

Maize Monthly Research Report

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April, 2020

OUTLOOK AND REVIEW:**DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded weak during the month of March'20 compared to previous month and corresponding period last year due to sluggish demand from poultry feed industry in the wake of coronavirus and bird flu. Besides, large size of Rabi crop is also weighing on market sentiments. For the month of April'20, Agriwatch expects that maize could trade steady to weak as no major trade activity would happen till 14th April'20 as markets are closed due to lockdown in India to fight the spread of Covid-19; huge arrivals of new crop are expected after that which could also weigh on market sentiments.

As per media news, Telangana state government will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal. It will be procured by the government directly from farmers through village procurement centers over a period of 45 days. Procurement by state government could give support to maize prices

RABI CROP SOWING COVERAGE & CROP CONDITION

In Telangana, maize has been sown in 2.36 lakh hectare as of 18th March'20 which is higher than 1.16 lakh hectare covered during corresponding period last year. Maize sown area is 157% to season normal and its sowing has completed. Maize crops are at cob formation stage. In Warangal, Kamareddy & Siddipet districts, fall army worm is below ETL. As per trade sources, recent rains in Bihar and Gujarat, has not impacted the crop quality. In A.P, maize has been sown in around 1.87 lakh hectares as on 11th March'20 which is higher than 1.61 lakh hectare covered during corresponding period last year. Maize sown area is 102% to season normal and at cob formation to cob maturity stage. In Krishna, Vizianagaram, Srikakulam, Prakasam, East Weekly Report and Price Forecast 25 Mar 2020 Godavari, West Godavari, Guntur districts, 25,510 hectare of maize area got affected by Fall Army worm, stem borer, root rot and Tursicum blight; out of which, 25,410 hectare of maize area has been treated.

Maize growing regions in Bihar witnessed unseasonal rains and hailstorm three weeks ago but according to local trade sources, the crop quality is expected to remain intact.

THIRD ADVANCE ESTIMATE OF RABI PRODUCTION

As per 3rd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 4.22 MT/ hectare.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 10.82 USD/MT to 134.15 USD/MT for May'20 contract compared to last month due to uncertainty over economic fallout from the coronavirus. USDA forecasted corn plantings at 96.990 million acres, more than above the average analyst forecast for 94.328 million acres which could weigh on market sentiments. However, further price direction depends on the demand for U.S corn.

INDIA MAIZE BALANCE SHEET

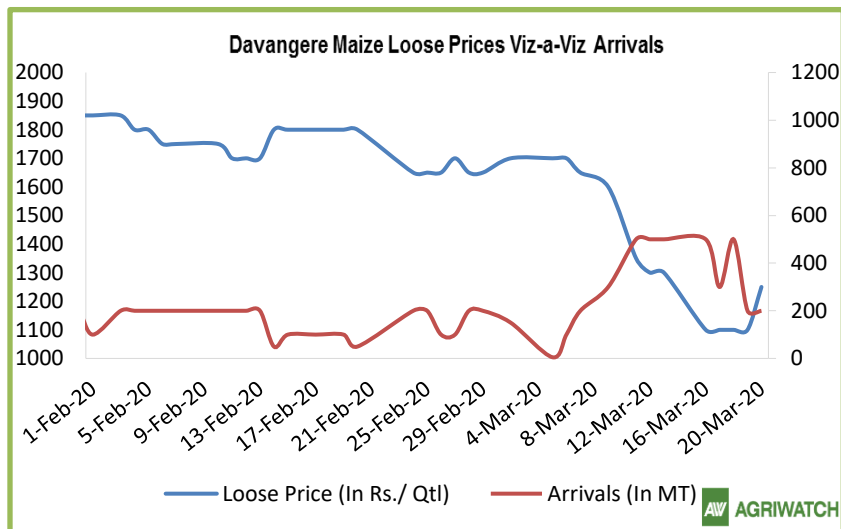
Maize Year-(Oct-Sep)	2018-19E	2019-20F
Opening Stocks (MMT)	2.50	1.42
Production (MMT)	22.72	25.38
Imports (MMT)	0.21	0.30
Total Supply (MMT)	25.43	27.10
Export (MMT)	0.58	0.47
Domestic Consumption (MMT)	23.43	22.63
Total Demand (MMT)	24.01	23.10
Ending Stock (MMT)	1.42	3.99
Monthly Use	2.00	1.93
Stock to Use Ratio	5.92%	17.28%

- In 2019/20, season started from October; has begun with 1.42 MMT and expected to end with 3.99 MMT.
 - Total maize production in India could be around 25.38 MMT in 2019-20 against our yearly total demand of 23.10 MMT.
 - With carryout of 1.42 MMT total availability goes up to 27.10 MMT in 2019/20.
 - Total demand including domestic and export could be around 23.10 MMT.
 - ***As ending stock position is being higher than 2018-19; Indian maize prices could take clue from that.***
- ***E= AW Estimates, F=AW Forecast***

STATE - WISE MARKET DYNAMICS

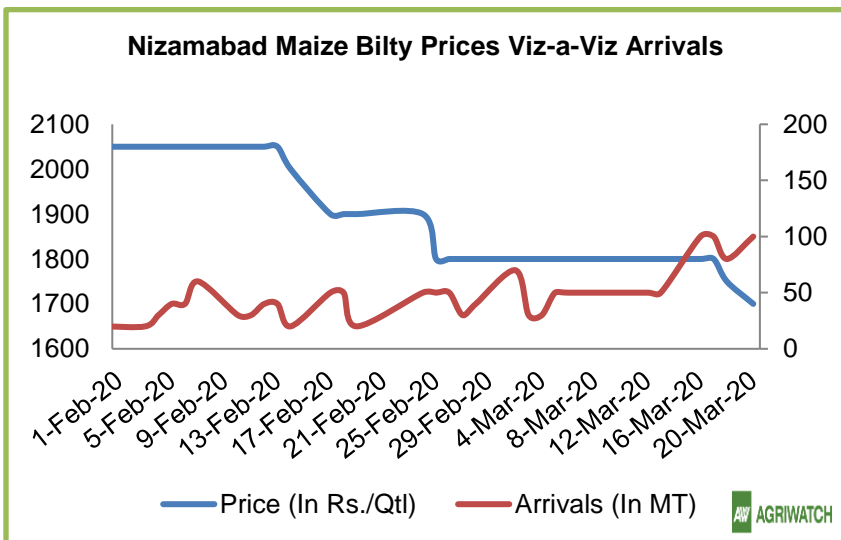
Karnataka

In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh on market sentiments.



Telangana

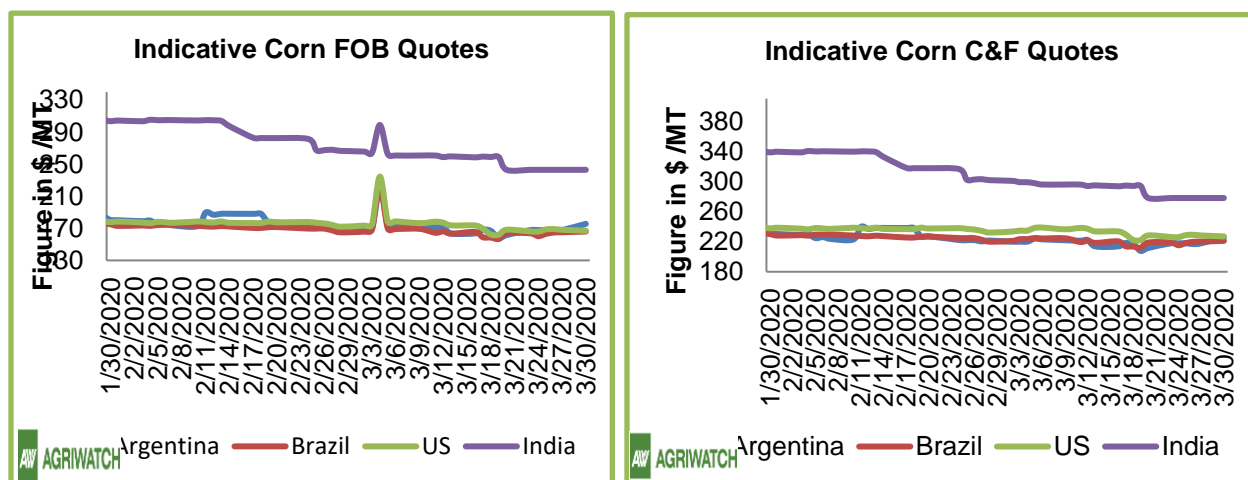
In Nizamabad, maize is likely to trade steady to weak during the month of April'20, due to sluggish poultry feed makers' demand on the fear of corona virus. However, announcement by Telangana state government that they will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal could give support to maize prices. Agriwatch expects that maize could trade in a range of Rs. 1500-1750 per quintal (Bilty Price) during the month of April'20.



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that maize could trade steady to weak during the month of April'20 on the expectation of new crop arrivals amid sluggish feed makers demand.

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ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.46)				
As on 30.02.2020	Argentina	Brazil	US	India
FOB	175.59	166.00	166.99	242.95
C&F	225.59	221.00	226.99	277.95

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. Current Ukraine FOB is 181.50 \$/ MT.

MAIZE IMPORTS DURING FEBRUARY'20:

As per trade sources, India imported around 1,47,554.51 MT of maize for the month of February'20. Out of this, around 1,28,534.51 MT was imported from Myanmar at Kolkata port (1,06,563 MT @ \$266.37 USD/MT), Tuticorin (7,175 MT @ \$247.01 USD/MT), Chennai (1100 MT @284.76 USD/MT), Vizag (4,799 MT @250.31 USD/MT) and Mundra port (5,899 MT @260.99 USD/MT) while around 19,000 MT was imported from Ukraine at Kandla port at an average value of \$199.70 USD/ MT.

MAIZE EXPORTS DURING FEBRUARY'20:

As per trade sources, India exported around 24,835 MT of maize for the month of February'20 at an average FoB of \$306.63/ MT. Out of this, around 21,435 MT Indian maize was exported to Nepal at an average FoB of \$301.66/MT; through Raxaul, Sonauli ICD and Jogbani ICD ports.

VESSEL POSITION

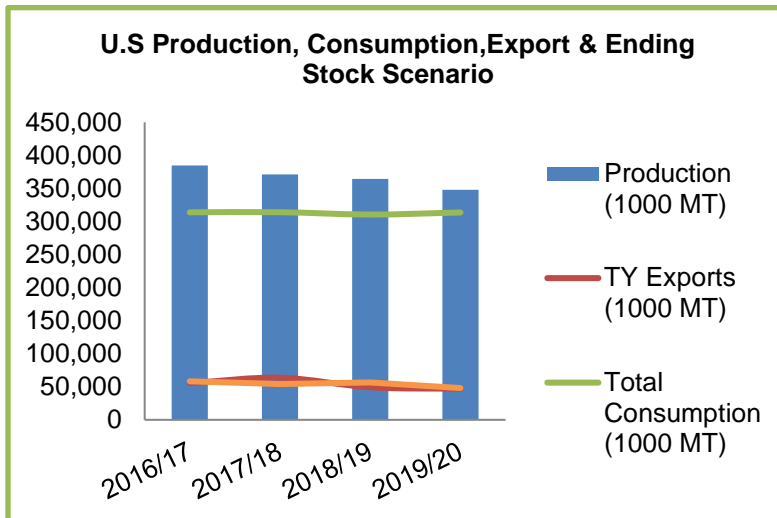
As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, waiting for berth at Tuticorin port on 1st March, 2020.

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INTERNATIONAL MARKET SCENARIO:

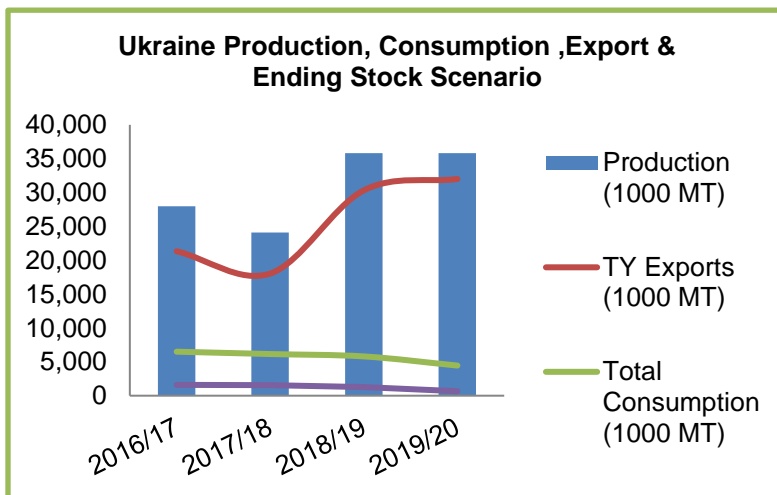
U.S corn exports reached 18.31 MMT in the 2019-20 marketing year. At 1.26 MMT (for the period 20th- 26th March, 2020) US corn exports were up 49 percent from the previous week and 42 percent from the prior 4-week average; mainly for the destinations like Japan (478,700 MT), Mexico (299,200 MT), Colombia (202,500 MT), South Korea (129,500 MT), and Costa Rica (33,100 MT).

USDA forecasted corn plantings at 96.990 million acres, more than above the average analyst forecast for 94.328 million acres which could weigh on market sentiments.



During the month of March, USDA increased its world corn ending stock estimates by 0.51 MMT to 297.34 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20 which could weigh on global corn market.

During the month of March, Corn ending stock estimates for U.S kept unchanged at 48.07 MMT for 2019/20 while for Ukraine, it decreased its corn ending stock estimates by 0.10 MMT to 0.66 MMT compared to previous month estimates due to increase in exports estimates for 2019/20. For Argentina, it decreased its corn ending stock estimates by 1 MMT to 4.12 MMT compared to previous month while for Brazil, it increased its corn ending stock estimates by 0.11 MMT to 4.39 MMT due to decrease in export estimates compared to previous month estimates.



IGC increased its global corn production forecast for 2019/20 by 4 MMT to 1116 MMT compared to previous forecast. Forecast for global corn ending stock was also up by 5 MMT to 289 MMT due to increase in production amid lower estimates for trade and consumption for 2019/20 compared to last month forecast which could weigh on international corn market. IGC also forecast, global corn production at 1157 MMT and global corn ending stock estimates at 274 MMT for 2020/21.

Japan imported total 1256.70 Thousand MT of corn; out of which 851.86 Thousand MT imported from Brazil and 395.49 Thousand MT imported from USA during February'20.

Republic Korea imported total 997.51 Thousand MT of corn; out of which 421.81 Thousand MT imported from Ukraine and 206.98 Thousand MT imported from Argentina during February'20.

Thailand imported total 383.90 Thousand MT of corn; out of which 371.30 Thousand MT imported from Myanmar during February'20.

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Brazil imported total 87.67 Thousand MT of corn; out of which 87.50 Thousand MT from Paraguay during February'20.

Switzerland imported total 16.15 Thousand MT of corn; out of which 7.55 Thousand MT from France and 5.19 Thousand MT imported from Romania during February'20.

CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	31/03/2020	28/02/2020	Change
Corn CBOT Prices	May-20	134.15	144.97	-10.82
	Jul-20	136.21	146.65	-10.44
	Sep-20	137.69	146.65	-8.96
	Dec-20	140.74	148.42	-7.68
	Mar-21	145.07	-	-

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 10.82 USD/MT to 134.15 USD/MT for May'20 contract compared to last month due to uncertainty over economic fallout from the coronavirus. However, further price direction depends on the demand for U.S corn.

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Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2020-Mar	2020-Feb	2019-Mar	% Change from Prev. Month	% Change from Prev. Year
Delhi	1738	1885	2191	-7.80	-20.68
Davangere	1381	1743	1940	-20.77	-28.81
Shimoga	1462	1748	2009	-16.36	-27.23
Bagalkot	1482	1709	1952	-13.28	-24.08
Gadag	1434	1710	1898	-16.14	-24.45
Nizamabad	1686	1858	1917	-9.26	-12.05
Khanna	1737	1860	2065	-6.61	-15.88
Sangli (NCDEX Quality)	1595	1807	2128	-11.73	-25.05
Gulabghat (NCDEX Quality)	1806	1997	2043	-9.56	-11.60
Naugachia	NA	NA	1917	-	-
Erode (NCDEX Quality)	1634	1852	2171	-11.77	-24.74

- All market prices are monthly average of loose prices

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