

## Maize

30<sup>th</sup> May - 6<sup>th</sup> June 2005

### MAJOR ACTIVITY HIGHLIGHTS

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- DAILY PRICE CHANGES IN DOMESTIC WHOLESALE MARKETS
- TRUCK FREIGHT RATES BETWEEN VARIOUS CENTRES

### DOMESTIC AND INTERNATIONAL NEWS:

#### GE Maize And Other Seeds Polluted Food Crops And Environment

The GE seeds were introduced in 1996 in the world. From that time the food crops and the environment have been contaminated across the globe, as predicted by environmental, farming and social movements. Over 50 incidents of illegal or unapproved GE contamination have been documented in 25 countries on 5 continents, and those are only the recorded incidents. Illegal and unapproved GE contamination of seeds and crops has been recorded in maize in Mexico, rice in China, soya in Brazil, papaya in Thailand, oilseed rape in Europe, cotton in India, canola in Canada, and now, in the latest example, GE canola in Japan. In Chile, where the World Seed Congress starts today, Greenpeace is calling attention to the latest case of illegal maize seed contamination, the first to be found in this country highly dependent on its export seed industry. Potentially allergenic GE maize (Starlink) has contaminated food products on two continents and dangerous GE pharmaceutical crops have been revealed in silos of harvested crops in the USA. In the meantime, field trials or commercial growing of anything from pig vaccines to industrial plastics continues apace in the USA.

#### U.S. Bt10 Corn Consignment Intercepts by Ireland

According to the European Commission, Irish port authorities cut off a shipment from the United States of animal feed that contained genetically modified corn banned in the European Union. Though the U.S. officials tested the shipment for Bt10 corn before it left, and it was notified to Irish authorities before the ship arrived in Ireland. About 290 tests for Bt10 have been conducted on EU-bound shipments, but this was the first time a test turned up positive. The EU says Bt10 contains a gene that can make that strain of corn resistant to ampicillin, a commonly used antibiotic. Europeans have become increasingly cautious what they eat; following recent food scares including mad cow disease in beef and poisonous dioxins in chickens.

#### US Corn Exports Up 150 Million Bushels

According to USDA projections, 2005-06 U.S. corn uses will expand, as higher exports will offset the decline in domestic use, which is down 40 million bushels, because of reduced feed and residual use. Feed and residual use showed downtrend due to use of non-grain feed ingredients increased. Food, seed and industrial use in corn is up due to increased use to produce ethanol. Corn exports are up 150 million bushels because of less competition in the world. U.S. corn acres are likely to be up slightly, with yield averaging 148 bushels per acre, 12 bushels less than last year's 160-bushel yield. USDA also projects a decrease in world production, lower use and a moderate drop in corn stocks, especially in China. Ending stocks are expected to drop from 44.85 MMT to 25.6 MMT, a decrease of over 19 MMT. This could change some export pictures.

#### Taiwan Tenders to Buy Yellow Corn

Taiwan's Members Feed Industry Group will announce a tender to buy 54,000-60,000 metric tons (MT) of U.S. No 2 or Argentine origin yellow corn for shipment from U.S. Gulf ports or Argentina between July 16 and 30 or from the U.S. Pacific Northwest between July 31 and August 14.

#### USDA Net Export Sales Highlights on Corn

USDA net sales on corn for the period May 20 - 26, 2005 of 744,500 MT were 35 percent above the previous week, but 13 percent below the prior 4-week average. Japan (383,400 MT, including 39,100 MT switched from unknown destinations) was the dominant buyer, followed by Taiwan (66,600 MT, including 55,000 MT switched from Japan), Egypt (64,900 MT), South Korea (52,000 MT), Colombia (42,700 MT), Algeria (33,800 MT), and Jordan (20,900 MT--all switched from unknown destinations). Sales of 50,900 MT for delivery in 2005/06 were mainly for Canada (31,900 MT). Exports of 810,100 MT were 15 percent below the previous week and 9 percent under the prior 4-week average. The principal recipients were Japan (369,600 MT), Mexico (70,200 MT), Taiwan (68,800 MT), Colombia (66,400 MT), Egypt (64,900 MT), and Canada (58,000 MT).

## **GM Maize: Research Confirms Health Risks**

According to claiming of NGOs (Non Government Organisations), the latest research on rats has confirmed worries of health risks of genetically modified food and ban on release of GM foods must be taken immediately. The data on the collapse of the immune system and organ abnormalities in rats fed with GM maize (MON 863) have been disclosed. The multinationals had been hiding data on the adverse reactions of GM foods; claimed by Dr Suman Sahai from the Gene Campaign and he reported that the

## **TRADE ANALYSIS**

### **DELHI MARKET:**

In Delhi market, the price for maize remained stable condition with daily average of 30-35 truck in this week. The arrival was mainly from Bihar. The Bihar new maize was quoted at Rs 590-595 per qtl in Delhi market. The market sentiment remained stable amidst stagnant demand. It is expected that the present market scenario would continue this trend in the coming days.

### **KARNATAKA MARKET:**

The maize market situation in Karnataka remained relatively lower in this week amidst less demand. The Bangalore to Tamilnadu delivery was traded at Rs.575-580 per qtl, which was lesser from Rs.490-600 per qtl of the previous week range. The ongoing market sentiment is likely to remain stable in the coming days.

### **KOLKATA MARKET:**

The Kolkata market prices for maize showed slightly upward sentiment in this week amidst strong demand from the market. The market price for Kolkata mill delivery was at Rs. 535-540 per qtl. It is likely to remain stable condition in the coming days.

### **BIHAR MARKET:**

The market position in Bihar was also showed stable condition with range bound in this week. Prices of the new maize were quoted at Rs 420-425 per qtl. The truck bilty price for maize was at Rs.435-440 per qtl. The Bihar maize has been supplying to Maharastra, Rajastan, Punjab,

## **CONCLUSION**

The market condition for maize remained stable with range bound in most of the mandis in this country. However the maize prices were also reported higher than the last week and crossed the Rs. 675-680 per qtl in Gujarat, where stocks of yellow maize were reported to be traded at Rs. 860-865 per qtl. Prices in other markets were ranging from

## **WEATHER WATCH:**

### **Monsoon Outlook:**

Southwest monsoon has advanced over south Andaman Sea and over southern parts of southeast Bay of Bengal on 26<sup>th</sup>. It further advanced into the remaining parts of Andaman Sea, some more parts of southeast Bay of

### **Rainfall:**

Rain/thundershowers occurred at many places over Andaman & Nicobar Islands Northeastern States, Sub-Himalayan West Bengal & Sikkim, Coastal and South Interior Karnataka, Kerala and Lakshadweep and at a few

Government in India had been accepting industry data. The two organisations demanded publication of all the food and feed safety data that has been generated on the GM crops such as cabbage, cauliflower, brinjal, potato and tomato that are being researched in India. They also recommended that the import of GM foods must be stopped and all foods that have been imported must be tested for the presence of GM foods. The maximum imported food products are maize and soybean, which is genetically modified.

Haryana, Delhi, Kolkata and also Bangladesh. It is expected that the price may improve with the increasing supply to other states.

### **NIZAMABAD MARKET:**

In Nizamabad, the market sentiment remained unchanged with range bound in this week. The market price for local maize variety was quoted at Rs.520-525 per qtl. It is expected that the market would continue this tone in the coming days.

### **DAVENGERE MARKET:**

This market showed range bound with stable sentiment on maize prices. It was reported that maize has traded at the range of Rs. 527-530 per qtl.

## **GLOBAL MARKET**

In the global market, the corn prices remained range bound in this week. But at the weekend the Corn futures at the Chicago Board of Trade (CBOT) finished firmer Friday, forced by gaining spillover support from soybeans and awaiting Monday weather reports. Weather updates indicate less wet conditions in the eastern corn belt, but traders will be waiting to see Monday reports. In the meantime, Japan has found a second consignment of U.S. corn imports containing the unapproved Bt10 genetically modified organism.

a high of Rs. 582-700 per qtl in Rajasthan to a low of Rs.425-430 per qtl in Bihar, where stocks are still coming in regularly. The Future markets also reported small gains. June supplies were traded at \$123, while for July and August the values were \$126 and \$133 per MT respectively. US corn prices were reported little soft and CBOT closed at \$2.185 per bushel (\$86.00 per MT). FOB values (US Gulf) would be close to \$103 per MT.

Bengal and some parts of southwest Bay of Bengal on 28<sup>th</sup>. Southwest monsoon has further advanced into parts of east-central Bay and some more parts of south Bay of Bengal on 31<sup>st</sup>.

places over Jammu and Kashmir, South Madhya Maharashtra, Chhattisgarh, Coastal Andhra Pradesh, Rayalaseema, Tamil Nadu, and North Interior Karnataka. It was isolated in the remaining parts of the country. Isolated Heavy Rainfall also occurred over Andaman and Nicobar

Islands, Assam, Sub Himalayan West Bengal and Sikkim,

Kerala and Lakshadweep on some days of the week.

#### Outlook For The Week:

Conditions are favourable for onset of monsoon over Kerala towards the end of week. Ongoing rainfall activity over Andaman & Nicobar Islands is likely to continue. It may get

enhanced over south Peninsula and Northeastern States. Heat wave conditions may prevail over northwestern, northern and west-central parts of the country.

**Table: IASL's Preliminary Supply and Demand Estimates (2004-2005)**

(Million tonnes)

Beginning Stocks	Domestic Production	Demand for Maize						Supply for Maize	
		Human Consumption	Starch	Poultry feed	Brewery	Cattle & other feed	Exports	Consumption	Ending Stocks
0.72	12.24*	3.70	1.50	6.70	0.00	1.20	0.15-0.20**	13.25-13.30	Insignificant

\*\* Discounting exports, other than traditional buyers; \* summer + winter season crop projections

**Table: Revised Maize Production Figures (2000-2001 to 2004-2005\*\*)**

(Million tonnes)

Year	2000-01	2001-2002	2002-2003	2003-2004*	2004-05**
Production	12.04	13.30	11.11	12.72*	12.24

\* IASL's final Estimates/ \*\*IASL's preliminary estimates (Other figures are government estimates)

**Table: India Maize Crop - IASL's Preliminary Estimates For Year 2004-2005**

(Million Tonnes)

States	2004-2005 Projections	2003-2004 final estimates
<b>Madhya Pradesh</b>	<b>2.26</b>	<b>2.26</b>
<b>Rajasthan</b>	<b>0.99</b>	<b>1.96</b>
<b>Uttar Pradesh</b>	<b>1.40</b>	<b>1.54</b>
<b>Bihar</b>	<b>1.22</b>	<b>1.22</b>
<b>Andhra Pradesh</b>	<b>1.12</b>	<b>1.12</b>
Karnataka	<b>1.85</b>	<b>0.92</b>
<b>Himachal Pradesh</b>	<b>0.85</b>	<b>0.85</b>
<b>Maharashtra</b>	<b>0.63</b>	<b>0.63</b>
<b>Punjab</b>	<b>0.60</b>	<b>0.60</b>
<b>Gujarat</b>	<b>0.32</b>	<b>0.52</b>
<b>Tamil Nadu</b>	<b>0.45</b>	<b>0.45</b>
<b>Others</b>	<b>0.65</b>	<b>0.65</b>
<b>Total</b>	<b>12.24</b>	<b>12.72</b>

#### RABI CROP ACERAGE STATISTICS

Normal Area	Area Coverage			Area difference in absolute percentage over last estimate
	This Year	Last Year	Difference	

7.00	9.05	8.36	0.69	<b>Bihar (+0.3, +9.1), Gujarat (+0.2, +41.7), Karnataka (-0.1, -16.9), Uttar Pradesh (+0.2, 35.5)</b>
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Source: Department of Agriculture, Government of India

## DAILY PRICE CHANGES IN DOMESTIC WHOLESALE MARKETS

(Rs. Per Quintal)

MARKETS	31.05.05	01.05.05	02.06.05	03.06.05	04.06.05	06.06.05
Delhi (Bihar maize)	585-590	590-595	590-595	590	590-595	590-595
Pune starch/ Poultry feed mill delivery	635-640	630	630	630	630	630
Sangli truck bilty	580-585	590	590	595	600	600
Pune Maize	NA	625	625	620-625	625	625
Ahmedabad Starch	625-630	660-665	660-665	660	660-665	660-665
Ahmedabad Poultry mills (New Maize)	650-660	640	640	645	640-650	640-650
Bihar (Nogachia Gulab Bagh etc)	420	420-425	420-425	425	425	425
Bangalore - Tamil Nadu delivery	590-600	575	575	575	580	580
Nammaklal local maize	NA	600	600	600	600	600
Chennai Maize	610	600	600	600	600	600
Kolkata mill delivery	520	535-540	535-540	535-540	535-540	535-540
Nizamabad Local Maize	525	520-525	520-525	525	525	525

NA: Not Available

## TRUCK FREIGHT RATES BETWEEN VARIOUS CENTRES

City	Freight rates (RS./ton)	City	Freight rates (RS./ton)
Delhi to Kolkata	2000	Kandla to Delhi	1600
Delhi to Cuttack	2650	Ahmedabad to Bangalore	1950
Delhi to Guwahati	3330	Ahmedabad to Kolkata	2945
Karnal to Guwahati	3440	Ahmedabad to Delhi	1555
Chandigarh to Cuttack	2770	Bangalore to Kolkata	2600
Karnal to Hyderabad	3000	Bangalore to Delhi	2350
Jaipur to Kolkata	2550	Bangalore to Ahmedabad	1400
Kolkata to Delhi	2000	Kolkata to Ahmedabad	2100
Karnal to Mumbai	1500	Kolkata to Bangalore	2100
Mumbai to Delhi	1800	Delhi to Ahmedabad	722

Exchange Rate: Indian rupee was quoted at **Rs.43.60** per dollar

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