

**19th June, 2020****Executive Summary:**

- As per AP markfed, from the current rabi crop, 3,80,933 MT of maize has been procured by A.P government as of 17th June,2020.
- Maize acreage in Kharif 2020-21 may turn out to be steady to slightly higher than that in Kharif 2019-20 as farmers would prefer less labour intensive crops. 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, low prevailing market prices could be a factor to shift towards more remunerative and high yield crops like pulses. In Telangana, maize has been sown in 7656 acres as of 17th Jun'20 which is higher than 4623 acres compared to corresponding period last year. In A.P, maize has been sown in 1534 hectares as of 17th Jun'20; higher than 1497 hectares compared to corresponding period last year. Also, in some districts of Karnataka, maize sowing 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 75% and in Karnataka, maize crop has been harvested at 60-65% till date.
- In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid Stockists demand. It is expected that maize could trade steady to slightly firm in near term on the expectation of increase in stockists demand.
- Maize is moving towards Bengaluru and Tamil Nadu at Rs.1550-1600 per quintal and Rs. 1600 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka.
- In Ahmedabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1410 per quintal while starch feed makers quoted it steady at Rs. 1390 per quintal compared to previous day.

Previous Updates:

- In Nizamabad, local starch feed makers are buying low quality material at Rs. 1310-1320 per quintal from farmers. It is likely to trade steady amid limited demand and arrival.
- 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 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 0.49 USD/MT to 130.01 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, crop of corn as on 14th Jun 2020 has emerged at 95%, up 21 percentage points from same time last year and up 3 percentage points from 5 year average. Also, 71% crop of corn is in good to excellent condition, down 4 percentage points from last week.
- As per USDA, U.S corn exports reached 30.25 MMT in the 2019-20 marketing year. At 1.24 MMT (for the period 29th May- 04th June, 2020) US corn exports were down 8 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (293,700 MT), South Korea (237,300 MT), Japan (208,000 MT), Peru (129,800 MT), and Israel (61,900 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.

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NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jun-20	23.00	1262.00	1285.00	1285.00	1285.00	130	120	230	-
July-20	4.00	1300.00	1300.00	1295.00	1295.00	140	90	1660	-140
Aug-20	--	--	--	--	--	-	-	-	-

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

Spread	Jun-20	July-20	Aug-20
Spot	-35	--	--
Jun-20	--	10	--
July-20	--	--	-

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

Stocks	Demat	In-Process	Total	EDD
	17-Jun-20	17-Jun-20	17-Jun-20	15-Jun-20
Gulabagh	447	-	447	298
Sangli	-	-	-	-

Spot Prices at Key Markets

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		18-Jun-20	17-Jun-20	Change	18-Jun-20	17-Jun-20	Change
New Delhi	Hybrid	1325	1350	-25	NA	NA	-
Koppal	Loose	NA	NA	-	NA	NA	-
Davangere	Loose	1450	1400	50	1000	1000	Unch
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	1362	1261	101	30	65	-35
Gadag	Local	1450	1439	11	89	260	-171
Hubli	Local	1414	1402	12	41	27	14
Shimoga	Hybrid/Local	NR	1300	-	NR	16690	-
Nizamabad	Bilty	1400	1400	Unch	1000	80	920
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	NR	1325	-	NR	100	-
Sangli	Feed	1517	1494	23	NA	NA	-
Naugachia	Bilty	1200	1200	Unch	2000	2000	Unch
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1200	1200	Unch	60000	60000	Unch
	Bilty	1250	1250	Unch			
Ahmedabad	Feed	1410	1410	Unch	10000	10000	Unch
	Starch	1390	1390	Unch			

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Khanna	Local	1120	1100	20	4500	4500	Unch
	Bilty	1250	1240	10			
Ludhiana	Local	1150	NA	-	10000	NA	-
	Bilty	1250	NA	-			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	NR	NR	-	NR	NR	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 17 Jun,2020						
Contract Month	Open	High	Low	Close	Change	
Jul-20	129.13	130.41	127.95	130.01	0.49	
Sep-20	131.29	132.18	130.21	131.88	0.30	
Dec-20	134.64	135.33	133.56	134.93	Unch	
Mar-21	139.27	139.76	138.18	139.27	-0.10	
May-21	141.73	142.32	140.84	141.73	-0.20	

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