

06th June, 2020

Executive Summary:

- As per AP markfed, from the current rabi crop, 3,28,922 MT of maize has been procured by A.P government as of 04th June,2020.
- 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.
- 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 Ahmedabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 50 per quintal to Rs. 1400 per quintal while starch feed makers quoted it firm by Rs. 75 per quintal to Rs. 1450 per quintal compared to previous day.
- In Bihar, maize is being traded at Rs. 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.
- 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.

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, 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 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 1.97 USD/MT to 129.52 USD/MT for July'20 contract compared to previous day. Further, price direction depend on the demand for U.S corn.
- As per USDA, U.S corn exports reached 29.01 MMT in the 2019-20 marketing year. At 1.35 MMT (for the period 22nd- 28th May, 2020) US corn exports were up 27 percent from the previous week and 7 percent from the prior 4-week average; mainly for the destinations like Japan (447,900 MT), Mexico (233,300 MT), South Korea (206,800 MT), Colombia (190,700 MT, late 12,000 MT – see below), and Guatemala (60,800 MT). Agriwatch expects that increase in export demand for U.S corn could support to CBOT corn prices.

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

06th June, 2020

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jun-20	24.00	1234.00	1235.00	1234.00	1235.00	120	90	520	520
July-20	36.00	1230.00	1255.00	1230.00	1255.00	1350	1260	1280	1280
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
	04-Jun-20	04-Jun-20	04-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		
		5-Jun-20	4-Jun-20	Change	5-Jun-20	4-Jun-20	Change
New Delhi	Hybrid	1360	1350	10	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	1280	-	NR	100	-
Gadag	Local	NR	NR	-	NR	NR	-
Hubli	Local	NR	1270	-	NR	181	-
Shimoga	Hybrid/Local	NR	NR	-	NR	NR	-
Nizamabad	Bilty	1500	1500	Unch	200	20	180
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	NR	NR	-	NR	NR	-
Sangli	Feed	1389	1390	-1	NA	NA	-
Naugachia	Bilty	1200	1200	Unch	2500	2000	500
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1225	1200	25	50000	20000	30000
	Bilty	1250	1225	25			
Ahmedabad	Feed	1400	1350	50	5000	3000	2000
	Starch	1450	1375	75			

06th June, 2020

Khanna	Local	1120	1150	-30	1950	2100	-150
	Bilty	1350	1360	-10			
Ludhiana	Local	NA	NA	-	NA	NA	-
	Bilty	NA	NA	-			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	NR	NR	-	NR	NR	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 4 Jun,2020						
Contract Month	Open	High	Low	Close	Change	
Jul-20	127.65	129.72	127.55	129.52	1.97	
Sep-20	129.32	131.39	129.23	131.19	1.87	
Dec-20	133.16	134.93	132.97	134.93	1.77	
Mar-21	137.99	139.76	137.89	139.76	1.77	
May-21	140.64	142.32	140.45	142.22	1.57	

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