

**04th June, 2020****Executive Summary:**

- 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. From last 2-3 days, supply is being disrupted due to rains. If rains continue, quality of grains could be impacted.
- 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 and reward offering by Haryana government from water guzzling paddy crops to maize; 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. In Karnataka, sowing of maize has just started.
- In Ahmedabad region of Gujarat, poultry feed makers quoted maize down by Rs. 50 per quintal to Rs. 1350 per quintal while starch feed makers quoted it firm by Rs. 5 per quintal to Rs. 1375 per quintal compared to previous day.
- In Bihar, maize is being traded steady at Rs. 1225-1250 per quintal (Bilty Price) amid limited demand and arrival. Stockists demand has come down as recent rains has impacted the arrival quality. It is expected that maize could trade steady to range bound in near term too amid limited demand and arrivals.

Previous Updates:

- As per media sources, Telangana State Cooperative Marketing Federation (TS-Markfed) has procured maize about 6.94 lakh tonnes as of 25th May, 2020; out of estimated production of 14.16 lakh tonnes (Agriwatch estimates). The decision of the agency to close purchasing operations on May 31 was unexpected, as the government had earlier said they would procure 100% of the production.
- 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.
- 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.
- 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 media source and also confirmed by trade source, 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.

International Market Commentary:

- Corn on CBOT rose by 0.39 USD/MT to 127.65 USD/MT for July'20 contract compared to previous day. Further, price direction depend on the demand for U.S corn.

Previous Updates:

- In U.S, corn plantings as on 31 May 2020 stand at 93%, up 29 percentage points from same time last year and up 4 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.
- 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.

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

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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
	02-Jun-20	02-Jun-20	02-Jun-20	01-Jun-20
Gulabagh	199	-	199	199
Sangli	459	-	459	459

Spot Prices at Key Markets

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		3-Jun-20	2-Jun-20	Change	3-Jun-20	2-Jun-20	Change
New Delhi	Hybrid	1350	1350	Unch	NA	NA	-
Koppal	Loose	NA	NA	-	NA	NA	-
Davangere	Loose	1300	1300	Unch	1000	1000	Unch
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	1300	-	NR	143	-
Gadag	Local	1320	NR	-	480	NR	-
Hubli	Local	1275	1280	-5	64	40	24
Shimoga	Hybrid/Local	1300	NR	-	32239	NR	-
Nizamabad	Bilty	1500	1600	-100	100	10	90
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	NR	NR	-	NR	NR	-
Sangli	Feed	1389	NA	-	NA	NA	-
Naugachia	Bilty	1200	1200	Unch	2000	2000	Unch
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1200	1200	Unch	20000	50000	-30000
	Bilty	1225	1225	Unch			
Ahmedabad	Feed	1350	1400	-50	7000	5000	2000
	Starch	1375	1370	5			



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Khanna	Local	1250	1350	-100	1950	1800	150
	Bilty	1350	1400	-50			
Ludhiana	Local	NA	NA	-	NA	NA	-
	Bilty	NA	NA	-			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	NR	1000	-	NR	2000	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 2 Jun,2020						
Contract Month	Open	High	Low	Close	Change	
Jul-20	127.36	128.05	126.77	127.65	0.39	
Sep-20	128.83	129.52	128.34	129.32	0.49	
Dec-20	132.28	133.16	131.88	133.06	0.89	
Mar-21	136.80	137.99	136.51	137.89	1.08	
May-21	139.66	140.64	139.27	140.54	1.18	

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