

Maize Monthly Research Report

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

Overall maize cash markets traded mixed during the month of October'19 compared to previous month but higher than corresponding period last year. As new crop arrivals has started in markets and expected to increase in coming weeks. Also, arrival of imported goods likely to happen. Considering the above mentioned fact; Agriwatch expects that maize could trade steady to slightly weak for the month of November'19.

ARRIVAL SCENARIO & CROP QUALITY

In Davangere region of Karnataka, due to recent rains, new crop arrivals are containing high moisture around 20-30% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase in coming weeks which could weigh on market sentiments. In Chhindwara region of M.P, new crop arrivals of maize contains moisture around 14% to 22%; being traded in a range of Rs. 1600-1900 per quintal (loose price). In Nizamabad, maize arrivals are also containing high moisture due to recent rains and being traded at Rs. 1500 per quintal (loose price) at lower side.

CROP CONDITION

In India, maize has been sown in around 82.44 lakh hectares as of 04th Oct'19 which is higher than 80.20 lakh hectare covered during corresponding period last year. In Anantapuram, Krishna, Vizianagaram and Srikakulam districts of A.P, around 4,084 hectare area is affected by fall army worm and Stem borer; out of which 3,625 hectare area is treated. In Telangana, fall army worm and Locust is below ETL level in Mahboobnagar, Gadwal, Janagoan, Siddipet, Medak and Khammam 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.

SECOND ADVANCE ESTIMATE OF KHARIF PRODUCTION

As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

DOMESTIC TRADE

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,350 per quintal while it is loading for Tamil Nadu at Rs. 2250 per quintal; sourced from Nizamabad. It is being delivered to Tamilnadu at Rs. 2200 per quintal; sourced from Mysore and Hassan districts of Karnataka.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 0.79 USD/MT to 153.54 USD/MT for December'19 contract compared to last month as USDA decreased its world corn ending stock estimates. Further, price direction depends on the export demand for U.S corn. At 0.49 MMT (for the period 18th- 24th October, 2019) US corn exports were up 1 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (204,600 MT), Japan (112,800 MT), Saudi Arabia (73,300 MT), Honduras (37,800 MT), and Colombia (24,400 MT). 58% crop of Corn is in good to excellent condition which is higher than 2% compared to last week.

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INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2018-19E	2019-20F
Opening Stocks (MMT)	2.50	1.48
Production (MMT)	22.72	24.84
Imports (MMT)	0.26	0.08
Total Supply (MMT)	25.48	26.40
Export (MMT)	0.57	0.50
Domestic Consumption (MMT)	23.43	24.80
Total Demand (MMT)	24.00	25.30
Ending Stock (MMT)	1.48	1.10
Monthly Use	2.00	2.11
Stock to Use Ratio	6%	4%
Stock to Month Use Ratio	74%	52%

- In 2019/20, season started from October; expected to begin with 1.48 MMT and end with 1.10 MMT.
 - Total maize production in India could be around 24.84 MMT in 2019-20 against our yearly total demand of 25.30 MMT.
 - With carryout of 1.48 MMT total availability goes up to 26.40 MMT in 2019/20.
 - Total demand including domestic and export could be around 25.30 MMT.
 - ***As ending stock position likely to be less than 2018-19; Indian maize prices could take clue from that.***
- ***E= AW Estimates, F=AW Forecast***

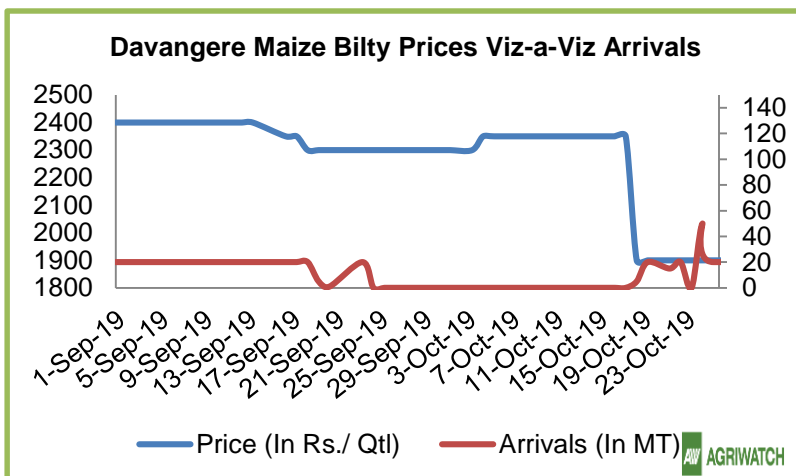
STATE - WISE MARKET DYNAMICS

Karnataka

In Karnataka region, maize could trade steady to slightly weak during the month of November'19.

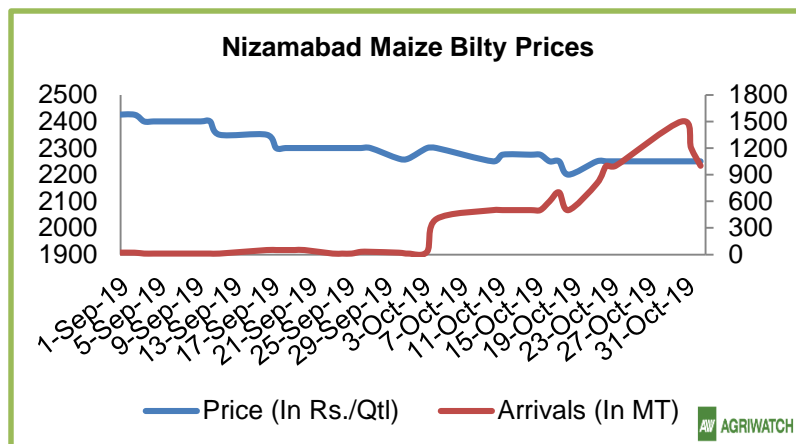
In Davangere region of Karnataka, new crop arrivals are containing high moisture around 20-30% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase in coming weeks which could weigh on market sentiments. It is being delivered to Tamilnadu at Rs. 2200 per quintal; sourced from Mysore and Hassan districts of Karnataka.

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%.



Telangana

In Nizamabad, maize is likely to trade steady to slightly weak due to arrival pressure. However, Tamil Nadu feed makers demand is supporting the market at lower level. Maize is moving towards Hyderabad at Rs. 2350 per quintal (Delivered price); while it is loading for Tamil Nadu at Rs. 2250 per quintal; sourced from Nizamabad. It could trade in a range of Rs. 2000-2300 per quintal (Bilty Price) during the month of November'19.

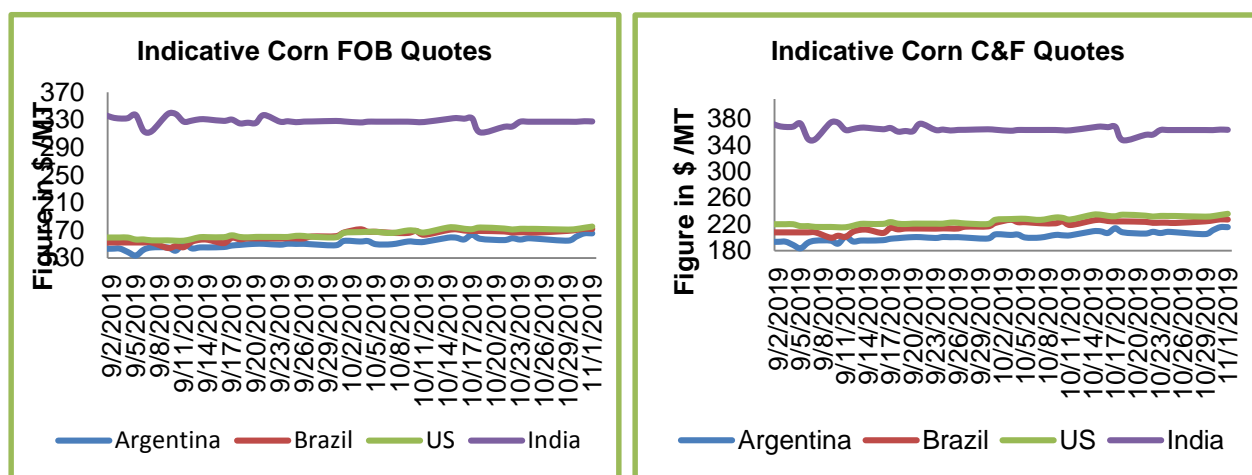


DOMESTIC PRICE OUTLOOK:

Agriwatch expects that maize could trade steady to slightly weak for the month of November'19 as arrivals has started in markets and could increase ahead; likely to weigh on market sentiments.

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ON THE EXPORT-IMPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.86)				
As on 01.11.2019	Argentina	Brazil	US	India
FOB	165.65	172.20	175.60	327.97
C&F	215.65	227.20	235.60	362.97

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 SEPTEMBER'19:

As per trade sources, India imported around 60,384.79 MT of maize for the month of September'19 at an average value of \$283.35/ MT. Out of which, around 52,711 MT was imported from Ukraine mainly for the Tuticorin port followed by Kandla port at an average value of \$247.73/ MT and \$198.48/ MT respectively.

VESSEL POSITION

As per trade sources, Vessel (ABK TIGER) at berth for discharge with 27,200.00 tonnes of corn at Kandla port expected to complete on 2nd November, 2019.

MAIZE EXPORTS DURING SEPTEMBER'19:

As per trade sources, India exported around 11,343 MT of maize for the month of September'19 at an average FoB of \$326.99/ MT. Out of which, around 8,040 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Sonauli ICD and Bhimnagar port.

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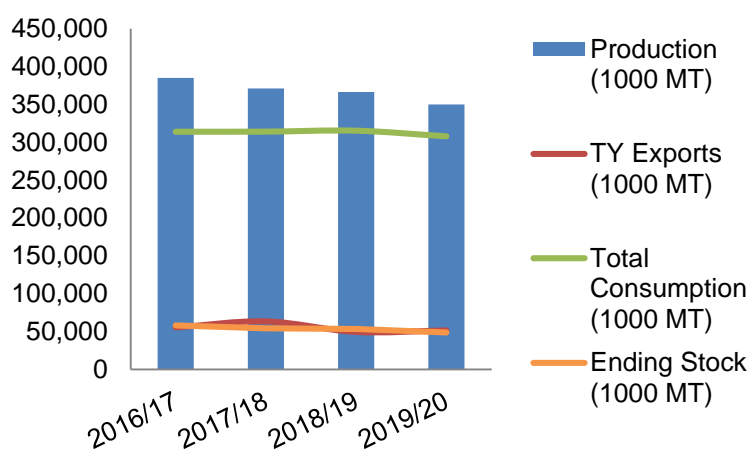
INTERNATIONAL MARKET SCENARIO:

U.S corn exports reached 3.62 MMT in the 2019-20 marketing year. At 0.49 MMT (for the period 18th- 24th October, 2019) US corn exports were up 1 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (204,600 MT), Japan (112,800 MT), Saudi Arabia (73,300 MT), Honduras (37,800 MT), and Colombia (24,400 MT).

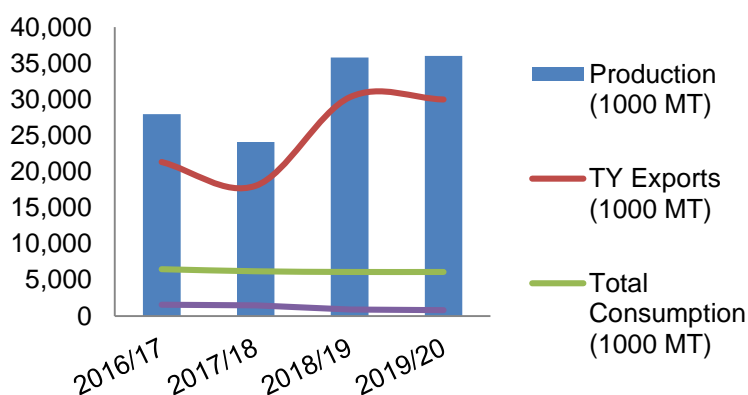
In U.S, Corn has matured 93% as of 27th October, 2019 which is lower by 7% compared to last year. It has harvested 41% which is also lower by 20% compared to last year. However, 58% crop of Corn is in good to excellent condition which is higher than 2% compared to last week.

USDA decreased its world corn ending stock estimates by 3.72 MMT to 302.55 MMT for 2019/20 compared to previous month due to decrease in imports and production estimates for 2019/20. Corn ending stock estimates for U.S also decreased by 6.63 MMT to 48.99 MMT for 2019/20 while for Ukraine, it decreased its corn ending stock estimates by 0.4 MMT to 0.83 MMT compared to previous month estimates.

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	31/10/2019	30/09/2019	Change
Corn CBOT Prices	Dec-19	153.54	152.75	0.79
	Mar-20	156.98	157.28	-0.30
	May-20	159.34	159.54	-0.20
	July-20	161.41	160.82	0.59
	Sep-20	158.26	159.24	-0.98

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 0.79 USD/MT to 153.54 USD/MT for December'19 contract compared to last month as USDA decreased its world corn ending stock estimates. 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-Oct	2019- Sep	2018-Oct	% Change from Prev. Month	% Change from Prev. Year
Delhi	2146	2118	1464	1.32	46.58
Davangere (Bilty Price)	2328	2348	1504	-0.85	54.79
Shimoga	2292	2453	1470	-6.56	55.92
Bagalkot	2077	1993	1419	4.21	46.37
Gadag	2036	1953	1369	4.25	48.72
Nizamabad (Bilty Price)	2259	2333	1464	-3.17	54.30
Khanna	2017	1922	1300	4.94	55.15
Sangli (NCDEX Quality)	2392	2551	1540	-6.23	55.32
Gulabghat (NCDEX Quality)	2132	2117	1416	0.71	50.56
Naugachia	2101	2087	1367	0.67	53.69
Erode (NCDEX Quality)	2383	2542	1657	-6.25	43.81

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

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