

# Maize Monthly Research Report

## Contents

- ❖ Outlook and Review
- ❖ Domestic Trade
- ❖ Rabi Sowing Coverage
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ India Maize Balance Sheet
- ❖ State Wise Market Dynamics
- ❖ Domestic Price Outlook
- ❖ On The Export-Import Front
- ❖ Maize Exports during Nov'18
- ❖ International Market Scenario
- ❖ CBOT Corn Future Prices
- ❖ International Corn Outlook
- ❖ Monthly Spot Price Comparison

1<sup>st</sup> February, 2019**OUTLOOK AND REVIEW:****DOMESTIC MAIZE MARKET SUMMARY**

Major maize cash markets traded firm during the month of January'19 compared to previous month and corresponding period last year due to scarcity of the good quality material amid high feed makers demand. In Ahmadabad region of Gujarat, poultry feed makers quoted maize (monthly average) firm by 9.98 % to Rs. 1983 per quintal while Starch feed makers quoted it firm by 6.91 % to Rs. 1981 per quintal compared to last month.

Agriwatch expecting that all India prices of good quality maize could trade firm for the month of Feb'19; due to high demand of industrial feed makers amid low stock availability of good quality material. As Rabi crop of maize is also expected to be less; will support to firmness.

**DOMESTIC TRADE**

From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2050 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 2050 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2000 per quintal, Sangali at Rs. 1950 per quintal, Ranebennur at Rs. 1975-1980 per quintal each and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata and Jharkhand at Rs. 2250 per quintal each.

**RABI SOWING COVERAGE:**

In India, Rabi maize has been sown in around 14.88 lakh hectares as of 01st February, 2019 which is lower than 16.50 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.58 lakh hectare which is slightly lower than 4.66 lakh hectares during corresponding period last year. Trade sources revealed that area shifted towards wheat and Mustard. Crop conditions are favourable till the time. In Karnataka, it has been sown in around 0.81 lakh hectare which is lower than 0.99 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 1.16 lakh hectares- lower than 1.99 lakh hectares during corresponding period last year. In Gujarat, maize progressive area of Rabi 2018-19 is 0.97 lakh hectares which is equal to 0.96 lakh hectares during corresponding period last year.

In Telangana, Maize sowing for the Rabi season as of 01st February'19 reported at 1.02 lakh a hectare which is lower than 1.20 lakh hectares in the corresponding period last year. Trade sources revealed that area shifted towards red Jowar. Crop is at vegetative stage to knee high stage. Nizambad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.

**RECOMMENDATION:**

Market participants are advised to wait in Maize for February contract as there is no trade volume on NCDEX platform.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT rose by 0.59 USD/MT to 148.22 USD/MT for March contract compared to last month. It could get support if demand of China and other importing countries increase for U.S corn. However, improve in crop weather conditions in South America and high global ending stock estimates likely to put pressure on market sentiments.

## INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2017-18E	2018-19F	Oct-Dec'18 F	Jan-Mar'19 F	Apr-Jun'19 F	July-Sep 19 F
Opening Stocks (MMT)	3.04	2.50	2.50	6.44	3.01	3.07
Production (MMT)	23.05	22.59	13.64	3.41	4.43	1.11
Farmer's Release (MMT)	19.88	19.43	10.12	4.34	3.48	1.49
Govt. Procurement (MMT)	0.06	0.06	0.02	0.04		
Pvt. Trade Release (MMT)	19.82	19.37	5.04	9.36	2.98	1.99
Seed Retention (MMT)	0.26	0.26	0.05		0.21	
Imports (MMT)	0.03	0.20	0.00	0.20	0.00	0.00
<b>Total Supply (MMT)</b>	26.12	25.29				
<b>Quarterly Add On(MMT)</b>			13.64	3.61	4.43	1.11
Export (MMT)	0.93	0.25	0.05	0.06	0.09	0.05
Domestic Consumption (MMT)	22.69	23.76	9.65	6.99	4.28	2.85
<b>Total Demand (MMT)</b>	23.62	24.01	9.70	7.05	4.37	2.90
<b>Ending Stock (MMT)</b>	2.50	1.28	6.44	3.01	3.07	1.28

- In 2018/19, season started from October; expected to begin with 2.50 MMT and end with 1.28 MMT.
- Total maize production in India could be around 22.59 MMT in 2018-19 against our yearly total demand of 24.01 MMT.
- **Rabi maize production is estimated at 5.54 MMT for the year 2018/19.**
- With carryout of 2.50 MMT total availability goes up to 25.29 MMT in 2018/19.
- Total demand including domestic and export could be around 24.01 MMT.
- ***As ending stock is being lower compared to last year due to increase in domestic consumption; supporting to Indian maize prices.***

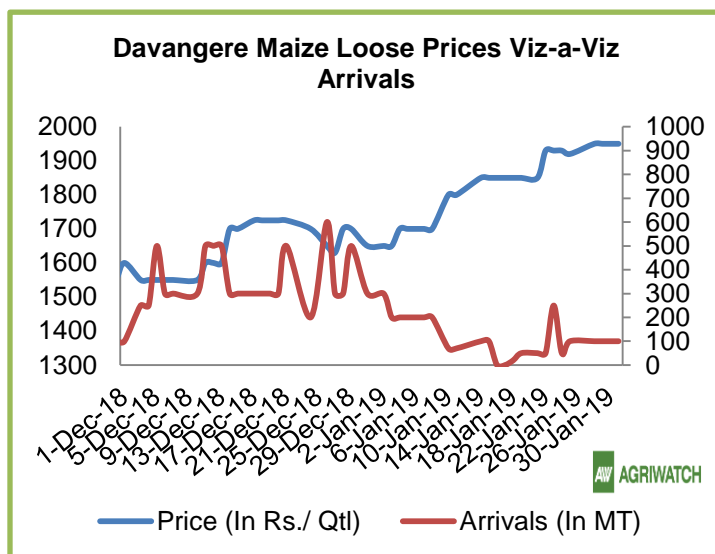
- **E= AW Estimates, F=AW Forecast**

1<sup>st</sup> February, 2019

## STATE - WISE MARKET DYNAMICS

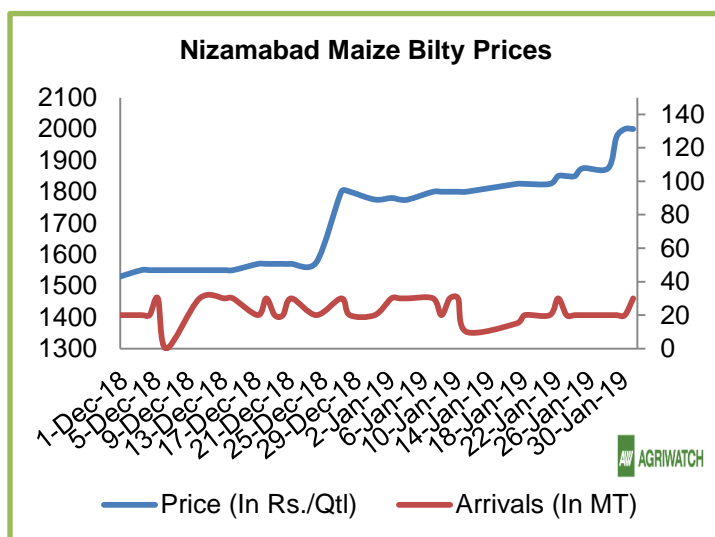
### Karnataka

In Davangere region of Karnataka, maize is likely to trade firm as demand from Bangalore and Tamil Nadu feed makers is still supporting to maize cash market despite new crop in Tamilnadu has started. As per trade source, around 40,000 MT of maize has been stocked by stockists. It is moving towards Bangalore at Rs. 2050 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2000 per quintal, Sangali at Rs. 1950 per quintal, Ranebennur at Rs. 1975-1980 per quintal each and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere.



### Telangana

In Telangana, Maize sowing for the Rabi season as of 01st February'19 reported at 1.02 lakh a hectare which is lower than 1.20 lakh hectares in the corresponding period last year. Trade sources revealed that area shifted towards red Jowar. Crop is at vegetative stage to knee high stage. Nizamabad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.

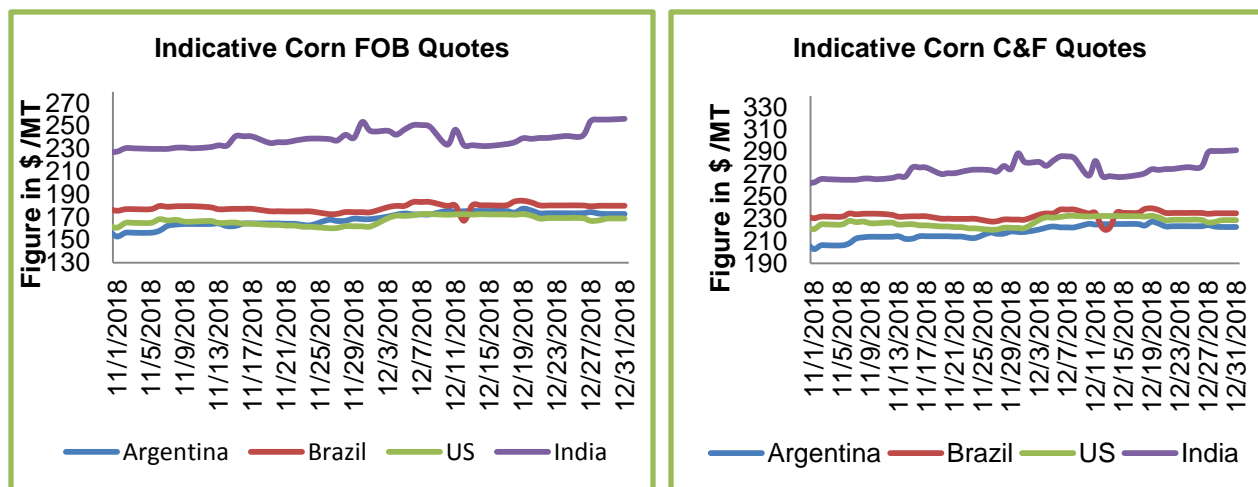


In Nizamabad, maize is moving to Hyderabad at Rs. 2050 per quintal.

## DOMESTIC PRICE OUTLOOK:

Agriwatch expects that good quality maize could trade steady to firm during the month of February'19 amid industrial feed makers demand.

1<sup>st</sup> February, 2019

**ON THE EXPORT-IMPORT FRONT:**


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.79)				
As on 31.12.2018	Argentina	Brazil	US	India
<b>FOB</b>	172.64	179.90	168.70	256.29
<b>C&amp;F</b>	222.64	234.90	228.70	291.29

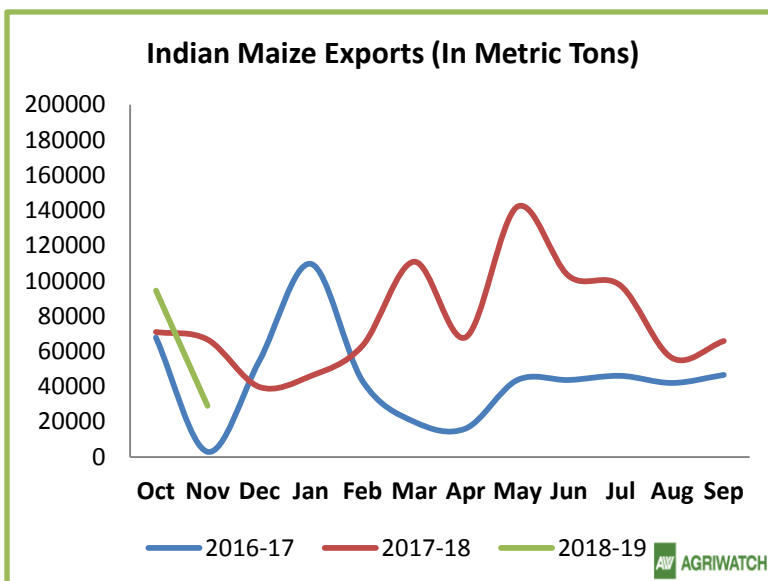
As depicted by the above data, there is no export parity for Indian maize as gap of prices between India and other exporting countries has broadened.

**MAIZE EXPORTS 2016/17 vs. 2017/18 vs. 2018/19:**

As per trade source, India exported 9,28,710 MT of maize during Oct-September'18 which is higher around 73.41% compared to corresponding period last year.

**MAIZE EXPORTS DURING NOVEMBER'18:**

As per trade sources, India exported 29,016 MT of maize for the month of November'18 at an average FoB of \$241.33/ MT. Indian maize is exported mainly to Nepal followed by Philippines, Sri Lanka and Qatar mainly through JNPT followed by Raxaul and Mundra port.



1<sup>st</sup> February, 2019

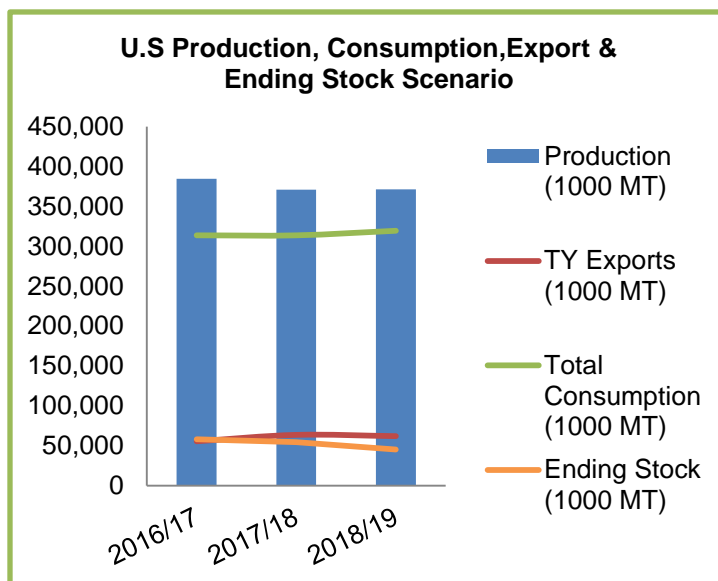
### INTERNATIONAL MARKET SCENARIO:

IGC increased its forecast for 2018/19 global corn production by 3 MMT to 1076 MMT compared to previous month forecast; driven by upward revision for Ukraine and the EU. Forecast for global corn ending stock was also up by 5 MMT to 271 MMT compared to last forecast for 2018/19 which could weigh on international corn market.

U.S corn exports reached 17.60 MMT in the 2018-19 marketing year. At 0.899 MMT (for the period 14th December- 20th December, 2018) US corn exports were down 8 per cent from the previous week and 13 per cent from the previous 4-week average; mainly for the destinations like Mexico (234,700 MT), Japan (151,600 MT), South Korea (133,600 MT), Colombia (124,000 MT), and Taiwan (81,800 MT).

South African maize farmers are likely to plant lesser crop in the 2018/19 farming season compared to last season due to lower rainfall and warmer temperature. It is expected that crop could be lesser by 2% to 2.269 million hectare in the 2018/19.

Prices of maize in South Africa have increased on the concern over less expected yield as dry conditions have delayed crop plantings out of optimum planting window.



### CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	31/01/2019	31/12/2018	Change
Corn CBOT Prices	Mar-19	148.22	147.63	0.59
	May-19	151.67	150.78	0.89
	Jul-19	154.62	153.83	0.79
	Sep-19	155.7	154.91	0.79
	Dec-19	157.47	156.49	0.98

### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 0.59 USD/MT to 148.22 USD/MT for March contract compared to last month. It could get support if demand of China and other importing countries increase for U.S corn. However, improve in crop weather conditions in South America and high global ending stock estimates likely to put pressure on market sentiments.

### Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2019-January	2018-December	2018-January	% Change from Prev. Month	% Change from Prev. Year
Delhi	1934	1793	1323	7.86	46.18
Davangere	1822	1635	1232	11.44	47.89
Shimoga	1814	1624	1292	11.70	40.40
Bagalkot	1831	1668	1149	9.77	59.36
Gadag	1762	1677	1130	5.07	55.93
Nizamabad	1753	1500	1298	16.87	35.05
Khanna	1913	1679	1312	13.94	45.81
Sangli ( NCDEX Quality)	1937	1776	1276	9.07	51.80
Gulabbagh( NCDEX Quality)	1934	1775	1299	8.96	48.88
Naugachia	1903	1741	1200	9.30	58.58
Erode( NCDEX Quality)	1978	1859	NA	6.40	-

- All are monthly average of loose prices

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
 © 2019 Indian Agribusiness Systems Ltd.