

**EXECUTIVE SUMMARY:**

Mixed sentiments witnessed in most of the major spot markets of maize during last month.

In Ahmadabad region of Gujarat, poultry and starch feed makers demand reported almost steady as compared to last month, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1500-1625 per quintal while starch feed makers demand reported in a range of Rs. 1390-1600 per quintal during the period of 8 July '13- 7 Aug '13.

As per 4th advance estimate released by ministry of Agriculture on 22nd July, 2013, maize production is estimated at 22.23 million tons for 2012-13.

**INDIA MAIZE BALANCE SHEET**

				2012-13 Quarterly BS			
	2010-11	2011-12	2012-13*E	Oct-Dec'12	Jan-Mar'13 E	Apr-Jun'13 F	July-Sep 13 F
Opening Stocks	0.481	1.131	1.041	1.041	1.691	0.569	0.712
Production	21.73	21.60	19.50	11.20	2.80	4.40	1.10
Farmer's Release	15.21	15.12	10.70	3.210	3.210	2.675	1.605
Govt. Procurement	0.051	0.017	0.010	0.002	0.001	0.003	0.003
Pvt Trade Release	6.468	6.463	7.790	1.169	2.337	2.727	1.558
Seed Retention			1.000	0.800	0.000	0.200	0.000
Imports	0.020	0.010	0.000	0.000	0.000	0.000	0.000
Total Supply	22.74	22.91	20.54	6.222	7.239	6.174	3.878
Export	3.100	4.800	4.013	0.406	1.720	1.337	0.55
Domestic Consumption	18.00	16.90	16.50	4.125	4.950	4.125	3.300
Carry Out	1.131	1.041	0.028	1.691	0.569	0.712	0.028

- *E= AW Estimates, F=AW Forecast*
- *All figures in million tons*
- *The seed has consumed 0.8 MN T IN OCT-DEC'12 AND 0.2 MN T IN APR-JUN'13 Quarter.*

**MAIZE KHARIF SOWING UPDATE:**

Maize sowing has almost completed in all the major growing states of India and this season maize is planted in higher area due to timely rainfall and increase in MSP for kharif crop at Rs. 1310 per quintal.

As per Agriwatch trade sources, in Davengere district of Karnataka, around 10-15% area shifted from cotton while in Shimoga district, around 5-6% area shifted from paddy towards maize. However, in koppal and karimnagar, area is same as compared to last year.

In A.P., area of cotton and turmeric has shifted towards maize. In khammam district of A.P, area shifted from lichi.

In Nashik district of Maharashtra, around 10% area has shifted from cotton to maize. However, in jalna district, maize area is almost same as compared to last year as most of the cotton area shifted towards soybean.

Agriwatch expect better yield for the kharif crop due to favourable weather but actual scenario will be identified in the September month.

As per sowing report by Ministry of agriculture, maize sowing has increased from last year owing to good rainfall in the maize growing regions. Farmers have planted maize in 7.49 million hectares as of 1st August, 2013 against 6.29 million hectares sown in 2012-13.

**State-wise Area Coverage of Maize during Kharif 2013 As of 26th July, 2013**

State	Normal Area	Average Area	Area sown reported			Absolute	% Change
			This Year	% of Nor,	Last Year	Change	
Andhra Pradesh	4.98	3.58	5.29	106.2	3.83	1.46	38.1
Arunachal Pradesh	0.39	0.00	0.39	101.3	0.00	0.39	-
Assam	0.19	0.02	0.19	-	0.10	-	-
Bihar	2.46	2.51	3.94	160.0	2.54	1.40	55.1
Chhattisgarh	1.03	1.24	1.01	97.7	0.82	0.18	22.2
Guajrat	4.13	3.24	3.29	79.7	2.88	0.41	14.4
Haryana	0.11	0.11	0.17	150.4	0.07	0.10	142.9
Himachal Pra.	2.97	2.85	2.97	100.1	2.94	0.03	1.0
J&K	3.10	1.78	2.05	66.1	1.98	0.07	3.3
Jharkhand	1.98	1.53	2.07	104.6	1.66	0.41	24.7
Karnataka	10.81	7.52	9.62	89.0	4.84	4.78	98.8
Madhya Pradesh	8.49	8.19	9.08	106.9	8.01	1.07	13.4
Maharashtra	6.52	5.10	8.66	132.8	5.59	3.07	54.9
Odisha	0.85	1.86	1.82	213.4	1.95	-0.13	-6.5
Punjab	1.40	1.48	1.51	0.2	1.33	0.18	13.5
Rajasthan	10.76	9.83	9.27	86.1	9.43	-0.16	-1.7
Tamil Nadu	1.65	0.17	0.04	2.3	0.16	-0.12	-76.1
Uttar Pradesh	7.56	7.56	7.59	100.4	6.63	0.96	14.5

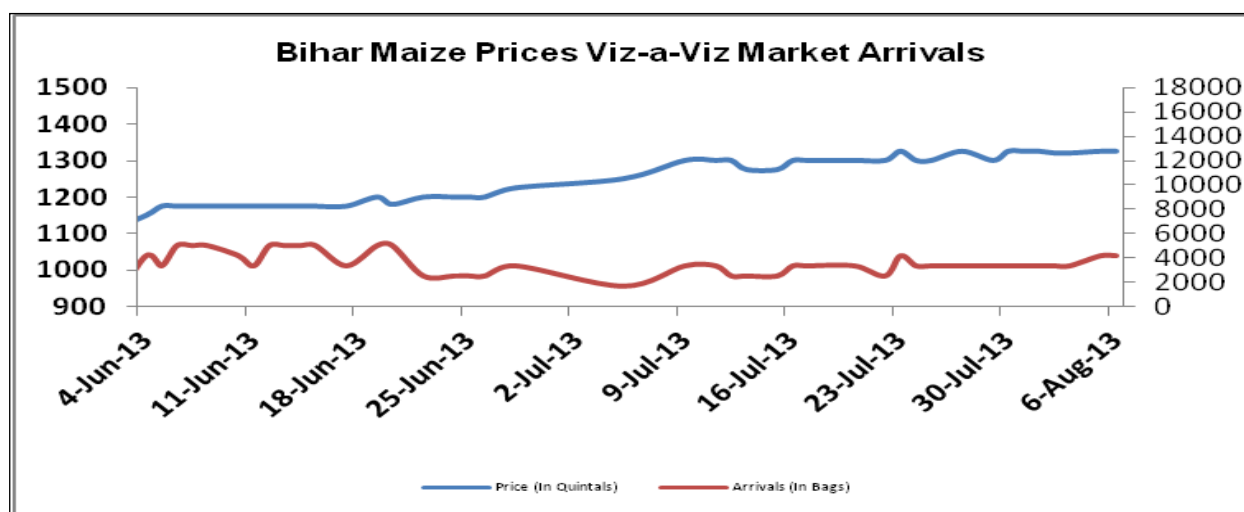
August 05, 2013

Uttaranchal	0.29	0.29	0.36	122.9	0.22	0.14	66.7
West Bengal	0.35	0.47	0.39	112.1	0.38	0.01	2.6
Others	0.22	1.18	1.41	642.0	1.79	-0.39	-21.6
All-India	70.24	60.51	71.11	99.5	57.15	13.96	24.4

## STATE - WISE MARKET DYNAMICS

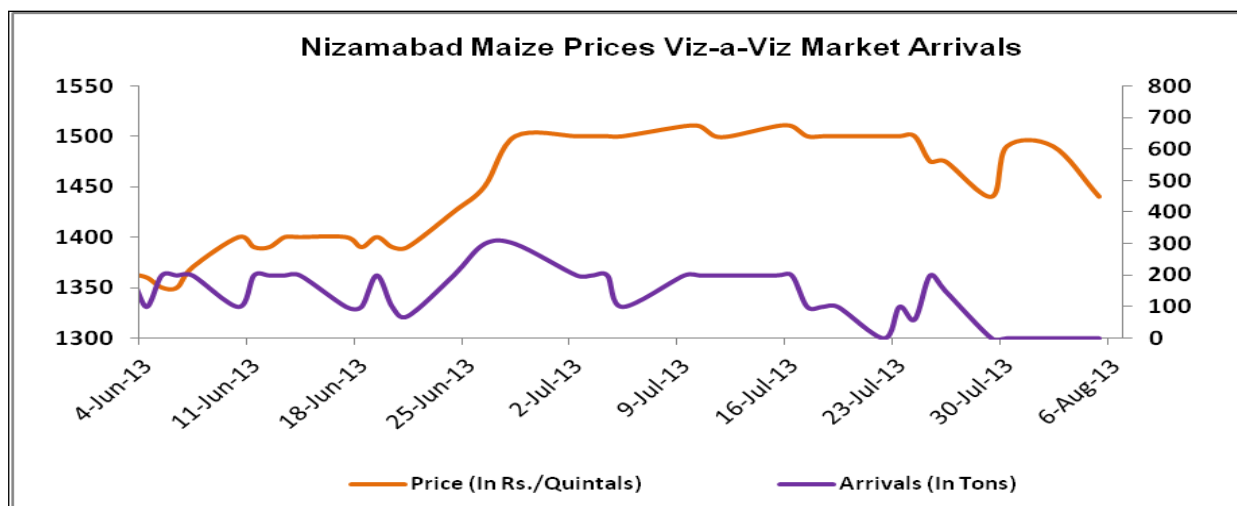
### BIHAR

Lower crop arrivals amid higher domestic demand kept prices firm in the market.. Kolkata feed millers demand reported in a range of Rs. 1500-1550 per quintal while demand from west Bengal reported in a range of Rs. 1450-1500 per quintal. Demand from Khanna market of Punjab reported in a range of Rs. 1300-1325 per quintal while demand from Delhi in a range of Rs. 1350-1410 per quintal and Gujarat at Rs. 1500-1560 per quintal sourced from Bihar.



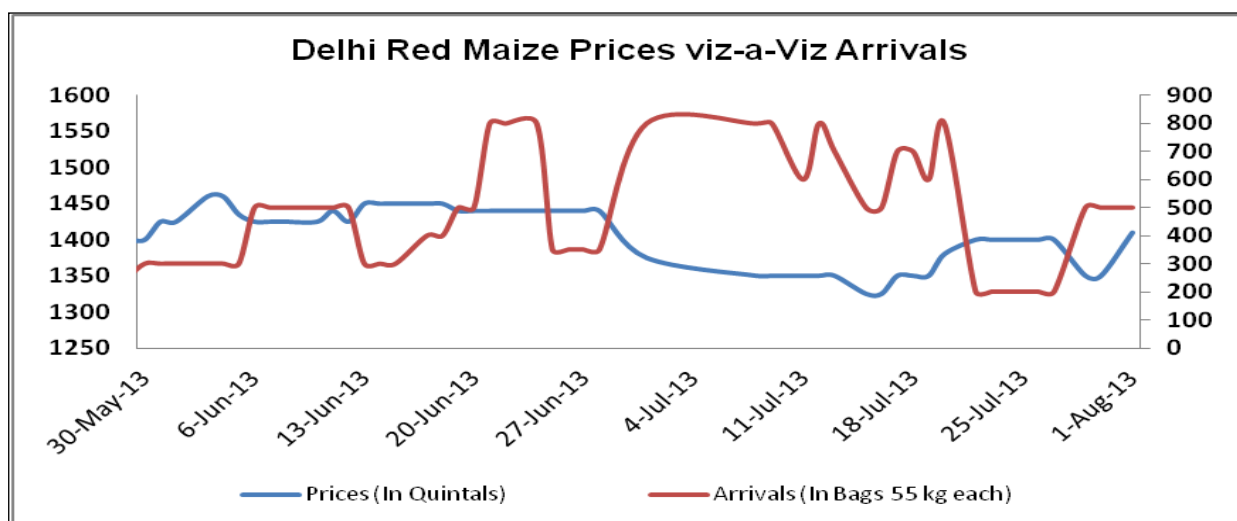
## ANDHRA PRADESH

In Nizamabad region of A.P., around 2.7 lakh bags of maize could be in the hand of stockiest and farmers and in A.P., total maize stock could be around 17 lakh bags which is same from the last year during same period.



## DELHI

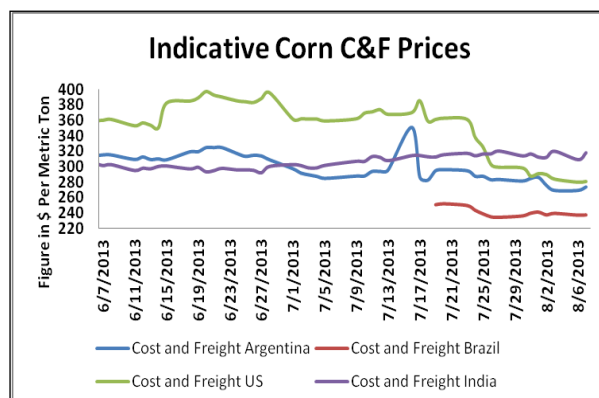
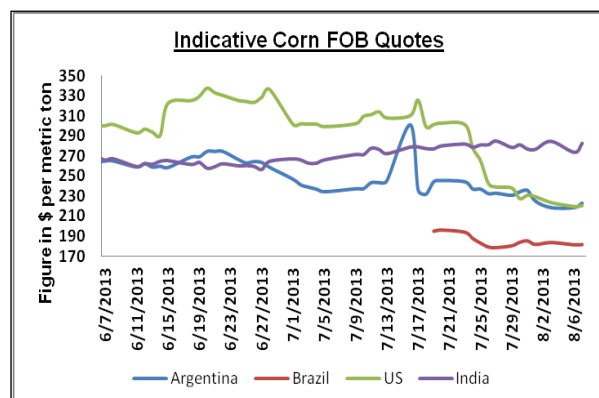
During the month of July, Red maize traded down in range of Rs. 1300-1410 per quintal as compared to last month sourced from Bihar. Due to Higher moisture contained, fungus and discolored quality it is trading lower. Meanwhile, hybrid maize also traded lower in a range of Rs.1370-1450 per quintal sourced from U.P. currently, it is trading in a range of Rs. 1370-1400 per quintal. Sources revealed that lower quality arrivals could weigh on the prices.



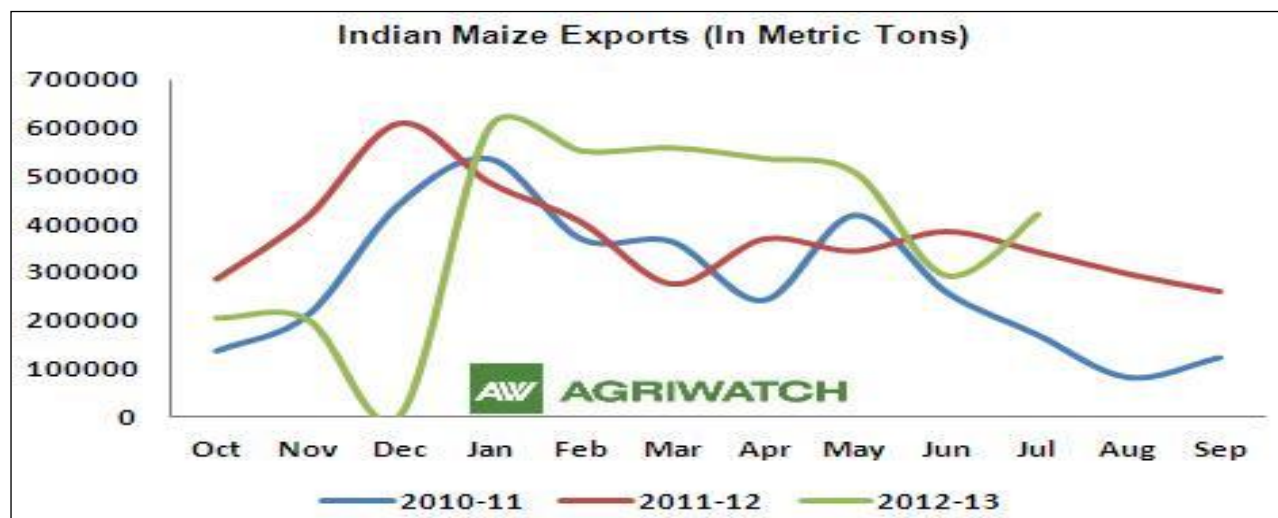
## PRICE OUTLOOK:

*Maize prices are likely to trade steady to weak. Higher acres as well as better yield prospects due to favourable weather conditions in maize growing belts lead to higher production, weighing on market sentiments. Sluggish export demand due to poor quality arrivals also weigh on the market.*

## ON THE EXPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 61.394)				
	Argentina	Brazil	US	India
FOB	223.33	182.00	220.70	283
Cost and Freight (C&F)	273.33	237	280.7	318



August 05, 2013

As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.882 million tons during the October'12- July'13 period. During the month of July, 0.421 million tons corn exports reported to Malaysia, Nepal, Vietnam and Taiwan through Tondiarpet ICD, Raxul LCS, JNPT, Kolkata Sea, Chennai Sea, and Vizag port.

As per Agriwatch trade sources, Kolkata feed millers demand reported in a range of Rs.1500-1550 per quintal, sourced from Bihar. Maize is also moving towards West Bengal in a range of Rs. 1450-1500 per quintal. Around 450 rake business has been done during this season from the Bihar. Maize also moved towards Bangladesh at FOB \$260/ton.

Month-wise Average prices of Maize at various markets					
Market	2013-July	2013-June	2012-July	% Change from Pre. Month	% Change from Pre. Year
Delhi (U.P. Origin)	1400	1430	1380	-2.10	1.45
Naugachia	1325	1225	1200	8.16	10.42
Davangere	1340	-	1460	-	-8.22
Shimoga	1340	1370	-	-2.19	-
Bagalkot	1500	-	-	-	-
Gadag	1423	1366	-	4.17	-
Nizamabad	1490	1500	-	-0.67	-
Karimnagar	1318	1481	-	-11.01	-
khanna	1450	1500	1350	-3.33	7.41
Ludhiana	1400	1500	1280	-6.67	9.38
Sangli	1567	1632	1390	-3.98	12.73
Gulabgh	1333	1313	-	1.52	-

August 05, 2013

**FUTURES MARKET ANALYSIS: NCDEX MAIZE (SEPTEMBER WEEKLY FUTURE CHART)**


- Candlestick chart pattern reveals range bound movement in the market.
- RSI is moving up in neutral zone support to bullishness.
- However, prices closed below 9 and 18 days EMAs indicates to bearishness in the market.
- Strategy: Sell at rally and target would be 1235 for the near term.

**MAIZE NCDEX (SEPTEMBER MONTHLY) (IN Rs/QTL)**

Support & Resistance				
S2	S1	PCP	R1	R2
1172	1210	1288	1315	1359

### INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 16,297,488 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. However, corn exports were up by 37% to 328,100 metric tons from the last week and 4% from the prior 4-week average. Out of total weekly exports of 328,100 for the period of July 19- 25, 2013 reported by U.S. to Japan (127,000 MT), Mexico (118,800 MT), Venezuela (62,800 MT), and El Salvador (7,000 MT).



As per the latest IGC report, the 2013-14 world corn production is forecasted at 942 million tons, down by 4 million ton from the July forecast but still higher by 10% from the last year as record crops are expected in the US, China, and Ukraine. As consumption is seen rising by 5% y/y, world stocks will be rebuilt in 2013/14, with inventories in the four main exporters forecast at a nine-year high. Global trade is forecast at a six-year high, with China a much larger buyer, but is unlikely to match the 2007/08 record as good crop prospects in some countries will cap overall import needs.

IGC Global Corn Estimate					
	2012-13 E	2013-14(forecast)			
		1st July	1st Aug	% change MOM	% change YOY
Production	859	946	942	-0.42%	9.66%
Trade	96	97	98	1.03%	2.08%
Consumption	869	916	915	-0.11%	5.29%
Carryover Stock	120	149	148	-0.67%	23.33%
YOY change	-10		27		

- Figures in million tons

**INTERNATIONAL CORN HIGHLIGHTS**

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- Informa has lowered its 2013 corn yield estimates for the US to 158.6 bushels per acre, from 160 bushels per acre previously estimated and also lowered its forecast for the US corn crop this year by 119 m bushels to 14.14 bn bushels, above the U.S. Department of Agriculture's current outlook of 13.950 billion bushels.
- As per Reuter news, Vietnam grain importers bought 1,50,000 tons corn at around \$255-\$260 a ton on C&F basis for the December shipment.
- As per Reuter news, Asia buyers are looking to buy corn from Ukraine which is being offered around \$245 a ton, C&F, compared with South American corn being sold at \$250 a ton for November-December shipment but no deals have been signed for Ukraine corn.
- As per Reuter news, Singapore traders told that Asian corn buyers, including Indonesia and Vietnam, are largely covered for supplies until November but Malaysia is likely to be in the market for around 120,000 tons for October arrival. Asian buyers have been largely taking South American corn in contracts signed over the past month but some of the business is likely to shift to Ukraine, offering corn at \$240 a ton, C&F, for delivery in the fourth quarter, a discount of \$10 a ton on South American cargoes.
- As per the Indonesian Feed mills Association, Indonesia's corn imports are likely to increase from the previous year to 2.8 million tons in 2013 due to higher demand of animal feed makers amid expectation of lower domestic production by 2.8% to 18.84 million tons this year. Indonesia gets about 60 percent of its imports of the grain from Argentina and the United States, with India an alternative supplier.
- As per Reuter news, the agriculture ministry of Argentina raised its outlook for 2012/13 corn production to 32.1 million tons from the previous forecast of 26.1 million tons, increasing its planting area estimate by 22 percent from the June report. As per report, 92 percent of the corn crop had been harvested as of July 11, 2013 though wet weather has impeded threshing.
- As per Reuter news, Lanworth lowered its world corn production outlook on Wednesday for the 2013/14 crop year at 13.650 billion bushels, from its prior view of 13.900 billion due to "unexpectedly warm and dry weather" in key growing areas of the United States during the past two weeks.
- As per Reuter news, government crop supply agency Conab slightly raised its forecast for the country's record 2012/2013 corn to 79.1 million tons from its June forecast at 78.5-million-tons.

As per Reuter news, below mentioned deals prevailed during the one month period:-

- As per European trader, South Korea's largest animal feed maker Nonghyup Feed Inc. has made an initial purchase of 50,000 tons of corn from the Black Sea region at \$233.44 a ton c&f from CHS for arrival by Jan. 15, 2014. The tender was for up to 140,000 tons of corn.
- As per Reuter news, European traders told that South Korea's Major Feedmill Group has purchased 60,000 tons of corn at \$235.95 a ton c&f plus \$1.50 a ton surcharge for unloading at a second port for the arrival in Jan 2014. Seller was Vitol.
- As per European traders, Taiwan Sugar Corp. has purchased 23,000 tons of U.S. origin corn at the flat price of \$318.58 a ton c&f free out (CFFO) Kaohsiung from ADM for the shipment between Aug. 17-31 from the U.S. Gulf or between Sept. 1-15 from the U.S. Pacific North West coast,
- As per Reuter news, European Traders told that South Korea's Feed Leaders Committee purchased 120,000 tons of feed corn. Out of which 60,000 tons was bought from Agrifert at \$235.86 a ton c&f for Dec. 25 arrival and 60,000 tons from Mitsui at \$237.40 a ton c&f for Jan. 25, 2014. There is an extra charge of \$1.50 a ton unloading at an additional port. Meanwhile, Korea

August 05, 2013

Feed Association bought 69,000 tons of corn from Cargill at \$242.70 a ton c&f for arrival by Jan. 25, 2014.

- As per Reuter news, The Department of Agriculture said on Wednesday that exporters sold 106,400 tons of U.S. corn to Mexico. Out of 106,400 tons, 11,000 tons for the 2012/13 marketing year and 95,400 tons for the 2013/14 marketing year, this starts on Sept. 1.
- As per Reuter news, European traders told that the Korea Corn Processing Industry Association has purchased 55,000 tons of corn, likely to be sourced from the Black Sea region at \$253.15 a ton c&f including surcharges for unloading at a second port for November arrival, and the seller was said to be Concordia.
- As per Reuter news, European traders told that the Korea Feed Association has purchased 60,000 tons of corn to be sourced from the Black Sea region at \$241.50 a ton c&f plus a \$1.50 a ton surcharge for unloading at an extra port. Seller was Marubeni. The tender had sought corn from the United States, east Europe, South America and South Africa for December arrival.
- As per Reuter news, China's Sinograin bought more than 1 million tonnes of U.S. new-crop corn for shipment after September in the 2013/14 year as U.S. new-crop corn is cheap and it can be substituted with domestic wheat in animal feed production.
- As per Reuter news, European traders told that Taiwan's MFIG purchasing group has bought 60,000 tons of corn to be sourced from Brazil for the shipment between Sept. 21-Oct. 5 and seller was said to be Mitsui. MFIG purchased 8,000 tons at the outright price of \$265.10 a ton c&f and the other 52,000 tons at a premium of 149.75 cents a bushel c&f over the Chicago December corn contract.
- As per Reuter news, European traders told that South Korea's Major Feedmill Group purchased 120,000 tons of optional-origin corn through tender, sourced optionally from the United States, South America or east Europe. 60,000 tons was purchased at \$243.83 a ton c&f for arrival by Dec. 15. A further 60,000 tons was purchased at \$241.17 a ton c&f for arrival by Dec. 25. Seller was said to be Toepfer.
- As per Reuter news, European traders told that Taiwan's MFIG purchasing group has purchased 60,000 tons of corn. Out of which 5,000 tons of corn bought at the outright price of \$269.43 a ton c&f and a further 55,000 tons was bought at a premium of 178.40 cents a bushel c&f over the Chicago December corn contract for the shipment between Sep 1 -15. Seller was CJ International and origin was said to be Brazil

## U.S

All Units In '000 MT	2009/20 10	2010/20 11	2011/20 12	2012/20 13	2013/20 14 June	2013- 14July	Y-O-Y Chan ge	M-O- M Chan ge
Beginning Stocks	42,504	43,380	28,644	25,122	19,542	18,526	- 26.26 %	- 5.20%
Production	332,549	316,165	313,949	273,832	355,743	354,346	29.40 %	- 0.39%
TY Imports	237	684	765	3,800	650	750	- 80.26 %	15.38 %
Total Availability	375,290	360,229	343,358	302,754	375,935	373,622	23.41 %	- 0.62%
TY Exports	49,721	45,244	38,430	18,500	33,000	33,000	78.38 %	0.00%

August 05, 2013

Total Consumption	281,590	285,014	279,023	263,790	293,383	292,114	10.74 %	- 0.43%
Total Usage	331,311	330,258	317,453	265,441	326,383	325,114	22.48 %	- 0.39%
Ending Stocks	43,380	28,644	25,122	19,542	49,515	49,769	154.68 %	0.51%
Average Monthly consumption	23465.83	23751.17	23251.92	21982.50	24448.58	24342.83	10.74 %	- 0.43%
Stocks in months to use	1.85	1.21	1.08	0.89	2.03	2.04	129.98 %	0.95%
Stock/Consumption Ratio	0.15	0.10	0.09	0.07	0.17	0.17	129.98 %	0.95%

• Source: USDA

- As per the latest crop progress report released by USDA, Corn has silked by 86% as of 4th August, 2013 which is below 12% from the last year and 3% from the last 5 year average period. 18% corn has dough, below 40% from last year. However, 64% corn crop is in good to excellent condition which is above 41% as compared to last year.

#### OUTLOOK:

Corn prices decreased on CBOT market due to good weather prospects in U.S Midwest.

Maize CBOT Monthly Futures Price Listing (USD/MT)				
	Contract Month	30.07.2013	28.06.2013	Change
Corn CBOT Prices	Jul-13	-	267.35	-
	Sep-13	195.03	215.40	-20.37
	Dec-13	187.94	201.13	-13.19
	Mar-14	192.96	205.36	-12.4
	May-14	196.01	208.31	-12.3

**CBOT MAIZE MONTHLY CHART: DEC 2013 CONTRACT**


- Candlestick chart pattern reveals that prices could trade down in the market.
- Strategy: Markets participants should sell CBOT corn December contract at current level and the target would be 440 U.S cents/bushels.

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