

29th June, 2020

Executive Summary:

- In India, maize has been sown in 31.27 lakh hectares as of 26th Jun'20 which is higher than 15.74 lakh hectares compared to corresponding period last year. In M.P, maize has been sown in 9.40 lakh hectares as of 26th Jun'20; higher than 0.15 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 4.23 lakh hectares; higher than 0.01 lakh hectares compared to corresponding period last year.
- As per trade sources, in Telangana, harvesting of rabi crop of maize has been completed while in Bihar and Karnataka regions, 90% of the maize crop has been harvested till date.
- In Rudrapur region of U.P, starch feed makers are buying maize at Rs.1375-1380 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal. Maize is also moving towards Bengaluru at Rs. 1600 per quintal (Delivered Price); sourced from Davangere region of Karnataka.
- In Bihar, despite the local stockists' demand and also export demand of Bangladesh and Nepal feed makers, maize is being traded at Rs. 1250 per quintal (Bilty Price). Recent rains in Bihar has affected the arrival quality. It is expected that maize would trade steady to range bound in near term amid limited demand.
- In Telangana, maize has been sown in 0.06 lakh hectares as of 26th Jun'20 which is higher than 0.03 lakh hectares compared to corresponding period last year. In A.P, maize has been sown in 0.07 lakh hectares as of 26th Jun'20; higher than 0.03 lakh hectares compared to corresponding period last year. Pests and diseases are nil till date.

Previous Updates:

- In Nizamabad, maize is likely to trade steady amid limited demand and arrival.
- As per trade sources, India exported around 19,934 MT of maize for the month of May'20 at an average FoB of \$205.76/ MT. Out of which, around 15,364 MT Indian maize was exported mainly to Nepal at an average FoB of \$193.74/MT; mainly through Raxaul followed by Sonauli ICD, Jogbani ICD and Nepalgunj Road port.
- Maize acreage in Kharif 2020-21 may turn out to be more or less same 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 the reward offered by Haryana government to switch from water guzzling paddy to maize are all good motivating factors for farmers to grow more maize this Kharif season. On the other hand, low prevailing market prices could be a major factor to shift towards more remunerative and high yield crops like pulses.
- 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.
- 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 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).

International Market Commentary:

- Corn on CBOT fall by 0.10 USD/MT to 124.80 USD/MT for July'20 contract compared to previous day. Further, price direction depend on the demand for U.S corn.

Previous Updates:

- As per USDA, U.S corn exports reached 32.44 MMT in the 2019-20 marketing year. At 1.31 MMT (for the period 12th June- 18th June, 2020) US corn exports were up 50 percent from the previous week and 16 percent from the previous 4-week average; mainly for the destinations like Mexico (397,400 MT), South Korea (201,500 MT), Japan (146,400 MT), Israel (88,200 MT), and Peru (87,000 MT). Agriwatch expects that increase in export demand for U.S corn could give support to CBOT corn market.
- IGC increased its global corn production forecast for 2020/21 by 3 MMT to 1172 MMT compared to previous month forecast. Forecast for global corn ending stock was also up by 8 MMT to 296 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
July-20	6.00	1289.00	1300.00	1289.00	1300.00	160	10	2480	140
Aug-20	50.00	1269.00	1319.00	1307.00	1319.00	20	20	20	20
Sep-20	--	--	--	--	--	-	-	-	-

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

Spread	July-20	Aug-20	Sep-20
Spot	-39	--	--
July-20	--	18	--
Aug-20	--	--	-

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

Stocks	Demat	In-Process	Total	EDD
	26-Jun-20	26-Jun-20	26-Jun-20	22-Jun-20
Gulabagh	696	149	845	696
Sangli	-	-	-	-

Spot Prices at Key Markets

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		27-Jun-20	26-Jun-20	Change	27-Jun-20	26-Jun-20	Change
New Delhi	Hybrid	NA	1340	-	NA	NA	-
Koppal	Loose	NA	NA	-	NA	NA	-
Davangere	Loose	Closed	1450	-	Closed	2000	-
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	1430	-	NR	70	-
Gadag	Local	1460	1480	-20	36	39	-3
Hubli	Local	NR	1435	-	NR	16	-
Shimoga	Hybrid/Local	NR	NR	-	NR	NR	-
Nizamabad	Bilty	Closed	1375	-	Closed	10	-
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	NR	NR	-	NR	NR	-
Sangli	Feed	1581	1582	-1	NA	NA	-
Naugachia	Bilty	1225	1225	Unch	1000	100	900
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1200	1200	Unch	20000	10000	10000
	Bilty	1250	1250	Unch			
Ahmedabad	Feed	1400	NR	-	6000	NR	-
	Starch	1425	NR	-			

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Khanna	Local	1125	1100	25	3750	3750	Unch
	Bilty	1250	1250	Unch			
Ludhiana	Local	1150	1150	Unch	4000	4000	Unch
	Bilty	1250	1250	Unch			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	Closed	NR	-	Closed	NR	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 26 Jun,2020

Contract Month	Open	High	Low	Close	Change
Jul-20	124.80	125.88	123.42	124.80	-0.10
Sep-20	125.98	127.16	124.31	125.68	-0.49
Dec-20	129.13	130.01	126.77	128.05	-1.08
Mar-21	133.75	134.64	131.39	132.57	-1.08
May-21	136.71	137.59	134.44	135.62	-1.08

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