

Maize Monthly Research Report

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1st September, 2019**OUTLOOK AND REVIEW:-****DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded firm during the month of August'19 compared to previous month and corresponding period last year. Despite the expectation of new crop arrival in Telangana after mid of September; Agriwatch expects that good quality maize could trade steady to range bound for the month of September'19.

KHARIF SOWING COVERAGE AND CROP CONDITION

In India, maize has been sown in around 78.53 lakh hectares as of 30th Aug'19 which is higher than 77.40 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.45 lakh hectares which is higher than 13.60 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.84 lakh hectares which is higher than 8.71 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 10.88 lakh hectare which is slightly lower than 11.41 lakh hectare covered during corresponding period last year which is also expected to increase in next few days. In Telangana, it has been sown in 3.66 lakh hectare as of 28th August'19 which is lower than 4.57 lakh hectare covered during corresponding period last year. Maize sown area is 73% to season normal and its sowing is almost completed. Maize crops are at vegetative stage. Fall army worm is below ETL level in Mahboobnagar, Gadwal, Janagoan, Khammam, Rangareddy and Siddipet districts. In A.P, maize has been sown in around 0.84 lakh hectares as of 28th August'19 which is lower than 0.93 lakh hectare covered during corresponding period last year. Maize sown area is 88.6% to season normal and at vegetative stage. Fall army worm intensity is low (5% to 10%) in Srikakulam, vizianagaram, Krishna, Ananthapuramu and Kurnool districts.

As per trade sources, in mahboobnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in janagoan district, crop yield could be affected around 5-10%. In hubli-dharbad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, could be around 15 to 20%. In shimoga, bagalkot and bijapur districts; crop loss could be around 5 % in each districts while in chikmagalur district; crop loss could be around 2%. Meanwhile, in Sangli region of Maharashtra, around 15% crop loss could be due to flood while in Aurangabad, around 5-10% yield could be affected due to dry spell.

DOMESTIC TRADE

From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,550 per quintal. In Gulabghat region of Bihar, maize (Bilty) is trading at Rs.2,150 per quintal. Maize is moving towards U.P at Rs. 2250-2300 per quintal and Haryana at Rs. 2400 per quintal; sourced from Naugachia region of Bihar.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 15.94 USD/MT to 157.57 USD/MT for September'19 contract compared to last month as USDA increased its world corn ending stock estimates; driven by upward production forecast for U.S. Further, price direction depends on the export demand for U.S corn.

At 0.61 MMT (for the period 16th- 22nd August, 2019) US corn exports were up 13 percent from the previous week but down 8 percent from the prior 4-week average.

In U.S, Corn has been down 81% as of 01st September, 2019 which is lower by 14% compared to last year and 12% from last 5 year average period. It has dented 41% as of 01st September, 2019 which is lower by 32% compared to last year and 22% from last 5 year average period. Corn has matured 6% as of 01st September, 2019. However, 58% crop of Corn is in good to excellent condition which is 1% higher than previous week.

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INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2018-19E	2019-20F
Opening Stocks (MMT)	2.50	1.43
Production (MMT)	22.72	25.36
Imports (MMT)	0.21	0.05
Total Supply (MMT)	25.43	26.84
Export (MMT)	0.57	0.50
Domestic Consumption (MMT)	23.43	24.80
Total Demand (MMT)	24.00	25.30
Ending Stock (MMT)	1.43	1.54
Monthly Use	2.00	2.11
Stock to Use Ratio	0.06	0.06
Stock to Month Use Ratio	0.72	0.73

- In 2019/20, season starting from October; expected to begin with 1.43 MMT and end with 1.54 MMT.
 - Total maize production in India could be around 25.36 MMT in 2019-20 against our yearly total demand of 25.30 MMT.
 - With carryout of 1.43 MMT total availability goes up to 26.84 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***

1st September, 2019

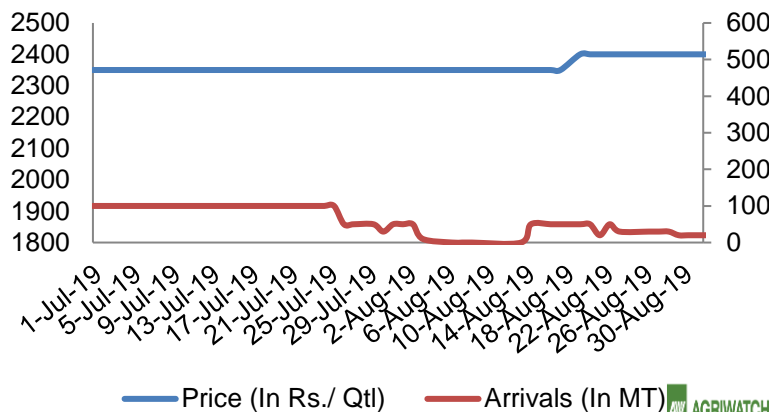
STATE - WISE MARKET DYNAMICS

Karnataka

In Karnataka region, maize could trade in a range of Rs. 2300-2400 per quintal during the month of September'19.

As per trade sources, in hubli-dharbad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, could be around 15 to 20%. In shimoga, bagalkot and bijapur districts; crop loss could be around 5 % in each districts while in chikmagalur district; crop loss could be around 2%.

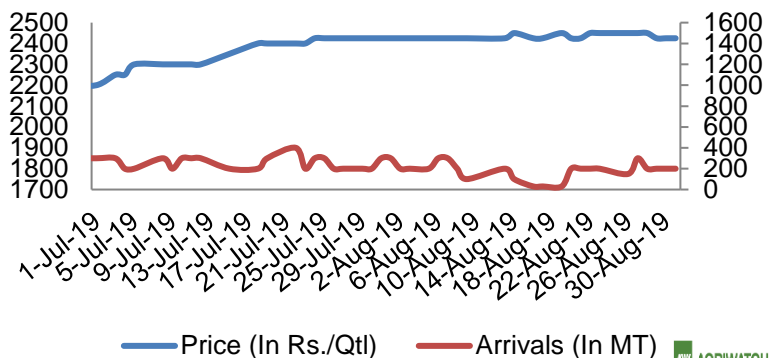
Davangere Maize Bilty Prices Viz-a-Viz Arrivals



Telangana

In Nizamabad region, maize is trading firm compared to corresponding period last year and previous month due to high feed makers demand amid low carry forward stock. Despite the new crop is expected from mid of September; it would trade weak after mid of October; at the time of pick arrival. Till the time; it could trade in a range of Rs. 2100-2400 per quintal during the month of September'19. Maize is moving towards Hyderabad at Rs. 2550 per quintal.

Nizamabad Maize Bilty Prices

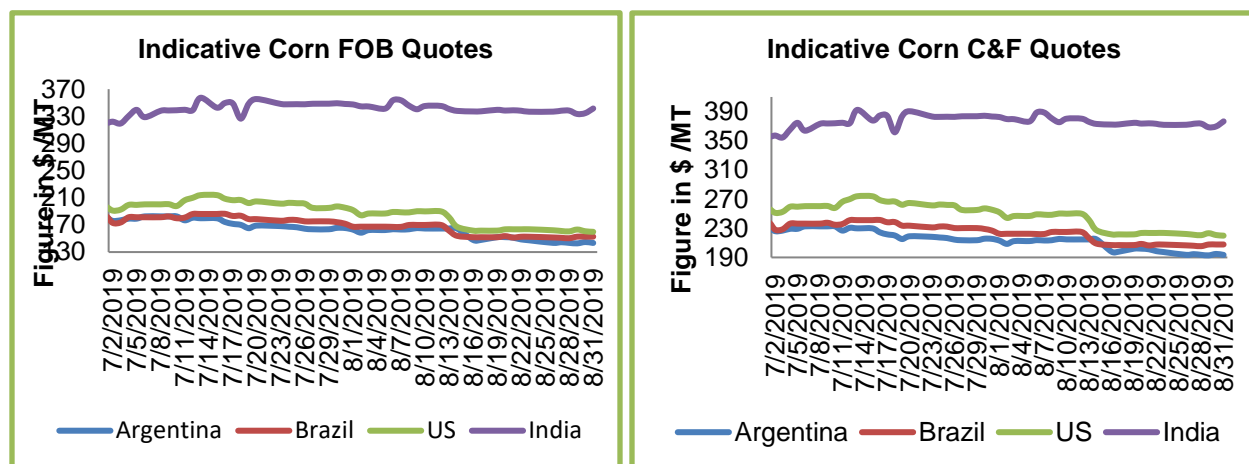


DOMESTIC PRICE OUTLOOK:

Despite the expectation of new crop arrival in Telangana after mid-september; Agriwatch expects that good quality maize could trade steady to range bound for the month of September'19.

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ON THE EXPORT-IMPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.74)				
As on 31.08.2019	Argentina	Brazil	US	India
FOB	143.41	152.70	159.83	341.51
C&F	193.41	207.70	219.83	376.51

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 JULY'19:

As per trade sources, India imported around 13,752 MT of maize for the month of July'19. Out of which, around 11,958 MT was imported from Ukraine for the Kandla port at an average value of \$207.31/ MT.

MAIZE EXPORTS DURING JULY'19:

As per trade sources, India exported around 21,443 MT of maize for the month of July'19 at an average FoB of \$330.05/ MT. Out of which, around 18,273 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Raxaul and Sonauli ICD port.

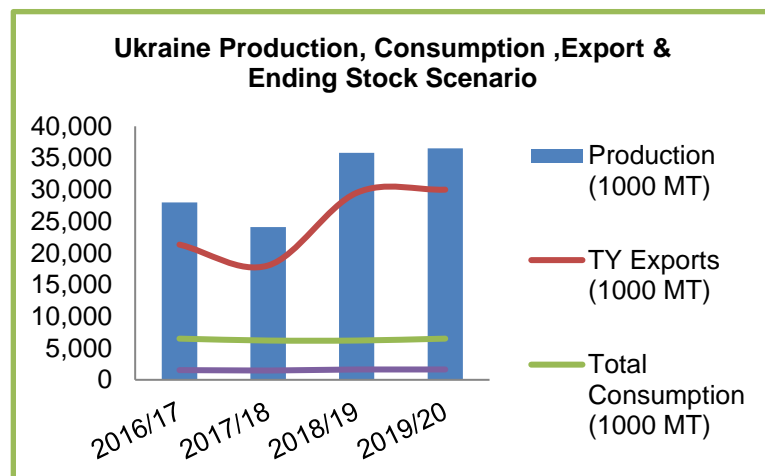
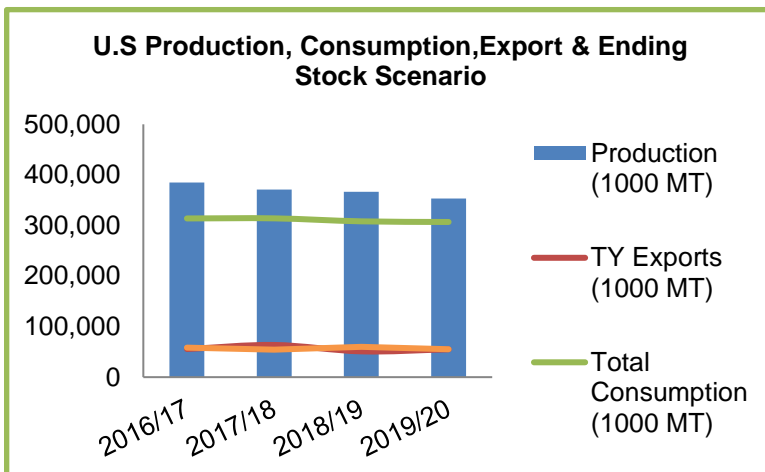
1st September, 2019

INTERNATIONAL MARKET SCENARIO:

U.S corn exports reached 48.54 MMT in the 2018-19 marketing year. At 0.61 MMT (for the period 16th- 22nd August, 2019) US corn exports were up 13 percent from the previous week but down 8 percent from the prior 4-week average. The destinations were primarily to Mexico (201,600 MT), Japan (150,900 MT), Costa Rica (88,700 MT), Guatemala (57,200 MT), and El Salvador (27,200 MT).

USDA increased its world corn ending stock estimates by 8.81 MMT to 307.72 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 by 4.34 MMT to 55.40 MMT for 2019/20 due to increase in production estimates while for Ukraine, it increased its corn ending stock estimates only by 0.4 MMT to 1.63 MMT compared to previous month estimates.

In U.S, Corn has been down 81% as of 01st September, 2019 which is lower by 14% compared to last year and 12% from last 5 year average period. It has dented 41% as of 01st September, 2019 which is lower by 32% compared to last year and 22% from last 5 year average period. Corn has matured 6% as of 01st September, 2019. However, 58% crop of Corn is in good to excellent condition which is 1% higher than previous week.



CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	31/08/2019	31/07/2019	Change
Corn CBOT Prices	Sep-19	141.63	157.57	-15.94
	Dec-19	146.15	161.41	-15.26
	Mar-20	150.88	165.54	-14.66
	May-20	153.83	167.71	-13.88
	July-20	156.39	169.38	-12.99

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 15.94 USD/MT to 157.57 USD/MT for September'19 contract compared to last month as USDA increased its world corn ending stock estimates; driven by upward production forecast for U.S. Further, price direction depends on the export demand for U.S corn.

Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2019-Aug	2019-July	2018-Aug	% Change from Prev. Month	% Change from Prev. Year
Delhi	2153	2082	1372	3.41	56.92
Davangere (Bilty Price)	2380	2350	1390	Unch	71.22
Shimoga	2494	2549	1402	-2.16	77.89
Bagalkot	2151	2161	1300	-0.46	65.46
Gadag	NA`	2101	1265	-	-
Nizamabad (Bilty Price)	2433	2336	1325	4.15	83.62
Khanna	1933	1919	1281	0.73	50.90
Sangli (NCDEX Quality)	2546	2534	1251	0.47	103.52
Gulabbagh (NCDEX Quality)	2175	2155	1226	0.93	77.41
Naugachia	2122	2096	1190	1.24	78.32
Erode (NCDEX Quality)	2613	2610	1545	0.11	69.13

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

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