

# Maize Monthly Research Report

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

All maize cash markets except davangere traded firm during the month of July'19 compared to previous month and corresponding period last year. Despite the fact that India has allowed another 4 lakh tonnes; total 5 lakh tonnes Non GM maize under TRQ @ 15% duty for the financial year 2019-20; starting from April 1; as new crop would start from mid of October and imports are not expected to come before the month of September so due to that gap amid high feed makers demand market would trade steady to slightly firm for the month of August'19.

In Ahmedabad region of Gujarat, poultry feed makers quoted maize (monthly average) firm by 8.82 % to Rs. 2259 per quintal while Starch feed makers quoted it firm by 9.88 % to Rs. 2292 per quintal compared to last month.

As per EOI No. MMTC/Agro/Maize/Imp/2019-20/4LMT, The Applicants desirous of getting imported feed-grade Maize (Corn) under TRQ may register with MMTC by 13th Aug 2019.

The MMTC is asking for offers of corn for the shipment between August 1-31, September 1-30 and October 1-31.

**KHARIF SOWING COVERAGE**

In India, maize has been sown in around 69.27 lakh hectares as on 02nd Aug'19 which is higher than 69.03 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.01 lakh hectares which is higher than 13.12 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.61 lakh hectares which is higher than 8.56 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 8.89 lakh hectare which is lower than 10.06 lakh hectare covered during corresponding period last year which is also expected to increase in next few weeks. In A.P, maize has been sown in around 0.61 lakh hectares as on 31st July'19 which is lower than 0.71 lakh hectare covered during corresponding period last year. Maize crops are at sowing to vegetative stage. Pests and Diseases reported nil till date. In Telangana, it has been sown in 3.31 lakh hectare as on 31st July'19 which is lower than 4.15 lakh hectare covered during corresponding period last year. Maize crops are at vegetative stage. Fall army worm is below ETL level in Mahboobnagar, Gadwal and Khammam districts.

As per trade information, in Madhya Pradesh, soybean farmers in the Betul- Chhindwara belt have moved to maize this year because of better returns. In Maharashtra, M.P, Rajasthan and A.P; some crop area of soybean shifted towards maize.

**DOMESTIC TRADE**

From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2550--2575 per quintal. In Gulabghat region of Bihar, maize (Bilty) is trading at Rs.2150 per quintal. Maize is moving towards Haryana at Rs. 2300 per quintal, U.P at Rs. 2200 per quintal; sourced from Naugachia region of Bihar.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT fall by 6.01 USD/MT to 157.57 USD/MT for September'19 contract compared to last month as USDA increased its world corn ending stock estimates. Further, price direction depends on the U.S crop size and export demand for U.S corn.

U.S corn exports reached 45.99 MMT in the 2018-19 marketing year. At 0.70 MMT (for the period 19th July- 25th July, 2019) US corn exports were up 22 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (298,100 MT), Japan (260,800 MT), China (63,000 MT), El Salvador (28,900 MT), and Colombia (18,000 MT).

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

In U.S, Corn has been silked 58% as of 28th July, 2019 which is lower by 35.56% compared to last year and 30.12% from last 5 year average period. It has been dough 13% as of 28th July, 2019. 58% crop of Corn is in good to excellent condition which is up by 1.75% compared to previous week.

#### INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2018-19E	2019-20F
Opening Stocks (MMT)	2.50	1.41
Production (MMT)	22.72	25.68
Imports (MMT)	0.19	0.05
<b>Total Supply (MMT)</b>	<b>25.41</b>	<b>27.14</b>
Export (MMT)	0.57	0.50
Domestic Consumption (MMT)	23.43	24.80
<b>Total Demand (MMT)</b>	<b>24.00</b>	<b>25.30</b>
<b>Ending Stock (MMT)</b>	<b>1.41</b>	<b>1.84</b>
<b>Monthly Use</b>	<b>2.00</b>	<b>2.11</b>
<b>Stock to Use Ratio</b>	<b>0.06</b>	<b>0.07</b>
<b>Stock to Month Use Ratio</b>	<b>0.71</b>	<b>0.87</b>

- In 2019/20, season starting from October; expected to begin with 1.41 MMT and end with 1.84 MMT.
  - Total maize production in India could be around 25.68 MMT in 2019-20 against our yearly total demand of 25.30 MMT.
  - With carryout of 1.41 MMT total availability goes up to 27.14 MMT in 2019/20.
  - Total demand including domestic and export could be around 25.30 MMT.
  - ***As ending stock is being lower in 2018-19 due to fall in production; supporting to Indian maize prices.***
- ***E= AW Estimates, F=AW Forecast***

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

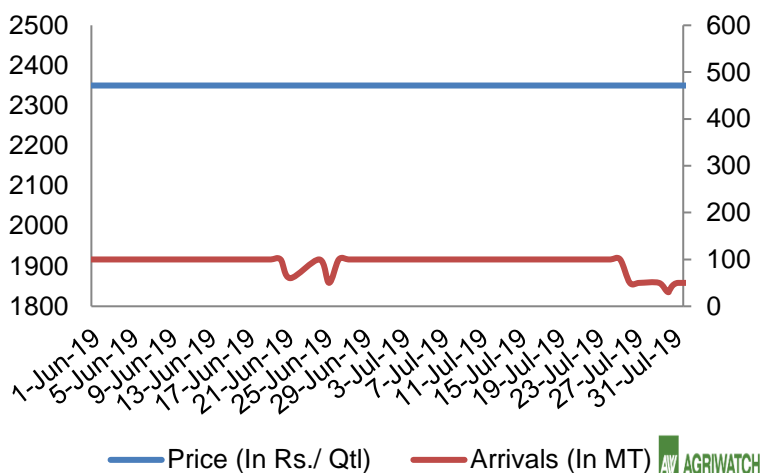
## STATE - WISE MARKET DYNAMICS

### Karnataka

In Karnataka region, maize is likely to trade steady to range bound in the near term. It could trade in a range of Rs. 2300-2400 per quintal during the month of August'19.

In Karnataka, farmers are likely to shift from cotton, groundnut, tur and sugarcane to maize. As maize traded higher than MSP and it is Photo-insensitive crop; farmers are likely to sow more maize during kharif season.

**Davangere Maize Bilty Prices Viz-a-Viz Arrivals**

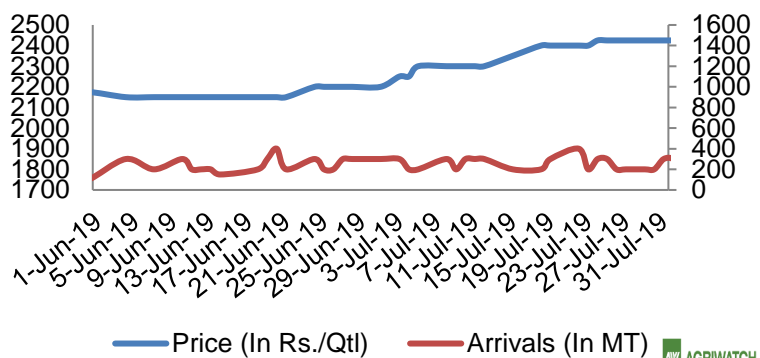


### Telangana

In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. Maize is moving towards Hyderabad at Rs. 2575 per quintal. Pune feed makers demand has shifted towards Bihar.

Maize (Bilty) is likely to trade in a range of Rs. 2380-2520 per quintal during the month of August'19.

**Nizamabad Maize Bilty Prices**



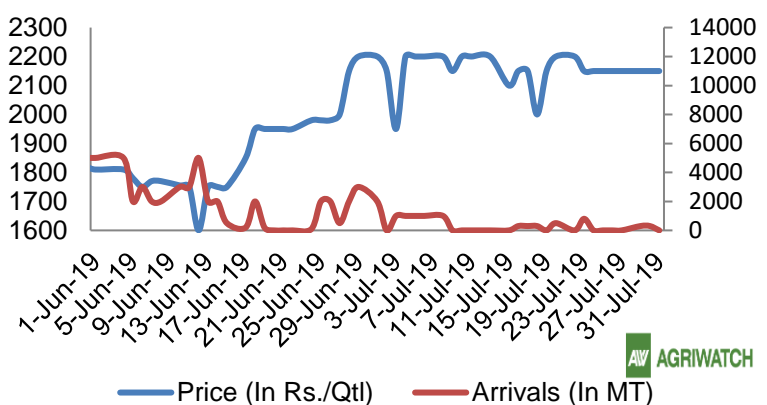
### Bihar

In Bihar, maize is likely to trade steady to range bound for the month of August'19. In Gulabgh, maize could trade in a range of Rs. 2100-2200 per quintal.

## DOMESTIC PRICE OUTLOOK:

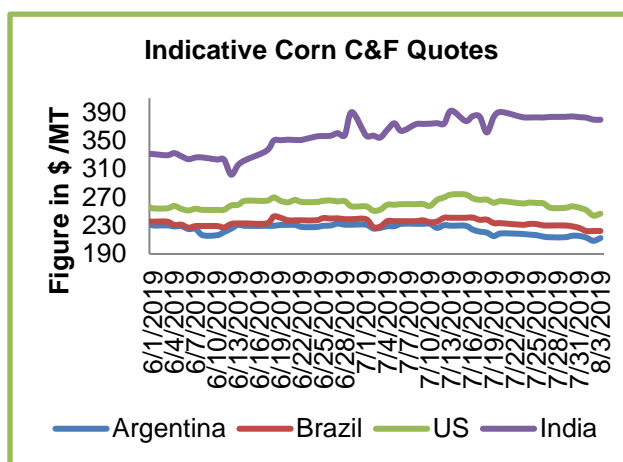
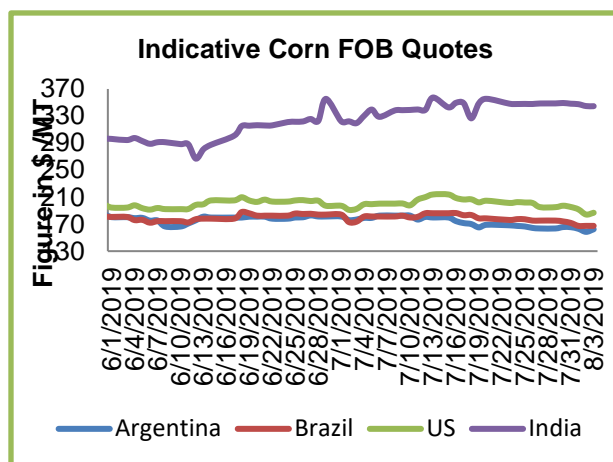
Agriwatch expects that good quality maize could trade steady to slightly firm during the month of August'19 as arrival pressure has reduced. Besides, feed makers' demand could also support to maize prices.

**Gulabgh Maize Prices Viz-a-Viz Market Arrivals**



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

## ON THE EXPORT-IMPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.67)				
As on 03.08.2019	Argentina	Brazil	US	India
FOB	162.40	167.40	186.80	344.48
C&F	212.40	222.40	246.80	379.48

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 IMPORTS DURING JUNE'19:

As per trade sources, India imported around 15,169 MT of maize for the month of Jun'19. Out of which, around 13,328 MT was imported from Ukraine for the Kandla port at an average value of \$215.16/ MT.

## MAIZE EXPORTS DURING JUNE'19:

As per trade sources, India exported around 45,016 MT of maize for the month of June'19 at an average FoB of \$282.10/ MT. Indian maize is exported mainly to Nepal mainly through Jogbani ICD followed by Raxaul and Bhimnagar ICD port.

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

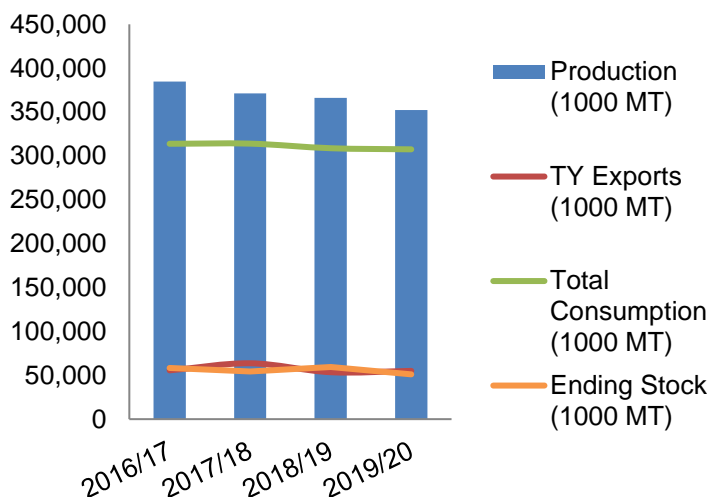
## INTERNATIONAL MARKET SCENARIO:

U.S corn exports reached 45.99 MMT in the 2018-19 marketing year. At 0.70 MMT (for the period 19th July- 25th July, 2019) US corn exports were up 22 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (298,100 MT), Japan (260,800 MT), China (63,000 MT), El Salvador (28,900 MT), and Colombia (18,000 MT).

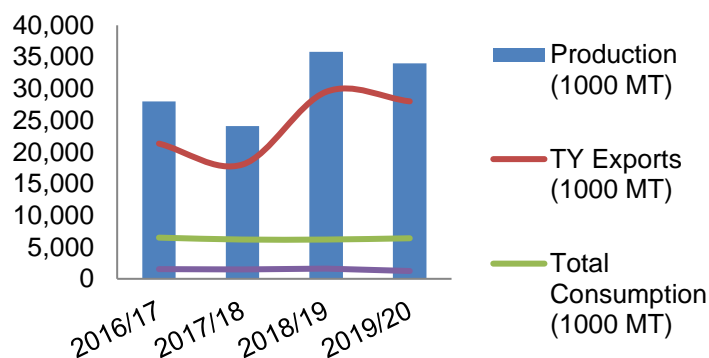
USDA increased its world corn ending stock estimates by 8.40 MMT to 298.92 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20. Corn ending stock estimates for U.S also increased due to increase in production estimates while for Ukraine, it increased its corn ending stock estimates only 0.015 MMT to 1.232 MMT compared to previous month but lower by 0.38 MMT compared to last year estimates.

In U.S, Corn has been silked 58% as of 28th July, 2019 which is lower by 35.56% compared to last year and 30.12% from last 5 year average period. It has been dough 13% as of 28th July, 2019. 58% crop of Corn is in good to excellent condition which is up by 1.75% compared to previous week.

**U.S Production, Consumption, Export & Ending Stock Scenario**



**Ukraine Production, Consumption, Export & Ending Stock Scenario**



## CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	31/07/2019	30/06/2019	Change
Corn CBOT Prices	Sep-19	157.57	163.58	-6.01
	Dec-19	161.41	166.33	-4.92
	Mar-20	165.54	169.97	-4.43
	May-20	167.71	171.65	-3.94
	July-20	169.38	-	-

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

### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 6.01 USD/MT to 157.57 USD/MT for September'19 contract compared to last month as USDA increased its world corn ending stock estimates. Further, price direction depends on the U.S crop size and export demand for U.S corn.

### Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2019- July	2019- June	2018- July	% Change from Prev. Month	% Change from Prev. Year
Delhi	2082	1956	1278	6.44	62.91
Davangere (Bilty Price)	2350	2350	1333	Unch	76.29
Shimoga	2549	2275	1429	12.04	78.38
Bagalkot	2161	2147	1308	0.65	65.21
Gadag	2101	2085	1248	0.77	68.35
Nizamabad (Bilty Price)	2336	2165	1338	7.90	74.59
Khanna	1919	1862	1215	3.06	57.94
Sangli (NCDEX Quality)	2534	2376	1509	6.65	67.93
Gulabghat (NCDEX Quality)	2155	1852	1169	16.36	84.35
Naugachia	2096	1767	1107	18.62	89.34
Erode (NCDEX Quality)	2610	2392	1464	9.11	78.28

- Except Davangere and Nizamabad; all market prices are monthly average of loose prices

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