

Maize Domestic Market Fundamentals:

- Maize prices improved in key spot markets on Tuesday due to improved demand of maize from Poultry firms.
- Farmers in Karnataka sowed maize in 8.75 lac hectares till 16th August 2012 which is 16% lower compared to last year maize sowed by farmers in their respective fields in Karnataka. Sowing has delayed in Karnataka owing to lower rainfall as reported.
- On Export front, India already exported around 3.79 million tons of maize in 2011-12 and still 63797 tons of maize is either exported or waiting at ports to load. Increasing export as well as domestic demand of maize and lower maize stock availability in domestic markets could drive the prices upwards in the coming days.
- Daily around 50 trucks of maize is moving towards Bangalore from Davengere. Maize also moved towards Sangli from Davengere as reported.
- Total acreage of maize in India as on Aug 16, stood at 6.94 million hectares, down marginally year on year. It is notable that sowing of maize is almost over and various trade houses are trying to figure out the yield of maize which will become crucial factor for analyzing the production of maize for the coming kharif season. However, as per Agriwatch initial survey, Yield is likely to decline in AP, Karnataka due to late sowing and lack of rainfall.
- Feed millers and traders have only 1 month of stock left with them in Karnataka as reported.

International Market Scenario:

- Corn prices improved by \$16.75 per tons yesterday and settled at \$320.88 for Sept contract in CBOT markets.
- USDA showed 23% of the corn crop is in good to excellent conditions which is same compared to last week. As far as harvesting of US corn is concerned, around 4% corn has been harvested already which is pretty higher compared to last year ~1%.
- USDA forecast biggest corn harvest in history for the coming season two months ago i.e. 376 million tons. However, after now after US registered worst drought in US since 1930 slashed all hopes of record production of corn and bound USDA to slashed its US corn production estimate to 274 million tons. Analysts now predicting corn prices would test 8.90 cents/bushels level.
- Indian wheat may replace US corn as prices of wheat in India is cheapest compared to other major wheat producing countries. In addition to it, lower US corn production scenario urge feed buyers from various consuming nations to shift towards wheat from corn due to lower prices.

Outlook: Maize prices seems bullish in medium to long term considering firm demand and lower maize stocks. In addition to it, delayed sowing and kharif maize harvesting future prospects likely to take the prices to new high.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		21.8.2012	20.8.2012	Change	21.8.2012	20.8.2012	
Delhi	Hybrid	1280	1325	-45	1364	1364	Unch
Nizamabad	Bilty	-	-	-	-	-	-
Davangere	Bilty	1460	1450	+10	667	1167	-500
Naugachia	Bilty	-	-	-	-	-	-
Kolkata	Mill	-	-	-	-	-	-
Ahmedabad	Feed	1490	1470	+20	10000	10000	Unch
	Starch	1470	1470	Unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Sept-12	Oct-12	Nov-12
Sept-12	32	1497	1524	1487	1519	Spot			
Oct-12	11	1511	1529	1499	1511	Sept-12			
Nov-12	-9	1460	1468	1440	1443	Oct-12			

Contract	Volume	Change	OI	Change	Stocks	Demat	In-Process	Total	FED
Sept-12	40260	27610	39610	-4480		18-8-12	18-8-12	18-8-12	13-8-12
Oct-12	20820	14620	28570	3440	Davangere	1091	0	1091	1091
Nov-12	8900	3110	63970	-870	Nizamabad	2352	201	2553	2358
					Delhi	25073	1510	26583	20939

CBOT Corn Daily Futures Price Listing (USD/MT) as on 18th Aug 2012

Contract Month	Open	High	Low	Close	Change
Sep-12	314.49	321.77	314.39	320.88	16.75
Dec-12	317.73	324.72	317.73	324.23	6.49
Mar-13	317.83	324.72	317.83	324.33	16.25
May-13	315.67	321.87	315.67	321.37	6.30
Jul-13	310.26	316.45	310.06	315.96	5.90

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