

02nd June, 2020

Executive Summary:

- The Cabinet Committee on Economic Affairs(CCEA) has approved the increase in MSP of maize by Rs. 90 per quintal to Rs. 1850 per quintal for Kharif crop for marketing season 2020-21.
- Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1450 per quintal and Rs. 1550 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. Maize is likely to trade steady amid arrival pressure.
- In Ahmedabad region of Gujarat, poultry and starch feed makers quoted maize steady at Rs. 1400 per quintal compared to previous day.
- As per trade sources, in Telangana, harvesting of rabi crop of maize has completed while in Bihar regions, maize crop has been harvested around at 60% and in Karnataka, maize crop has been harvested at 50% till date.
- In Bihar, despite decrease in arrival amid stockists demand; maize is being traded at Rs. 1250 per quintal (Bilty Price) as bulk feed makers demand is still missing. It is expected that maize could trade steady to range bound in near term amid limited demand and arrivals.
- Maize acreage in Kharif 2020-21 may turn out to be higher than that in Kharif 2019-20 as farmers in Karnataka, Rajasthan, Maharashtra and Madhya Pradesh would prefer less labour intensive crops. Seed availability is expected to remain sufficient as transportation of agriculture related materials has become almost normal after the relaxations in lockdown. Expectation of good monsoon amid increase in MSP by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21; are all good motivating factors for farmers to grow more maize for this Kharif season. However, in Telangana, maize area likely to shift towards more remunerative and high yield crops like pulses.

Previous Updates:

- As per trade sources, India exported around 19,713 MT of maize for the month of April'20 at an average FoB of \$242.71/ MT. Out of which, around 15,369 MT Indian maize was exported mainly to Nepal at an average FoB of \$244.36/MT; mainly through Raxaul followed by Jogbani ICD and Nepalgunj Road port.
- As per AP markfed, from the current rabi crop, 2,75,405 MT of maize has been procured by A.P government as of 25th May,2020. The procurement is still ongoing.
- As per trade sources, each maize grower in the Karnataka state is getting a cash relief of ₹5,000 to compensate the impact of low maize prices.
- As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).
- As per media news, the five cattle feed manufacturing plants of the Karnataka Cooperative Milk Producers' Federation Ltd. has started purchase of the produce at Rs.1,760 per quintal from 12th May'2020. The maximum quantity of purchase has been capped at 50 quintals from each farmer.
- As per media news, Haryana offers reward to shift from water guzzling paddy crops to maize and other alternate crops.

International Market Commentary:

- Corn on CBOT rose by 3.05 USD/MT to 128.24 USD/MT for July'20 contract compared to previous week due to increase in demand for U.S corn for ethanol amid forecasts for hot and dry weather in western corn belt. Further, price direction depend on the demand for U.S corn.
- IGC increased its global corn production forecast for 2020/21 by 11 MMT to 1169 MMT compared to previous month forecast. Forecast for global corn ending stock was also up by 7 MMT to 288 MMT for 2020/21 compared to last month forecast which could weigh on international corn market.

Previous Updates:

- As per USDA, U.S corn exports reached 27.67 MMT in the 2019-20 marketing year. At 1.06 MMT (for the period 15th- 21st May, 2020) US corn exports were down 16 percent from the previous week and from the prior 4-week average; mainly for the destinations like Mexico (321,200 MT), Japan (260,000 MT), Colombia (142,300 MT), Israel (110,700 MT), and Honduras (33,500 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

Outlook and Recommendation: Maize cash market is likely to trade steady to range bound in the near term.

02nd June, 2020

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jun-20	-	-	-	-	-	-	-	-	-
July-20	-	-	-	-	-	-	-	-	-
Aug-20	--	--	--	--	--	-	-	-	-

*Prices are taken at 5:00 p.m.

Spread	Jun-20	July-20	Aug-20
Spot	-	--	--
Jun-20	--	-	--
July-20	--	--	-

*Basis – Nizamabad (Spread calculated as at 5:00 p.m. price)

Stocks	Demat	In-Process	Total	EDD
	30-May-20	30-May-20	30-May-20	25-May-20
Gulabagh	199	-	199	199
Sangli	459	-	459	459

Spot Prices at Key Markets

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		1-Jun-20	30-May-20	Change	1-Jun-20	30-May-20	Change
New Delhi	Hybrid	1400	1400	Unch	NA	NA	-
Koppal	Loose	NA	NA	-	NA	NA	-
Davangere	Loose	1300	1300	Unch	2000	2000	Unch
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	1280	-	NR	766	-
Gadag	Local	1369	NR	-	232	NR	-
Hubli	Local	1291	NR	-	229	NR	-
Shimoga	Hybrid/Local	1300	NR	-	192	NR	-
Nizamabad	Bilty	NA	NA	-	NA	NA	-
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	1351	1340	11	61	7	54
Sangli	Feed	NA	NA	-	NA	NA	-
Naugachia	Bilty	1200	1200	Unch	2000	2000	Unch
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1220	1220	Unch	20000	20000	Unch
	Bilty	1250	1250	Unch			
Ahmedabad	Feed	1400	1400	Unch	4000	3000	1000
	Starch	1400	1400	Unch			

02nd June, 2020

Khanna	Local	1340	1330	10	1950	2250	-300
	Bilty	1400	1390	10			
Ludhiana	Local	NA	NA	-	NA	NA	-
	Bilty	NA	NA	-			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	1000	Closed	-	2000	Closed	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 29 May,2020						
Contract Month	Open	High	Low	Close	Change	
Jul-20	128.93	129.72	127.26	128.24	-0.69	
Sep-20	130.60	131.39	129.13	129.92	-0.69	
Dec-20	133.95	134.84	132.57	133.36	-0.59	
Mar-21	138.38	139.27	137.30	137.89	-0.69	
May-21	141.14	141.92	140.05	140.64	-0.69	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.