

03rd July, 2020

Executive Summary:

- In Telangana, maize has been sown in 40,061 acres as of 01st July'20 which is higher than 1,46,227 acres compared to corresponding period last year. Maize sown area is 3% to season normal. Pests and diseases are nil till date.
- In U.P, starch feed makers are buying maize at Rs.1350 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal and also being delivered to Hyderabad at Rs.1450 per quintal. Maize is also moving towards Bengaluru at Rs. 1580 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 slightly firm on the expectation of increase in feed makers demand.

Previous Updates:

- As per media sources, Maharashtra government has procurement target of 9 lakh quintals of maize till 15th July.
- 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.
- India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction from poultry feed industry on the fear of corona virus.
- 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 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 rose by 3.84 USD/MT to 137.10 USD/MT for July'20 contract compared to previous day. Further, price direction depend on the demand for U.S corn.
- In U.S, 73% crop of corn is in good to excellent condition, up 1 percentage points from last week due to favourable weather in U.S Midwest which could weigh on CBOT 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	-2.00	1298.00	1298.00	1298.00	1298.00	100	70	2550	-
Aug-20	-	1305.00	1305.00	1305.00	1305.00	-	-40	130	-
Sep-20	--	--	--	--	--	-	-	-	-

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

Spread	July-20	Aug-20	Sep-20
Spot	-48	--	--
July-20	--	7	--
Aug-20	--	--	-

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

Stocks	Demat	In-Process	Total	EDD
	01-July-20	01-July-20	01-July-20	29-Jun-20
Gulabagh	1442	199	1641	994
Sangli	-	-	-	-

Spot Prices at Key Markets

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		2-Jul-20	1-Jul-20	Change	2-Jul-20	1-Jul-20	Change
New Delhi	Hybrid	1375	1375	Unch	NA	NA	-
Koppal	Loose	NA	NA	-	NA	NA	-
Davangere	Loose	1450	1450	Unch	1500	2000	-500
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	NR	1410	-	NR	115	-
Gadag	Local	1310	1460	-150	1	73	-72
Hubli	Local	NR	NR	-	NR	NR	-
Shimoga	Hybrid/Local	1300	NR	-	1286	NR	-
Nizamabad	Bilty	1375	1375	Unch	200	20	180
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	1270	NR	-	3	NR	-
Sangli	Feed	1514	1514	Unch	NA	NA	-
Naugachia	Bilty	1200	1225	-25	2000	2000	Unch
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1200	1200	Unch	60000	70000	-10000
	Bilty	1250	1250	Unch			
Ahmedabad	Feed	1400	1380	20	25000	30000	-5000
	Starch	1450	1440	10			

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Khanna	Local	1125	1125	Unch	4500	3750	750
	Bilty	1260	1260	Unch			
Ludhiana	Local	1150	1150	Unch	12000	15000	-3000
	Bilty	1275	1250	25			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	NR	NR	-	NR	NR	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 01 July,2020						
Contract Month	Open	High	Low	Close	Change	
Jul-20	133.26	138.28	132.87	137.10	3.84	
Sep-20	134.15	139.27	133.95	137.99	3.54	
Dec-20	137.79	142.91	137.59	141.92	3.94	
Mar-21	142.12	146.94	141.82	146.25	4.04	
May-21	144.48	149.21	144.28	148.42	3.74	

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