient to meet poultry-feed demand, higher global corn prices could translate into increased feed costs and margin pressure across the poultry value chain. This creates a potential earnings headwind for CSE-listed companies exposed to poultry and animal feed.

Why Corn Prices Are Rising Now

1

Smaller U.S. 2026 crop

Pro Farmer's August Crop Tour estimated a smaller U.S. corn crop, with a national yield of 173.2 bushels per acre, well below USDA's August estimate of 180.7 bushels per acre..

2

Lower Yield Expectations

USDA's yield forecast remains high, but field-level results from the Pro Farmer Crop Tour suggest weaker-than-expected yields in several major producing states, raising concerns about final production.

3

Brazil weather risk

Potential weather disruptions in Brazil could create additional uncertainty around global corn supply, although Brazil's current production outlook remains strong.

4

Ukraine & Black Sea Risk

Ongoing geopolitical tensions and uncertainty around Black Sea grain exports are supporting a risk premium in grain markets.

5

Strength in Wheat Prices

Strength in wheat prices, particularly amid Black Sea supply concerns, is providing additional support to the broader grain complex, including corn.

6

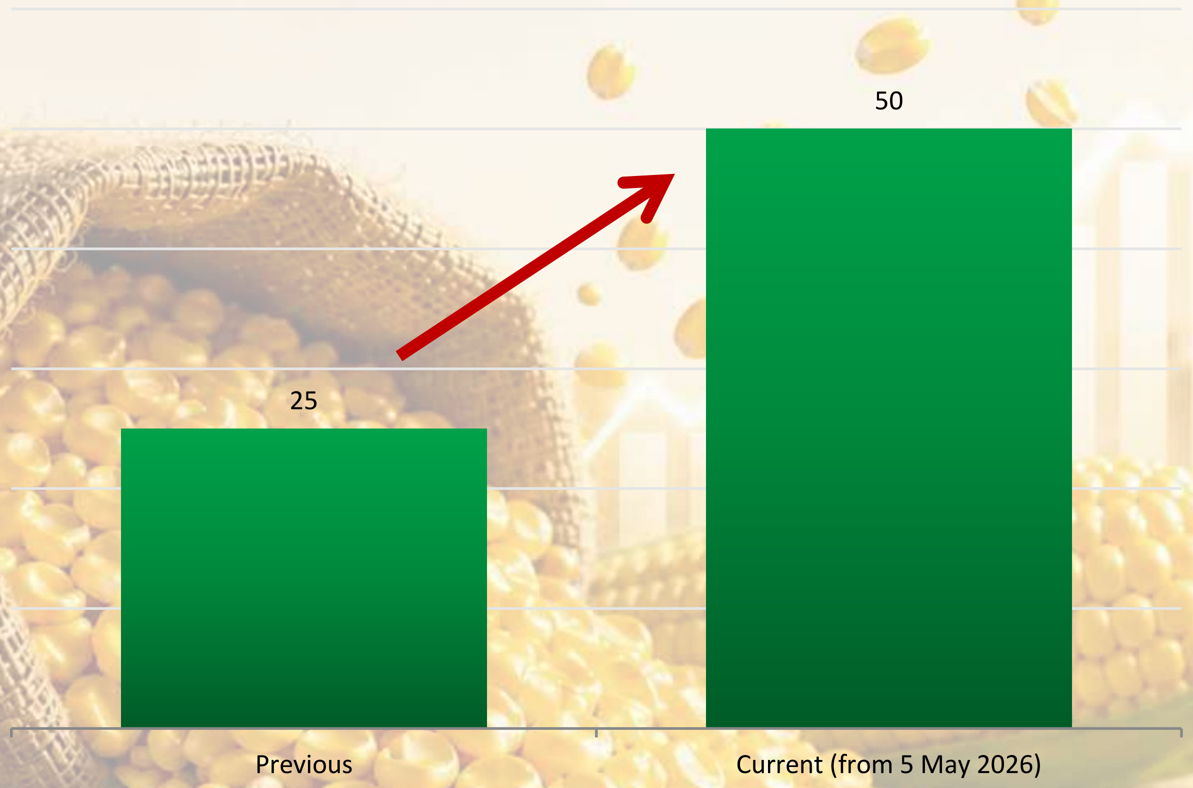
Rising speculative positioning

Increased speculative buying and net-long positioning in CBOT corn can amplify upward price movements when fundamental concerns are already bullish..

The 2026 Maize Import Levy

Special Commodity Levy (SCL) on imported maize, effective 5 May – 31 Dec 2026

Special Commodity Levy on Maize (Rs./kg)



2×

The Government increased the Special Commodity Levy (SCL) on imported maize from Rs. 25/kg to Rs. 50/kg, effective from 5 May to the end of 2026, with the aim of protecting local maize farmers by making imported maize more expensive and encouraging greater domestic production.

20%

Estimated rise in maize import costs from the levy increase

Corn accounts for approximately 40% of animal feed costs, making poultry producers highly sensitive to maize price increases.

Transmission to the CSE

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Corn Price
↑ 29.5% YoY

→

Feed Cost
↑ increases

→

Poultry Margins
↓ compressed

→

Earnings Expectations
↓ revised down

→

CSE Share-Price Pressure
poultry counters

Higher corn prices can move through the poultry value chain by raising the cost of animal feed, a major component of poultry production expenses. As feed becomes more expensive, producers face pressure on gross margins, particularly when higher costs cannot be fully passed on to consumers through selling prices. Sustained margin pressure can weaken profitability and reduce earnings expectations for poultry and feed-related companies. As investors adjust their earnings outlooks, valuations may come under pressure, potentially affecting the share prices of CSE-listed companies with significant exposure to poultry, animal feed and related agricultural inputs.

Impact on Listed Companies

CIC Holdings PLC

CIC.N0000

CIC Holdings uses corn (maize) as a key input in its animal feed operations, making feed costs sensitive to movements in maize prices. An increase in corn prices can raise feed production costs and put pressure on poultry and livestock margins, particularly if higher costs cannot be passed on to customers. Conversely, lower corn prices can ease input costs and support profitability.

Bairaha Farms PLC

BFL.N0000

Bairaha Farms uses corn (maize) mainly as a key raw material in poultry feed production. Since feed is one of its major cost drivers, higher corn prices increase feed and chicken production costs, potentially reducing profit margins if selling prices cannot rise accordingly. Conversely, lower corn prices can reduce costs and support stronger profitability.

Ceylon Grain Elevators PLC

GRAN.N0000

Maize is a key raw material for poultry feed, and higher corn prices would increase feed and poultry production costs, putting pressure on GRAN’s profit margins. However, the company can partly reduce this impact through efficient feed formulations, strategic raw-material storage, cost management, and pricing strategies.

Three Acre Farms PLC

TAFL.N0000

Three Acre Farms is involved in poultry breeding, hatcheries, day-old chick production and commercial broiler farming, making feed costs an important input cost across its operations. Higher corn prices can increase the cost of poultry feed and raise farming costs, putting pressure on margins and farmer demand for day-old chicks. Conversely, lower corn prices can ease production costs and support profitability.

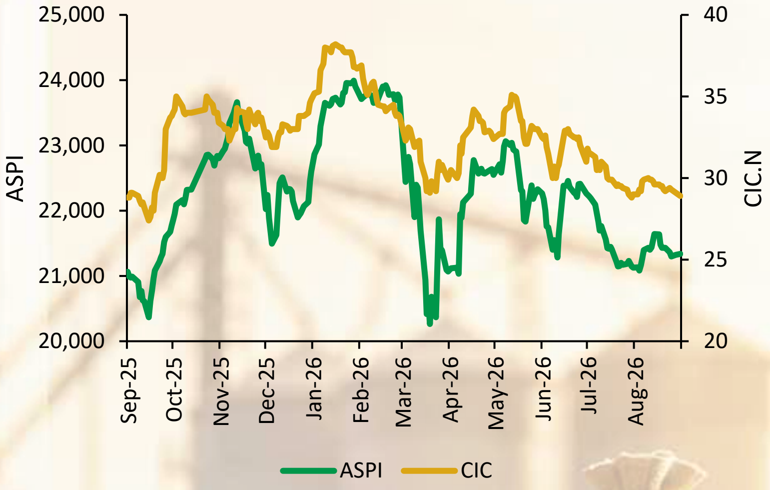
CIC Holdings PLC – CIC.N

Market Capitalization (LKR Bn)*	42.14
Current MPS (LKR)*	28.90
TTM EPS (LKR)	3.79
TTM PER (x)	7.63
BVPS (LKR)	25.26
PBV (x)	1.14
Largest Shareholder – Paints & General Industries Limited	53.31%

*As at August 31, 2026

Key Financial Highlights

(LKR Mn)	FY22	FY23	FY24	FY25	FY26
Revenue	41,760	68,275	76,424	83,292	91,754
GP	11,525	24,493	20,718	22,222	24,088
GP Margin	28%	36%	27%	27%	26%
EBIT	7,028	16,843	10,674	10,436	11,897
EBIT Margin	17%	25%	14%	13%	13%
Net Profit	3,684	7,801	9,743	5,442	6,905
NP Margin	9%	11%	13%	7%	8%
EPS	9.72	20.58	25.7	14.36	3.64



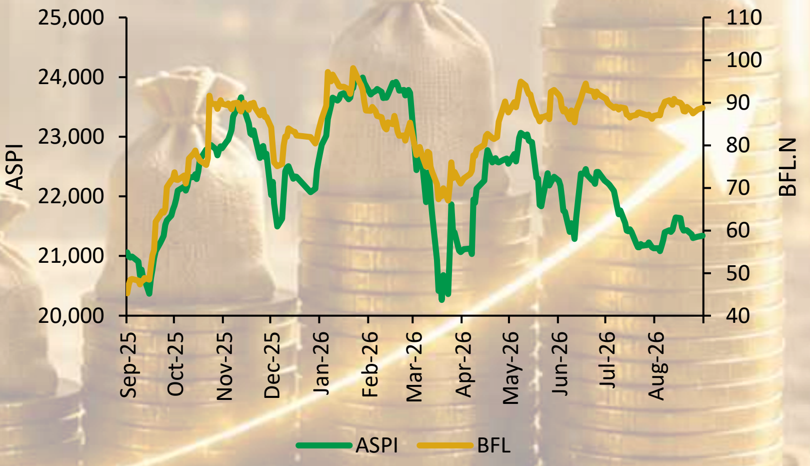
Bairaha Farms PLC – BFL.N

Market Capitalization (LKR Bn)*	13.75
Current MPS (LKR)*	88.80
TTM EPS (LKR)	34.29
TTM PER (x)	2.59
BVPS (LKR)	80.06
PBV (x)	1.11
Largest Shareholder – Mr. M.N.M. Yakooth	10.64%

*As at August 31, 2026

Key Financial Highlights

(LKR Mn)	FY22	FY23	FY24	FY25	FY26
Revenue	6,742	11,799	13,291	13,916	15,291
GP	1,336	1,532	2,156	1,733	2,883
GP Margin	20%	13%	16%	12%	19%
EBIT	835	698	820	392	1,433
EBIT Margin	12%	6%	6%	3%	9%
Net Profit	283	283	436	125	1,031
NP Margin	4%	2%	3%	1%	7%
EPS	43.49	16.09	24.76	7.11	11.71



Source: CSE, Company Annual Reports

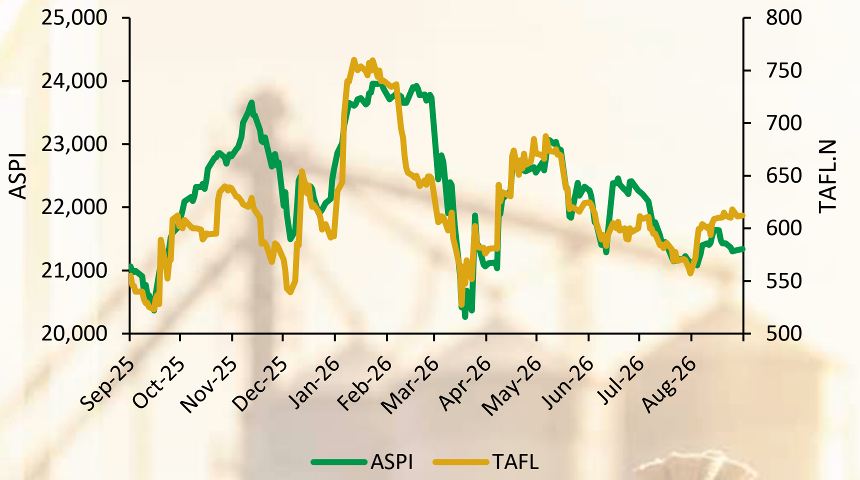
Three Acre Farms PLC – TAFL.N

Market Capitalization (LKR Bn)*	14.40
Current MPS (LKR)*	611.00
TTM EPS (LKR)	85.21
TTM PER (x)	7.17
BVPS (LKR)	406.26
PBV (x)	1.50
Largest Shareholder – Ceylon Grain Elevators PLC	57.21%

*As at August 31, 2026

Key Financial Highlights

(LKR Mn)	FY22	FY23	FY24	FY25
Revenue	8,317	11,121	6,198	6,177
GP	877	2,158	1,435	1,653
GP Margin	11%	19%	23%	27%
EBIT	620	2,252	1,496	1,857
EBIT Margin	7%	20%	24%	30%
Net Profit	659	2,504	1,701	1,540
NP Margin	8%	23%	27%	25%
EPS	27.99	106.34	72.26	65.4



Ceylon Grain Elevators PLC – GRAN.N

Market Capitalization (LKR Bn)*	28.80
Current MPS (LKR)*	480.00
TTM EPS (LKR)	63.49
TTM PER (x)	7.56
BVPS (LKR)	261.92
PBV (x)	1.83
Largest Shareholder – Prima Limited, Singapore	45.45%

*As at August 31, 2026

Key Financial Highlights

(LKR Mn)	FY22	FY23	FY24	FY25
Revenue	17,888	19,595	23,993	29,767
GP	6,095	4,705	4,143	6,419
GP Margin	34%	24%	17%	22%
EBIT	5,258	4,131	3,387	5,569
EBIT Margin	29%	21%	14%	19%
Net Profit	735	2,977	2,417	3,461
NP Margin	4%	15%	10%	12%
EPS	12.25	49.61	40.28	57.68

Source: CSE, Company Annual Reports

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