

Futures Market Prices (NCDEX)	Maize		Physical Market Prices	Maize	
	23.07.2012	21.07.2012		23.07.2012	21.07.2012
Aug-12	1569	1626	Delhi	1450	1450
Sept-12	1594	1652	Nizamabad	1377	-
Oct-12	1575	1626	Davangere	-	-
-			Naugachia	1200	1175

Arrivals (in Bags)	Maize		FOB Prices	(Prices in USD/MT)	
Markets	23.07.2012	21.07.2012	Sourcing Country	23.07.2012	21.07.2012
Delhi	2909	1818	US	355.31	355.31
Nizamabad	-	-	Argentina	294.3	294.3
Davangere	-	-	India (Davangere origin)	310	310
Naugachia	3333	2500	Brazil	280.2	280.2

\*1 bag = 60Kg in Davangere; \* 1bag = 100 kg in Nizamabad; 1 bag = 55kg in Delhi. Price unit in Rs/Qtl.

### Executive Summary:

- Steady to firm tone witnessed in the key spot markets on Monday amid good demand.
- Arrivals reached higher than previous day in Naugachia market which weighed on the market.
- Agriculture ministry increased food grains production estimate for 2011-12 to 257.44 million tons which is up from the food grains production estimated by government in the third advance estimate which was stood at 52.56 million tons.
- On the other hand, Poultry industries from Southern region feel the heat of rising corn prices and trying to shift towards wheat as a feed ingredient.
- As far as sowing of maize is concerned, it is way behind last year sowing figures owing to lack of rainfall. Farmers have planted maize in 21.76 lac hectares till 13th July 2012 lower than last year ~31.38 lac hectares maize sowed at same period.
- Indian C&F Maize prices (~\$341) improved marginally by \$1 per ton during the week compared to the prior week as maize prices got support due to good poultry and starch industries.
- Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$404) and though getting stiff competition from Argentina (~\$345.08) and Brazil C&F (~\$331).
- Farmers have planted maize in 3.09 lac hectares in AP till 18th July 2012 that is lower than last year 3.35 lac hectares maize sowed at same period.
- Around 10% maize stocks still left with farmers and traders in Bihar till date as reported. However, late sown corn crop is still due to arrive in the market till August.

### Domestic and Export Trade

- Traders and farmers are holding maize stocks at present in anticipation of higher prices. Bihar maize is presently moving towards Nepal, Kolkata and Kakinada for exports as reported.

### International Market Commentary:

- Corn CBOT trading was closed on Saturday.
- According to Sarfa, Corn output is expected to come down to 68 million tonnes in Brazil after covering planting area 13.2 million hectares down by 11% from 2011/12 planting as farmers may shift corn area towards soybean.
- USDA downgrades corn crop condition to 31 percent good to excellent down from 40 percent a week ago due to lack of rainfall and dry weather affecting the new planted corn. Majorly, corn crop condition affected in states like Missouri, Indiana and Illinois.

### Outlook and Recommendation:

**Prices declined in future markets on profit booking as on date however prices are surging in Spot markets owing to good demand from poultry and starch industries supported by firm international sentiments. However, it is advisable for PEC to hold the stock as prices should surge till Rs 1660 in southern markets as expected.**

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