

**EXECUTIVE SUMMARY:**

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

In Ahmadabad region of Gujarat, poultry feed makers demand reported firm by Rs. 125 per quintal as compared to last month, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1500-1750 per quintal while starch feed makers demand reported steady in a range of Rs. 1390-1600 per quintal during the period of 5 Aug '13- 5 Sep '13.

**INDIA MAIZE BALANCE SHEET**

				<b>2012-13 Quarterly BS</b>			
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13*E</b>	<b>Oct-Dec'12</b>	<b>Jan-Mar'13 E</b>	<b>Apr-Jun'13 F</b>	<b>July-Sep 13 F</b>
<b>Opening Stocks</b>	0.481	0.991	1.201	1.201	1.319	0.290	0.538
<b>Production</b>	21.73	21.57	20.00	11.20	2.800	4.800	1.200
<b>Farmer's Release</b>	15.21	15.12	11.00	3.300	3.300	2.750	1.650
<b>Govt. Procurement</b>	0.051	0.017	0.010	0.002	0.001	0.003	0.003
<b>Pvt Trade Release</b>	6.468	6.433	7.990	1.199	2.397	2.797	1.598
<b>Seed Retention</b>			1.000	0.800	0.000	0.200	0.000
<b>Imports</b>	0.020	0.010	0.010	0.000	0.000	0.010	0.000
<b>Total Supply</b>	22.23	22.57	21.21	6.502	7.017	6.050	3.789
<b>Export</b>	3.340	4.470	4.483	1.008	1.717	1.337	0.421
<b>Domestic Consumption</b>	17.90	16.90	16.70	4.175	5.010	4.175	3.340
<b>Carry Out</b>	0.991	1.201	0.028	1.319	0.290	0.538	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 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 8.05 million hectares as of 29th August, 2013 against 7.19 million hectares sown in 2012-13. Agriwatch forecast above 15.5 million tons maize production for the kharif crop of this season.

**State-wise Area Coverage of Maize as of 28th Aug'13**

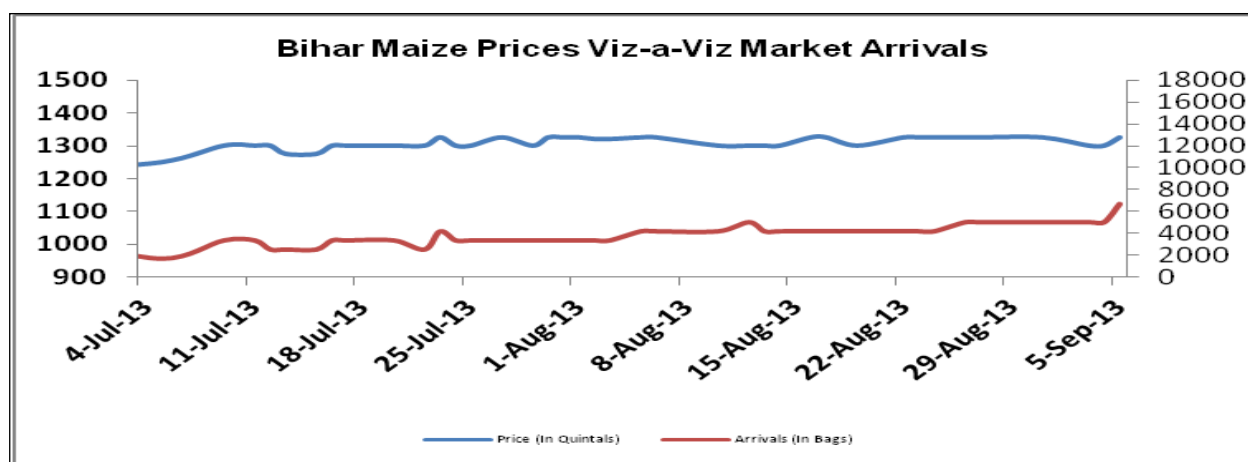
(Area in  
Lakh ha)

S.No.	State	Normal Area (DES)	Normal Area of Corresponding Week	Area Covered (SDA)				Difference in Area coverage (2013) with			
				2013	2012	2011	2010	Normal of Corresponding Week	2012	2011	2010
1	2	3	4	5	6	7	8	9	10	11	12
<b>North West India</b>											
1	Haryana	0.11	0.12	0.26	0.11	0.13	0.13	0.14	0.15	0.13	0.13
2	Himachal Pradesh	2.97	2.88	2.97	2.97	2.95	2.97	0.09	0.01	0.02	0.00
3	Jammu & Kashmir	3.10	1.95	2.07	2.05	2.06	2.03	0.13	0.02	0.01	0.04
4	Punjab	1.40	1.47	1.52	1.35	1.40	1.50	0.05	0.17	0.12	0.02
5	Rajasthan	10.76	10.34	9.67	9.68	10.54	10.88	-0.68	-0.01	-0.87	-1.21
6	Uttar Pradesh	7.56	8.35	8.13	7.83	8.02	9.28	-0.22	0.30	0.11	-1.15
7	Uttarakhand	0.29	0.37	0.42	0.33	0.35	0.53	0.05	0.09	0.07	-0.11
<b>Central India</b>											
1	Chhattisgarh	1.03	1.70	2.23	1.65	1.79	1.71	0.53	0.58	0.44	0.52
2	Gujarat	4.13	4.05	3.42	3.68	3.94	4.25	-0.63	-0.26	-0.52	-0.83
3	Madhya Pradesh	8.49	8.77	10.02	9.04	8.74	8.81	1.25	0.98	1.28	1.21
4	Maharashtra	6.52	6.52	9.53	6.85	6.75	6.86	3.01	2.68	2.78	2.67

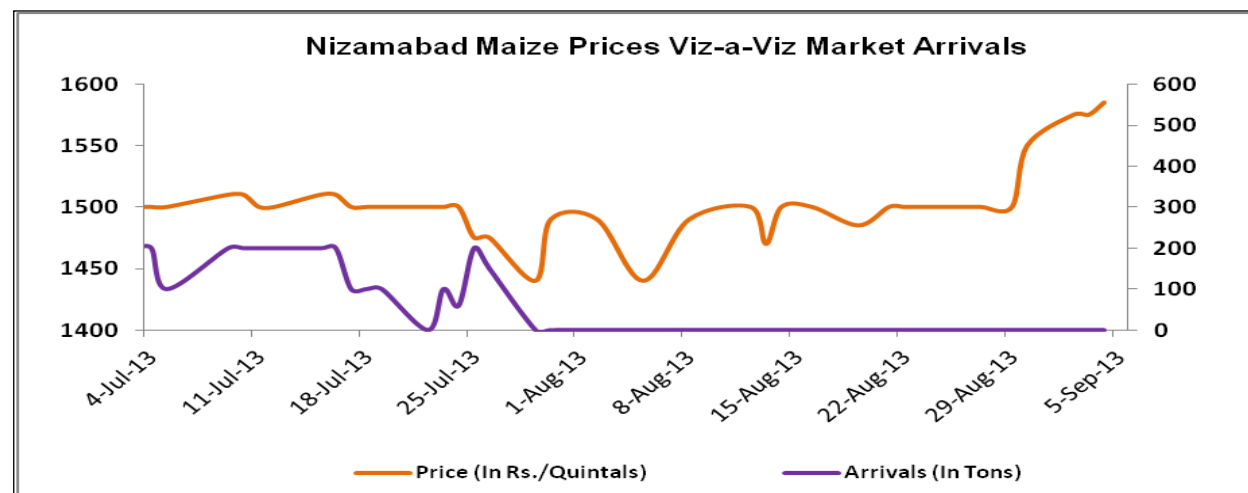
5	Orissa	0.85	2.30	2.56	2.55	2.41	2.35	0.26	0.00	0.15	0.21
<b>Southern Peninsula</b>											
1	Andhra Pradesh	4.98	4.51	6.09	5.14	4.79	4.30	1.58	0.95	1.30	1.79
2	Karnataka	10.81	10.03	12.20	9.85	11.15	10.84	2.17	2.35	1.05	1.36
3	Kerala	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Tamil Nadu	1.65	0.29	0.10	0.24	0.39	0.36	-0.20	-0.15	-0.29	-0.26
<b>East &amp; North East India</b>											
1	Assam	0.19	0.13	0.19	0.10	0.14	0.15	0.06	0.09	0.05	0.04
2	Bihar	2.46	3.12	4.42	3.76	3.09	3.03	1.30	0.66	1.33	1.39
3	Jharkhand	1.98	2.05	2.48	2.48	2.34	1.94	0.43	0.00	0.14	0.54
4	West Bengal	0.35	0.50	0.45	0.43	0.57	0.56	-0.05	0.02	-0.12	-0.11
	<b>Others</b>	1.46	1.36	1.43	1.82	1.15	1.28	0.07	-0.39	0.28	0.14

**STATE - WISE MARKET DYNAMICS**
**BIHAR**

Kolkata feed millers demand reported down by Rs. 50 per quintal in a range of Rs. 1450-1500 per quintal as compared to last month. However, demand from Khanna market of Punjab reported firm by Rs. 50 per quintal, in a range of Rs. 1150-1375 per quintal, as compared to last month. Demand from Delhi also reported firm by Rs. 62 per quintal, in a range of Rs. 1350-1472 per quintal while Gujarat quoted steady in a range of Rs. 1390-1600 per quintal sourced from Bihar.

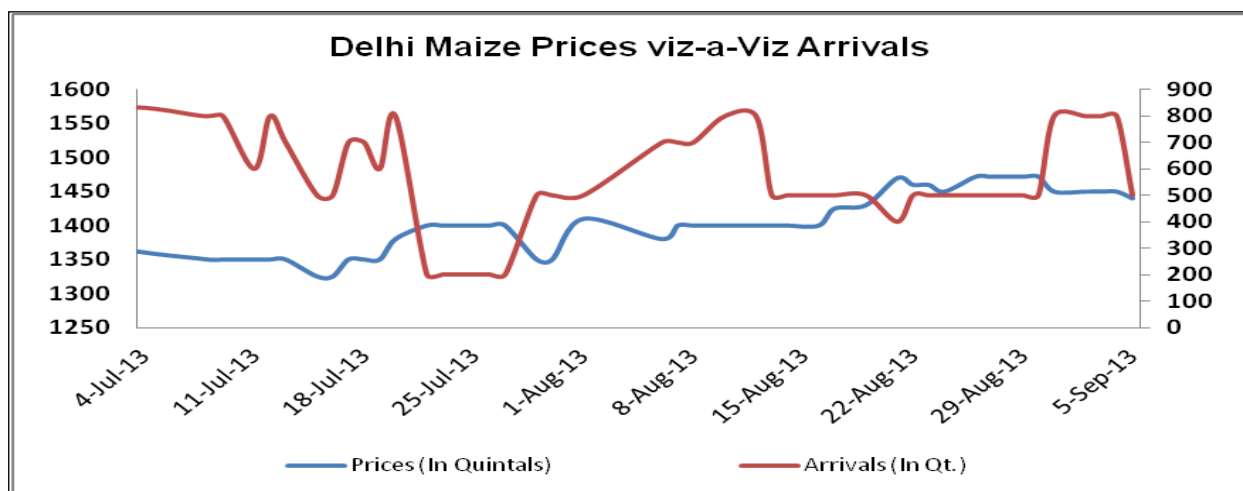

**ANDHRA PRADESH**

As per trade sources, maize stock could be around 50,000 bags in the Nizamabad market. Maize crop conditions are good in the A.P.



## DELHI

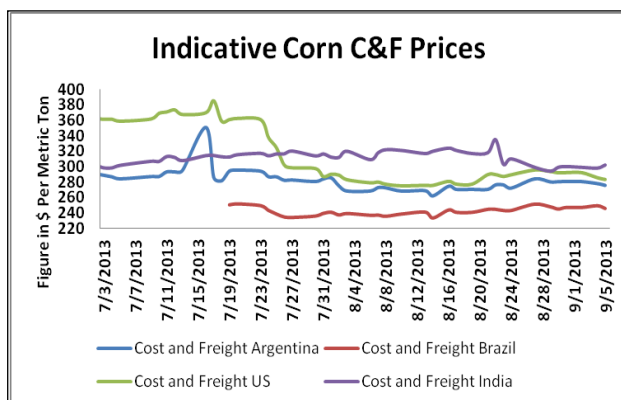
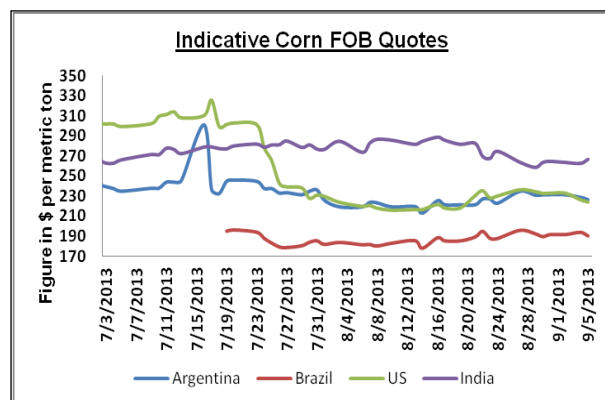
During the month of August, hybrid maize traded higher by Rs. 22 per quintal, in a range of Rs.1350-1472 per quintal sourced from U.P. Sources revealed that maize could trade higher in the coming days due to increase in demand from poultry feed makers.

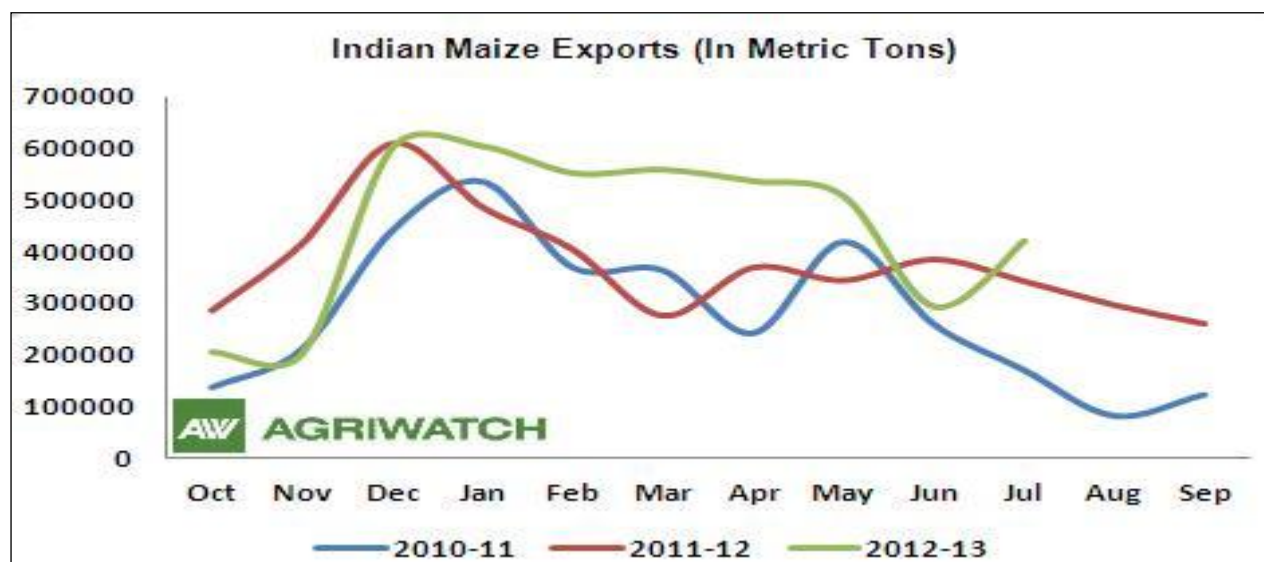


## PRICE OUTLOOK:

**Prices of maize could trade higher till the new crop arrivals in the market as supply is lower in the market. However, weak exports and expectations of higher production are likely to limit the gain.**

## ON THE EXPORT FRONT:





Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.04)				
	Argentina	Brazil	US	India
<b>FOB</b>	226.18	190.55	224.09	267
<b>Cost and Freight (C&amp;F)</b>	276.18	245.55	284.09	302

During the month, as per Agriwatch trade sources, Kolkata feed millers demand reported in a range of Rs.1450-1500 per quintal, sourced from Bihar.

As per IBIS data, During the month of July'13, 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.

Month-wise Average prices of Maize at various markets					
Market	2013-Aug	2013-July	2012-Aug	% Change from Pre. Month	% Change from Pre. Year
Delhi (U.P. Origin)	1450	1400	1400	3.57	Unch
Naugachia	1325	1325	1300	Unch	1.92
Davangere	1498	1340	1492	11.79	-10.18
Shimoga	-	1340	-	-	-
Bagalkot	-	1500	-	-	-
Gadag	-	1423	-	-	-
Nizamabad	-	1490	-	-	-
Karimnagar	-	1318	-	-	-
khanna	1480	1450	1390	2.06	4.31
Ludhiana	1460	1400	1350	4.28	3.70
Sangli	1651	1567	1618	5.36	-3.15
Gulabgh	1440	1333	-	8.02	-

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

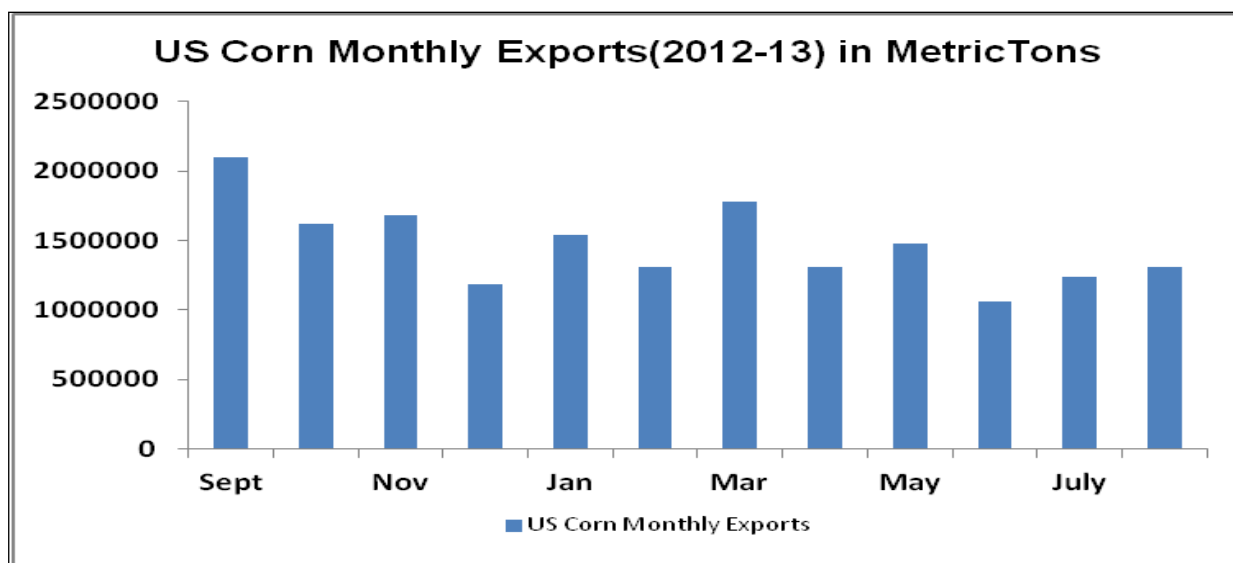

- Candlestick chart pattern reveals gain in the market.
- RSI is moving down in neutral zone support to bearishness.
- However, prices closed above 9 and 18 days EMAs indicates to bullishness in the market.
- Strategy: Sell at around 1330 and target would be 1270 for the near term.

**MAIZE NCDEX (OCTOBER MONTHLY) (IN RS/QTL)**

Support & Resistance				
S2	S1	PCP	R1	R2
1200	1251	1303	1342	1382

### INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 17,608,121 metric tons for the 2012-13 marketing year which is lowered by ~53% from the last marketing year during the same period. Corn exports were up by 90% to 329,300 metric tons from the last week and 1% from the prior 4-week average. Out of total weekly exports of 3,29,300 MT for the period of Aug 16 –22, 2013 reported by U.S. to Japan (181,500 MT), Mexico (99,100 MT), Venezuela (20,000 MT), and Taiwan (9,800 MT).



As per the latest IGC report, the 2013-14 world corn production is forecasted at 945 million tons, up by 3 million ton from the previous forecast and also higher by 9.88% from the last year, led by a rebound in the US, while global demand growth is forecast at 5%, up sharply compared to the 2% recent average. Including a steep recovery in the US, world closing stocks are forecast to increase by 24% y/y; exporter stocks look set to be ample. Against a backdrop of strong underlying demand and lower prices, trade is seen rising to a six-year high.

IGC Global Corn Estimate					
	2012-13 E	2013-14(forecast)			
		1st Aug	30th Aug	% change MOM	% change YOY
Production	860	942	945	0.32%	9.88%
Trade	96	98	100	2.04%	4.17%
Consumption	870	915	917	0.22%	5.40%
Carryover Stock	121	148	150	1.35%	23.97%
YOY change	-10		29		

- Figures in million tons



### INTERNATIONAL CORN HIGHLIGHTS

- As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production fell to 42% in the June'13 from 43.3% during the same month last year as users turned to alternatives such as sorghum.
- As per Reuter news, Japan is likely to buy 2.2 million tons feed corn from the U.S for October- December shipment.

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

- As per Reuter news, South Korea's Korea Feed Association bought 68,000 tons of corn at \$232.86 a ton c&f from ADM for arrival by Feb. 15, 2014 and FLC purchased 68,000 tons of corn at \$232.80 a ton c&f for arrival by Feb. 10, 2014, can be sourced optionally from the United States or South America. Meanwhile, Taiwan Sugar Corp. purchased 29,000 tons of U.S.-origin corn at the flat price of \$277.13 a ton c&f from ADM for the shipment between Sept.22 to Oct. 6 from the U.S. Gulf Coast or between Oct.7-21 from the U.S. Pacific coast.

### U.S

All Units In '000 MT	2009/2 010	2010/2 011	2011/2 012	2012/2 013	2013/2 014 June	2013- 14Jul y	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 %
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	282,290	326,383	325,114	15.17 %	- 0.39 %

September 05, 2013

Ending Stocks	43,380	28,644	25,122	19,542	49,515	49,769	154.6 8%	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	129.9 8%	0.95 %
Stock/Consumption Ratio	0.15	0.10	0.09	0.07	0.17	0.17	129.9 8%	0.95 %

• Source: USDA

- As per the latest crop progress report released by USDA, 84% dough condition reported in corn as of 1st September, 2013, below 13% from the last year and 5% from the last 5 year average period. Also, 42% dent reported in corn, below 42% from the last year and 19% from the last 5 year average period. 4% crop of corn has matured, below 34% from the last year. 56% corn crop is in good to excellent condition, below 3% from last week but above 34% as compared to last year.
- As per Reuter news, Pro Farmer projected record U.S. 2013 corn production at 13.46 billion bushels, based on a yield of 154.1 bushels per acre, below the U.S. Agriculture Department's latest forecast of a 13.763 billion bushel crop with a yield of 154.4 bushels per acre but above the Crop forecaster Lanworth estimates of 13.330 billion bushels, based on an average yield of 151.6 bushels per acre.

#### OUTLOOK:

***Corn prices on CBOT market could decrease on the forecast for rain and cooler temperatures across the U.S. Midwest grain belt. Weather conditions will be the major factor to determine the further market movement.***

Maize CBOT Monthly Futures Price Listing (USD/MT)				
	Contract Month	31.08.2013	30.07.2013	Change
Corn CBOT Prices	Sep-13	194.83	195.03	-20.37
	Dec-13	189.72	187.94	-13.19
	Mar-14	194.64	192.96	-12.4
	May-14	197.78	196.01	-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 rally and the target would be 444 U.S cents/bushels.

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