

08th July, 2020

Executive Summary:

- In U.P, starch feed makers are buying maize at Rs.1325 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal while it is being delivered to Hyderabad at Rs.1425 per quintal. Maize is moving towards Bangalore at Rs. 1500 per quintal; sourced from Davangere region of Karnataka.
- In Bihar, despite the local stockists' demand and export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 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.

Previous Updates:

- In India, maize has been sown in 45.59 lakh hectares as of 3rd July'20 which is higher than 23.38 lakh hectares of the corresponding period last year. In M.P, maize has been sown in 10.84 lakh hectares as of 3rd July'20; higher than 1.54 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 6.23 lakh hectares; higher than 0.48 lakh hectares compared to corresponding period last year.
- In A.P, maize has been sown in 0.15 lakh hectares as of 01st July'20; higher than 0.06 lakh hectares compared to corresponding period last year. Maize sown area is 16% to season normal. Pests and diseases are nil till date.
- As per media sources, Maharashtra government has procurement target of 9 lakh quintals of maize till 15th July.
- 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.
- Maize acreage in Kharif 2020-21 may turn out more or less the same as that in Kharif 2019-20 even as farmers could prefer less labour intensive crops. Expectation of a good monsoon, the increase in MSP by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21 and the bonus offered by the 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 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.
- 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.
- 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 1.57 USD/MT to 136.41 USD/MT for July'20 contract compared to previous day. Further, price direction depend on the demand for U.S corn.
- In U.S, 71% crop of corn is in good to excellent condition, down 2 percentage points from last week due to hot and dry weather in U.S Midwest.
- As per USDA, U.S corn exports reached 33.88 MMT in the 2019-20 marketing year. At 1.44 MMT (for the period 19th June- 25th June, 2020) US corn exports were up 10 percent from the previous week and 21 percent from the previous 4-week average; mainly for the destinations like Japan (456,700 MT), Mexico (283,400 MT), South Korea (173,300 MT), China (144,300 MT), and Colombia (101,600 MT). Agriwatch expects that increase in export demand for U.S corn could give support to 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	-	-	-	-	-	-	-	2710	-
Aug-20	-	-	-	-	-	-	-	130	-
Sep-20	--	--	--	--	--	-	-	-	-

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

Spread	July-20	Aug-20	Sep-20
Spot	-	--	--
July-20	--	-	--
Aug-20	--	--	-

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

Stocks	Demat	In-Process	Total	EDD
	06-July-20	06-July-20	06-July-20	06-July-20
Gulabagh	1641	368	2009	1641
Sangli	-	-	-	-

Spot Prices at Key Markets

Centre	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		7-Jul-20	6-Jul-20	Change	7-Jul-20	6-Jul-20	Change
New Delhi	Hybrid	1300	1300	Unch	NA	NA	-
Koppal	Loose	NA	1435	-	NA	1808	-
Davangere	Loose	1350	1350	Unch	4000	5000	-1000
Ranebennur	Hybrid/Local	NR	NR	-	NR	NR	-
Bagalkot	Hybrid/Local	1330	1350	-20	54	50	4
Gadag	Local	1390	1330	60	8	24	-16
Hubli	Local	NR	NR	-	NR	NR	-
Shimoga	Hybrid/Local	1300	NR	-	3515	NR	-
Nizamabad	Bilty	1375	1375	Unch	200	10	190
Karimnagar	Local	NR	NR	-	NR	NR	-
Khammam	Local	NR	NR	-	NR	NR	-
Sangli	Feed	1493	1491	2	NA	NA	-
Naugachia	Bilty	1175	1175	Unch	2000	2000	Unch
Kolkata	Mill Delivery	NA	NA	-	NA	NA	-
Gulabagh	Local	1175	1200	-25	60000	70000	-10000
	Bilty	1225	1250	-25			
Ahmedabad	Feed	1350	1350	Unch	25000	25000	Unch
	Starch	1470	1470	Unch			

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Khanna	Local	1125	1125	Unch	3750	4500	-750
	Bilty	1250	1250	Unch			
Ludhiana	Local	1225	1200	25	10000	4000	6000
	Bilty	1280	1300	-20			
Jalgaon	Bilty	NA	NA	-	NA	NA	-
Chhindwara	Loose price	NR	NR	-	NR	NR	-

CBOT Corn Daily Futures Price Listing (USD/MT) as on 06 July,2020						
Contract Month	Open	High	Low	Close	Change	
Jul-20	137.10	137.40	135.92	136.41	1.57	
Sep-20	137.49	137.79	136.02	136.41	1.18	
Dec-20	141.53	141.73	139.86	140.25	1.08	
Mar-21	145.66	146.15	144.19	144.68	0.98	
May-21	148.12	148.32	146.45	146.84	0.89	

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