

## **Maize Statistics at a Glance: International:**

### **World Maize Production Scenario:**

<b>Country wise Corn Production Scenario (In MMT)</b>					
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>US</b>	331.2	307.1	332.5	316.2	315.8
<b>China</b>	152.3	165.9	164.0	177.2	182.0
<b>Brazil</b>	58.6	51.0	56.1	57.5	61.0
<b>EU-27</b>	47.6	62.3	56.9	55.9	61.0
<b>Argentina</b>	22.0	15.5	23.3	22.5	27.5
<b>Mexico</b>	23.6	24.2	20.4	20.6	24.0
<b>India</b>	19.0	19.7	16.7	21.3	21.0
<b>Ukraine</b>	7.4	11.4	10.5	11.9	21.0
<b>Canada</b>	11.6	10.6	9.6	11.7	10.0
<b>World</b>	794.9	799.3	819.4	828.3	860.1

Source: US department of Agriculture

### **Highlights of the Month:**

- *Maize Prices plunged lower in the domestic market with the recorded declines of 11.9% (Nizamabad market) in the October month.*
- *The domestic buying by Poultry and other industries remain limited.*
- *Maize has been planted in 20000 hectares till date in Bihar for Rabi season 2011-12 which is 10000 hectare higher compared to previous year same period. It is noticeable that Bihar has targeted around 3.5 lac hectares of planting of maize for Rabi season 2011-12.*
- *Decline in yield from Maize crop has been witnessed from Maharashtra for Kharif season 2011-12. Decline is due to mainly uneven distribution of rainfall.*
- *Arrivals have improved in markets like Koppal, Davengere and Nizamabad which weighing to the maize prices in the coming month.*

### **Bull & Bears**

<b>Bulls</b>	<b>Bears</b>
Improved demand from Poultry and Starch Industries.	Continuation of New crop arrivals
Catching Up exports	Good Rabi sowing sentiments in Bihar compared to previous year.

**Market Recap:**

Weak sentiments have witnessed in maize prices during the month ended October 31<sup>st</sup> 2011. Average monthly prices in key maize markets like Karnataka, Andhra Pradesh and Delhi decreased on higher arrivals and less than normal demand. However, moderate corn demand improves the prices of corn in Bihar compared to previous month.

Meanwhile, it is also noticeable that maize prices have surged in all key markets in October 2011 compared to last year average prices.

Month-wise Average prices of Maize at various markets					
Market	11-Sep	10-Oct	11-Oct	% Change from Prev. Month	% Change from Prev. Year
Delhi	1053	1019	1039	-1.3%	1.96%
Davangere	1179	938	1055	-10.5%	12.47%
Nizamabad	1180	1053	1040	-11.9%	-1.23%
Naughachia	1067	998	1073	0.6%	7.52%
Gulab Bagh	1164	NA	1177	1.1%	-
Koppal	-	953	1064	-	11.65%

**Key Buyers:**

Buyer	Purchase Prices (Rs/MT)
VHL Hubli	10700
VHL Sholapur	10700
Godrej Hubli	11000
Godrej Chitradurga	11200
CP Banglore	11600
Riddhi Siddhi Bio ,Gokak	10700

The domestic buying by Poultry and other industries was weak. Corn buyers were waiting for some good quality corn and also were waiting for some price decline due to increasing arrivals of corn in various markets. Meanwhile, Rake business has been reported from centers like Koppal, Rannebennur Davengere and Chindwara source centers. The prices for Chennai jumped up to Rs.12000 - 12100 PMT FOR where as they were steady for Kakinada at Rs.11800 - 900 PMT FOR by trucks. Business by rake reported from centres like Koppal where 3 rakes were loaded and 1 rake from Rannebennur for Kakinada at Rs.11600 - 700 PMT FOR. One rake loaded from Chindwara in MP. Rake business is likely to increase in the coming month due to expected increase in exports.

**Market Dynamics:**

**Nizamabad market has witnessed increase in maize crop arrivals as high as 5000 bags 8<sup>th</sup> November** as compared to the same of 3000 bags as on 12<sup>th</sup> October. Moisture content of 14-15% which is reportedly restricting the export deals that are being enquired for.

Demand from Poultry as well as Starch Industries remains good as reported. However, big buyers are waiting for better quality of maize. Buyers are waiting for less moisture content maize at a better rate. Meanwhile, the arrivals of maize to Poultry and Starch industries are also less which can be fulfilled by Wheat or Bajra (depend on the availability).

Prices have decreased in Naugachia market (Bihar) during the month owing to the poor quality of the corn. Sluggish trade of maize has been witnessed in Naugachia market. Also, traders are holding the old stock of maize which will be used for feed purpose. Meanwhile, fresh sowing is going on and fresh arrivals are likely to arrive only after April or May.

**In Davengere market,** prices have declined due to increase in supply of maize., wet conditions due to continuous rains in the mid of October which has been offset by increased maize arrivals in the market. Also, lesser interest from buyers for wet cargo drags the prices of maize in Davengere down during the month.

**Exports:**

It is reported that the South East Asian buyer have covered close to 0.5 Million MT from corn for shipments between November to January 2012. Out of this 150000 MT committed in containers and 350000 MT in break bulk.

Prices in containers for Malaysian port like Port Klang has been reported for USD 256-260 CFR. Prices have increased by USD 10 PMT compared to previous week owing to high corn demand.

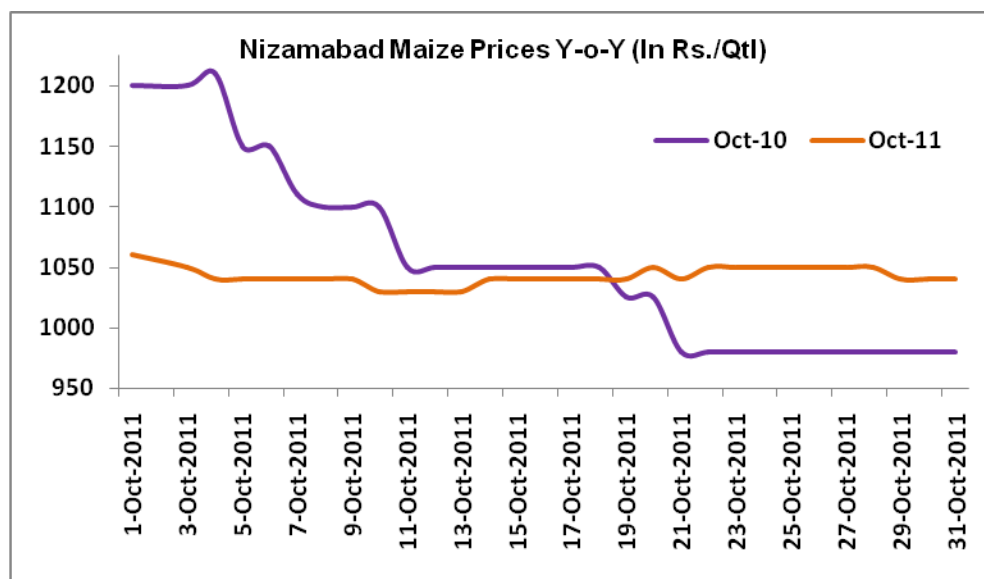
In break bulk market business reported for Vietnam at USD 270 CFR Ho Chi Min city bought by Bunge.

It is reported that Thailand market is affected by floods and Indian corn will continue to remain in demand due to the low prices offered by India as well as the lower transit time from India to South East Asia.

In Indonesian markets, shippers are offering prices between USD 275-280 PMT CFR at Indonesian ports. However, some defaults have been reported in Indonesia as previous businesses was done at USD 300-315 from where prices have tumbled by almost USD 20 PMT.

Meanwhile, maize exports from new maize crop are moving forward from Koppal market through Kakinada port at FOR 11400-11500/MT. It is reported that from Koppal market alone, 5 rakes of maize have moved to Kakinada port from January 2011. Buyers are Suraj impex from Indore and from Mumbai. Moisture content is around 13-14% which can be considered good for exports.

### **Maize Price Trend in Nizamabad, Andhra Pradesh (YOY Comparison)**



### **Maize: Trade Channel**

Sourcing Market	Davangere	Davangere
Consumption Center	Nammakal	Udamalpet
<b>Loose prices @ source (Rs/Qtl) (A)</b>	1080.0	1080.0
Pucca Aadatiya Commission %	21.6	21.6
Market Fee % (as applicable for different' mandi)1% on cultivators rate	16.2	16.2
Other Mandi Expenses (Gunny bag & Hamali)	38.0	38.0

Toal Expenses (borne by buyers) (B)	75.8	75.8
<b>Ex-mandi Prices (A+B) ©</b>	<b>1155.8</b>	<b>1155.8</b>
Freight up to consumption center & unloading charges (D)	150.0	150.0
<b>Delivered prices at consumption center (C+D)</b>	<b>1305.8</b>	<b>1305.8</b>
<b>(2) Trade Channel for Exports (Producing center to key Ports)</b>		
Sourcing Market	<b>Nizamabad</b>	<b>Davangere</b>
Port	<b>Kakinada</b>	<b>Chennai</b>
<b>Loose Prices @ source (i)</b>	1020.0	1080.0
Pucca Aadatiya Commission %	10.2	21.6
Market Fee % (as applicable for different' mandi)1% on cultivators rate	10.2	16.2
Other Mandi Expenses (Gunny bag & Hamali)	33.0	38.0
Toal Expenses (borne by buyers) (ii)	53.4	75.8
<b>Ex-mandi Prices (i+ii) (iii)</b>	<b>1073.4</b>	<b>1155.8</b>
Freight (Truck) up to port (iv)	90.0	120.0
<b>Port Delivery Prices (iii+iv) (v)</b>	<b>1163.4</b>	<b>1275.8</b>
Loading/forwarding/clearing charges at port (vi)	92.0	92.0
<b>Total prices upto Ship loading point (FAS) (v+vi)</b>	<b>1255.4</b>	<b>1367.8</b>
<b>FAS in US Dollar/MT</b>	<b>251</b>	<b>274</b>

**Maize Rabi Sowing Progress (As on 21<sup>st</sup> November 2011)**

	2010	2011	% Change	Targeted Area	% Coverage of Area till date
<b>Bihar</b>	15000	23000	<b>53.3%</b>	350000	6.6
<b>UP</b>	16000	16000	<b>0.0%</b>	50000	32.0
<b>Maharashtra</b>	61000	72000	<b>18.0%</b>	120000	60.0

(Source: State Agricultural Dep't.)

**Price Outlook:**

**Maize Price are likely to range bound keeping in view higher arrivals of maize in the coming month and increasing domestic as well as export demand. Prices are likely to remain steady to firm in the coming month.**

## Future Price Forecast:

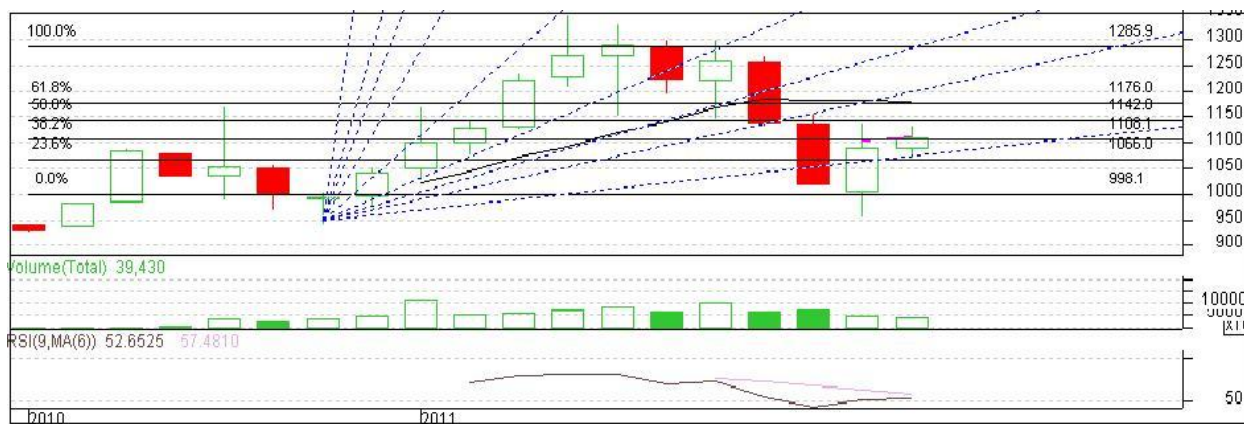
### Maize: Davangere (Bilty Price)



- Maize prices have declined during the month ended October 2011.
- After testing trend line support level, prices are trying to rebound as chart depicts.
- Prices are likely to hover between 38.2% and 50% retracement level, if breach the mentioned level either side will give the prices a new direction.

**Strategy:** Buy from present level. However prices might take resistance at Rs 1100.

### Futures Market Analysis: NCDEX Maize



- Prices are moving upwards but still moving in a downtrend as chart depicts.

- Prices have not sustained at lower level in previous month and hovering above lower Gann Fann line.
- Increase in prices with decrease in open interest and volume indicates buyers are booking their profits from higher levels.
- 1072-1122 is the broad trading range for the price. Drift in either direction will take it further in the respective same.
- Positioning of RSI in the weekly chart back neutral conditions.
- **Strategy:** Last two candle stick pattern indicates that prices couldn't sustain at higher levels. Selling from higher levels would be advisable.

### International Market Scenario:

#### World Estimates:

(Figures in Million Tonnes)

	2010-11	2011-12 (Forecast)			
		Sep-11	Oct-11	% Change MOM	%Change YOY
<b>Production</b>	826	845	855	1.2%	3.5%
<b>Trade</b>	93	92	93	1.1%	0.0%
<b>Consumption</b>	843	853	863	1.2%	2.4%
<b>Carryover stocks</b>	131	119	123	3.4%	-6.1%
<b>YOY% Change</b>	-17		-8		

(Source: International Grains Council)

World maize production prospects improved by 10 million tonnes compared to previous month owing to all time higher production figures in countries like China and EU. Meanwhile, Demand for feed in developing countries has improved. Carry over stocks have declined Y-o-Y which is also a five year low. However, carry over stocks has been increased by 3.4% M-o-M due to upward revisions to official US stocks.

With increasing maize stocks and increasing annual global maize consumption rate, prices are likely to move range bound with some weakness.



**CBOT Maize Chart: Front Month**


Maize prices are showing weakness in the prices as chart depicts. Prices are continuously trying to test \$597 which also lying over 50% retracement level, if breach then prices will go down to 38.2% retracement level. Prices are likely to move in a range between \$550 to \$600 with weak tone in the coming month.

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