

**EXECUTIVE SUMMARY:**

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

As per first advance estimate released by ministry of Agriculture on 24th September, 2013, maize production is estimated at 17.78 million tons during kharif for 2013-14. However, Agriwatch maize production is estimated at 16.4 million tons during kharif for 2013-14.

During the month, in the Khanna market of Punjab, the maize was quoted firm by Rs. 20 per quintals in a range of Rs. 1400-1500 per quintal as compared to last month. Around 8 motors reported on daily basis. Sources revealed that maize stock could be around 150-200 motors in the market.

In Ahmadabad region of Gujarat, poultry feed makers demand reported steady for corn in a range of Rs. 1450-1750 per quintal while starch feed makers demand reported down by Rs. 75 per quintal as compared to last month, in a range of Rs. 1440-1525 per quintal, sourced from Bihar and U.P., during the period of 4 Sep '13- 4 Oct '13.

**INDIA MAIZE BALANCE SHEET**

						<b>2013-14 Quarterly B/S</b>	
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13*E</b>	<b>2013-14*F</b>	<b>July-Sep 13 *E</b>	<b>Oct-Dec'13* F</b>	<b>Jan-Mar'14 *F</b>
<b>Opening Stocks</b>	0.48	0.99	1.20	0.15	0.74	0.15	2.01
<b>Production</b>	21.73	21.57	20.00	22.30	1.20	13.12	3.28
<b>Farmer's Release</b>	15.21	15.12	11.78	15.31	1.77	8.04	3.44
<b>Govt. Procurement</b>	0.05	0.02	0.01	0.25	0.00	0.10	0.03
<b>Pvt Trade Release</b>	6.47	6.43	7.99	6.44	1.60	1.59	2.95
<b>Seed Retention</b>			0.22	0.30	0.00	0.25	0.00
<b>Imports</b>	0.02	0.01	0.01	0.01	0.00	0.00	0.00
<b>Total Supply</b>	22.23	22.57	21.21	22.46	4.11	10.13	8.44
<b>Export</b>	3.34	4.47	4.76	4.80	0.70	1.10	1.80
<b>Domestic Consumption</b>	17.90	16.90	16.30	16.70	3.26	7.01	4.68
<b>Carry Out</b>	0.99	1.20	0.15	0.96	0.15	2.01	1.96

- *E= AW Estimates, F=AW Forecast*
- *All figures in million tons*
- *The seed has consumed 0.25 MN T IN OCT-DEC'13 AND 0.05 MN T IN APR-JUN'14 Quarter.*

## MAIZE KHARIF SOWING UPDATE:

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 82.248 lakh hectares as of 2nd October, 2013 against 74.901 lakh hectares sown in 2012-13.

### State-wise Area Coverage of Maize as of 2nd Oct'13

(Area in  
Lakh ha)

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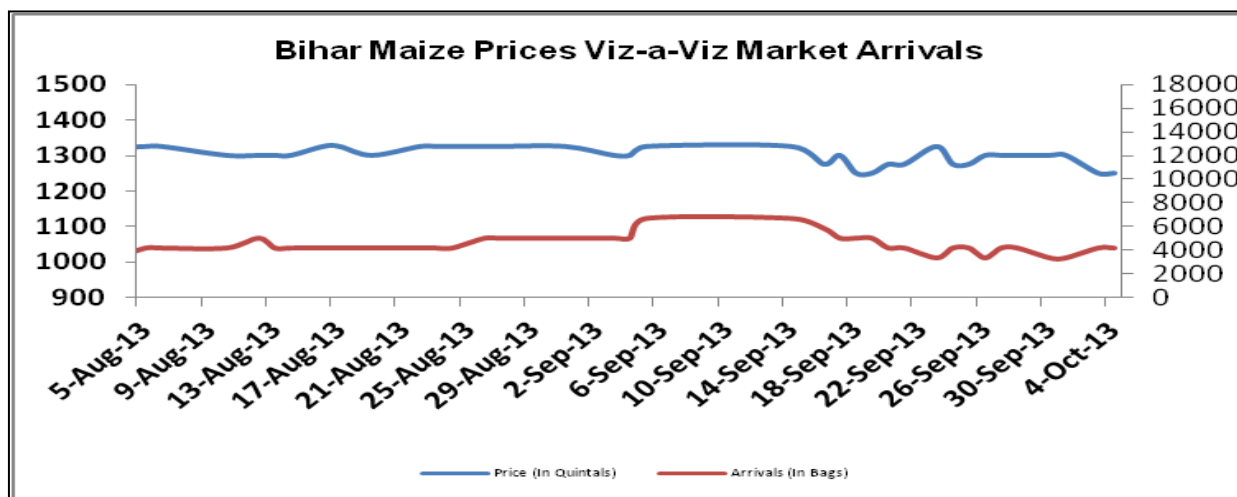
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1	Assam	0.19	0.13	0.19	0.10	0.15	0.14	0.06	0.09	0.04	0.05
2	Bihar	2.46	3.20	4.67	4.02	3.16	3.07	1.47	0.65	1.51	1.60
3	Jharkhand	1.98	2.08	2.56	2.50	2.34	1.97	0.48	0.06	0.22	0.59
4	West Bengal	0.35	0.50	0.45	0.43	0.57	0.56	-0.05	0.02	-0.12	-0.11
	<b>Others</b>	1.46	1.59	1.44	1.82	1.78	1.78	-0.15	-0.38	-0.34	-0.35

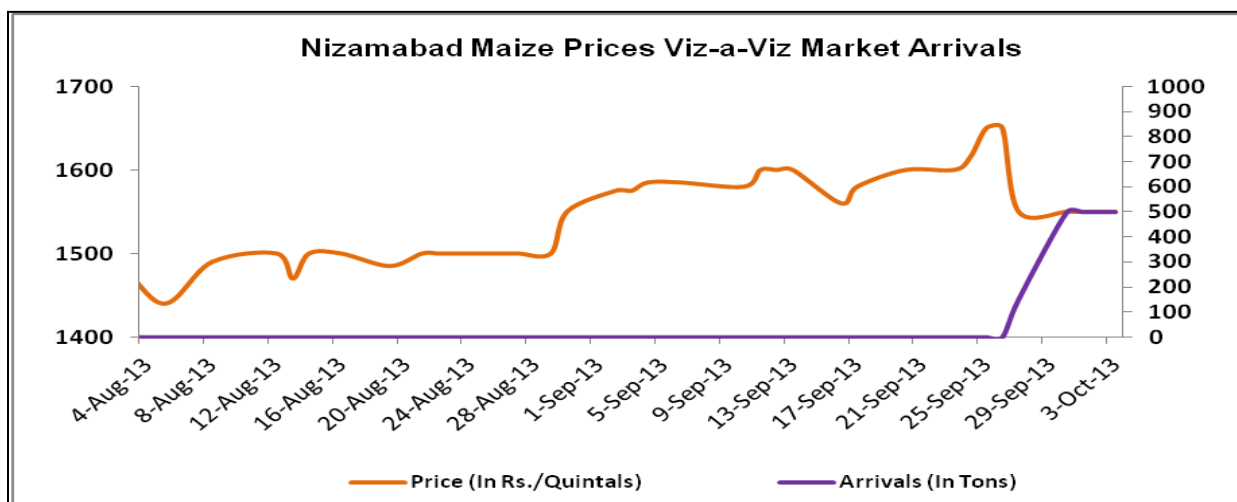
<b>Kharif Production Estimates for 2013-14</b>	
<b>Area Planted (MHA)</b>	8224.8
<b>Area Harvested (MHA)</b>	7343.2
<b>Production (MMT)</b>	16.4
<b>Yield (MT/HA)</b>	2.233

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

Kolkata feed millers demand reported steady in a range of Rs. 1450-1500 per quintal as compared to last month. However, demand from Khanna market of Punjab reported down by Rs. 25 per quintal, in a range of Rs. 1200-1350 per quintal, as compared to last month. Demand from Delhi also reported down by Rs. 22 per quintal, in a range of Rs. 1400-1450 per quintal while Gujarat quoted steady for maize, in a range of Rs. 1440-1750 per quintal sourced from Bihar. As per trade sources, maize stock could be around 40% of produced in the bihar. Starch feed makers are demanding higher quantity of damaged quality. Further, traders are waiting for demand from bangladesh as this is the huge buyer of that quality.

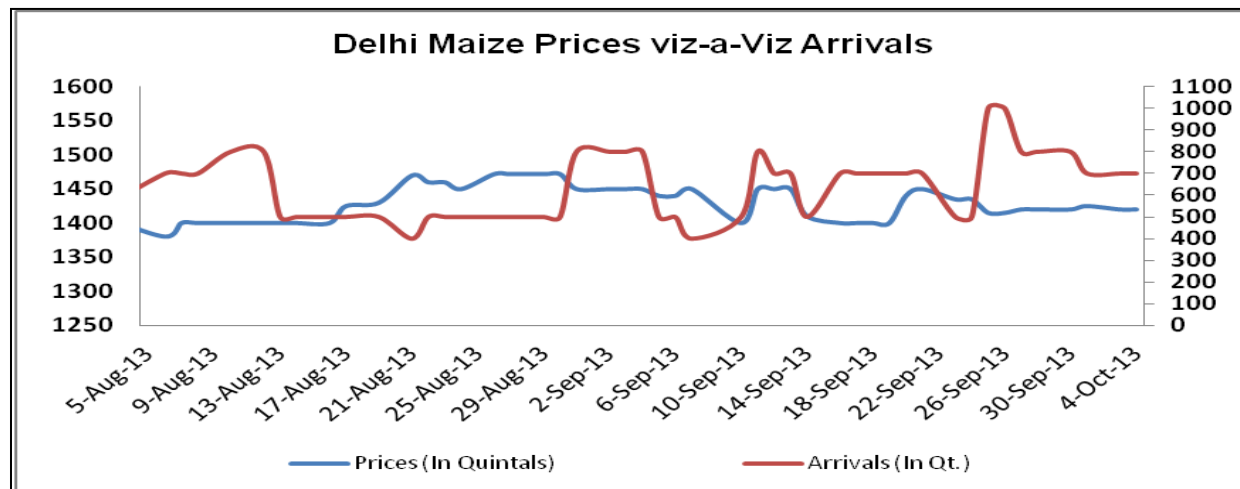

**ANDHRA PRADESH**

As per trade sources, In A.P., new crop arrivals of maize have started in the market which contains 18% moisture.



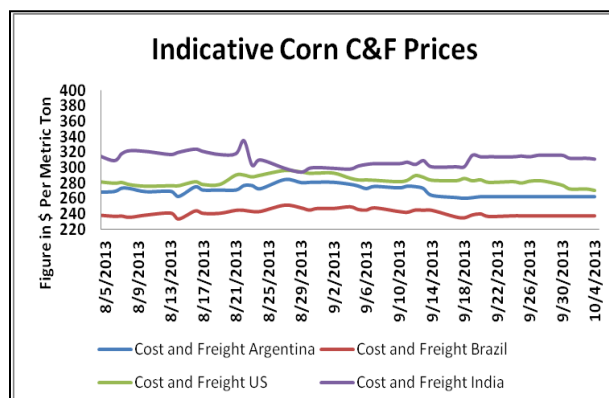
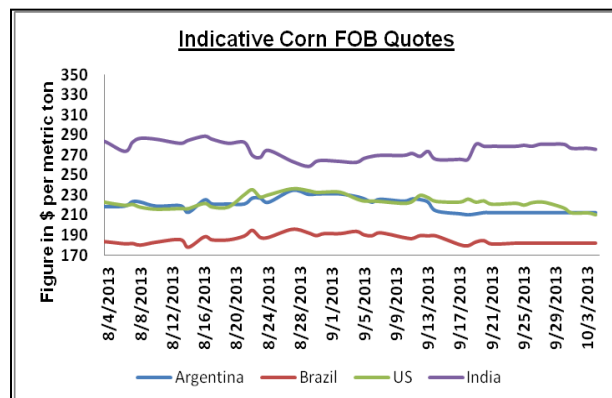
**DELHI**

During the month of September, hybrid maize traded down by Rs. 22 per quintal, in a range of Rs. 1400-1450 per quintal, sourced from U.P. Sources revealed that prices could go down in the near term as supply increase in the market.


**PRICE OUTLOOK:**

***Prices of maize could trade down as new crop arrivals have started in the market. Meanwhile, expectations of higher production also weigh on the market.***

### ON THE EXPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 61.4)				
	Argentina	Brazil	US	India
<b>FOB</b>	212.4	182.35	210.3	276
<b>Cost and Freight (C&amp;F)</b>	262.4	237	270.3	311

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 September'13, 0.062 million tons corn exports reported to Malaysia, Nepal, Singapore, Bahrain and Bangladesh through Tondiarpet ICD, Mundra Sea, Chennai Sea, Raxul LCS, Vizag Sea, Kolkata Sea and JNPT port.

Month-wise Average prices of Maize at various markets					
Market	2013-Sep.	2013-Aug	2012-Sep.	% Change from Pre. Month	% Change from Pre. Year
Delhi (U.P. Origin)	1420	1450	1280	-2.07	10.94
Naugachia	1300	1325	1275	-1.89	1.96
Davangere	1700	1498	-	13.48	-
Shimoga	1460	-	1350	-	8.15
Bagalkot	1575	-	-	-	-
Gadag	-	-	-	-	-
Nizamabad	1550	-	1430	-	8.39
Karimnagar	-	-	-	-	-
khanna	1480	1480	1425	Unch	3.86
Ludhiana	1425	1460	1350	-2.40	5.56
Sangli	1750	1651	1470	6.00	19.05
Gulabgh	1356	1440	-	-5.83	-

## FUTURES MARKET ANALYSIS: NCDEX MAIZE (NOVEMBER WEEKLY FUTURE CHART)



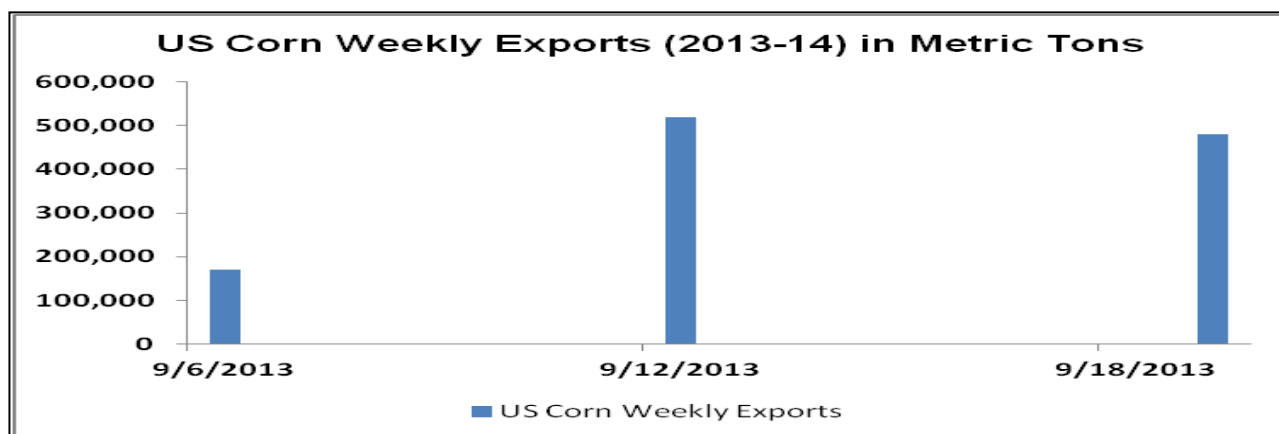
- Candlestick chart pattern reveals bearish sentiment in the market.
- RSI is moving down in neutral zone support to bearishness.
- Prices closed below 9 and 18 days EMAs also indicates to bearishness in the market.
- Strategy: Sell at around 1264 and target would be 1225 for the near term.

## MAIZE NCDEX (NOVEMBER MONTHLY) (IN RS/QTL)

Support & Resistance				
S2	S1	PCP	R1	R2
1199	1222	1257	1289	1322

### INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. accumulated corn export figures reached to 11,69,100 metric tons for the 2013-14 marketing year which is lowered by ~29.9% from the last marketing year during the same period. Exports of 479,100 MT were reported by U.S. to Mexico (189,600 MT), China (118,600 MT), Japan (63,600 MT), Venezuela (36,500 MT), and Guatemala (17,700 MT) for the period September 13-19, 2013.



As per the latest IGC report, the 2013-14 world corn production is forecasted at 943 million tons, down by 2 million ton from the previous month forecast but still higher by 9.27% from the last year. Amid generally strong demand for animal feed and industrial products, maize consumption is expected to rise by ~5%, and trade is also set to expand by ~5% y/y to a five-year high. The projection for world stocks is trimmed by 2 million tons to 148 million tons as compared to last month, but, at 148m, carryovers will be well above average, and major exporter stocks are now placed at a 26-year high.

IGC Global Corn Estimate					
	2012-13 E	2013-14(forecast)			
		30th Aug	26th Sep	% change MOM	% change YOY
Production	863	945	943	-0.21%	9.27%
Trade	96	100	100	Unch	4.17%
Consumption	872	917	917	Unch	5.16%
Carryover Stock	121	150	148	-1.33%	22.31%
YOY change	-9		26		

- Figures in million tons



**INTERNATIONAL CORN HIGHLIGHTS**

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- As per the latest crop progress report released by USDA as on 30<sup>th</sup> September, 2013, 96% dent reported in corn, below 4% from the last year and 1% from the last 5 year average period. 63% crop of corn has matured, below 30% from the last year. Also, 12% crop of corn has harvested, below 40% from the last year and 11% from the last 5 year avg. period. 55% corn crop is in good to excellent condition, above 30% as compared to last year.
- As per USDA, corn stock reported at 824 million bushels on Sept. 1, 2013, down 17 percent from the last year but 21 percent higher than the average trade estimate. Of the total stocks, 275 million bushels are stored on farms, down 12 percent from a year earlier. Off-farm stocks, at 549 million bushels, are down 19 percent from a year ago. The June - August 2013 indicated disappearance is 1.94 billion bushels, compared with 2.16 billion bushels during the same period last year.
- As per Reuter news, Fan Zhenyu, deputy general manager of corn division at COFCO Co. Ltd said that China is likely to rely more on imports and its self-sufficiency ratio for corn could hit 93 percent by 2018 and 90 percent by 2020.
- As per Reuter news, Argentina's government has approved an additional 3 million tons of 2012/13 corn exports, bringing the season's total exportable surplus to 20.5 million tons.
- As per Reuter news, Conab increased its corn production forecast to 81.3 million tons in its final report on the 2012/13 crops, up from 80.3 million tons.
- As per Reuter news, China's big private feed mills are increasingly turning to alternative cheap- sorghum from the United States after using up their annual import allocations for preferred animal feed grain corn.
- As per Reuter News, The U.S. Grains Council said that Taiwan has signed a letter of intent on Tuesday to buy 5 million tons of U.S. corn over the next two years and 500,000 tons of distillers dried grains.
- As per Reuter news, Malaysian feed millers are looking to cover 120,000 tons of corn for arrival in November-December from Indian corn but rest of the market in Asia is pretty much covered for the year with South American cargoes.
- As per Reuter news, Crop forecaster Lanworth raised its outlook for 2013/14 world corn production by 7 million tons to 949 million tons on the expectation for big planting of crop in South America. Lanworth sees Argentine corn production at 28.2 million tons and Brazil corn production at 75.9 million tons for the 2013/14 crop year.
- Informa Economics forecasts the 2014 corn planted acreage in the USA at 92.7 Mln. acres against 95.8 million acres in 2013 and yields at 163.0 bu/acre higher compared to 157.6 bu/acre and production at 13,848 Mln bu, up 3068 Mln bu from 2013.

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

- As per Reuter news, European traders told that a group of Israeli private buyers has purchased about 40,000 tons of corn in a tender which closed on Wednesday, at a premium of 73 cents a bushel c&f over the Chicago March 2014 corn contract, for the shipment between December 2013 and January 2014, likely to be sourced from Ukraine. Meanwhile, South Korea's Feed Leaders Committee purchased 63,000 tons of corn,

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likely to be sourced from the Black Sea region, at \$235.99 a ton c&f for arrival by Mar. 20, 2014. Seller was said to be Cargill. Also, South Korea's largest feed maker Nonghyup Feed Inc. purchased 52,000 tons of corn in a direct deal from Quadra at \$234.65 a ton c&f for arrival by March 5, 2014.

- As per Reuter news, The Taiwan Sugar Corp has bought 23,000 tons of U.S.-origin corn at a flat price of \$274.11 per ton, including cost and freight for the shipment in the first half of November from the U.S. Gulf Coast or in the last half of November from the U.S. Pacific Northwest.

#### OUTLOOK:

***Corn prices on CBOT market could decrease due to arrival pressure.***

Maize CBOT Monthly Futures Price Listing (USD/MT)				
	Contract Month	30.09.2013	31.08.2013	Change
Corn CBOT Prices	Sep-13	Closed	194.83	-
	Dec-13	173.77	189.72	<b>-15.95</b>
	Mar-14	178.89	194.64	<b>-15.75</b>
	May-14	181.94	197.78	<b>-15.84</b>

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