

Maize Monthly Research Report

Contents

- ❖ Outlook and Review
- ❖ Current Harvesting Situation
- ❖ Third Advance Estimate of Rabi Production
- ❖ International Corn Market Summary
- ❖ India Maize Balance Sheet
- ❖ State Wise Market Dynamics
- ❖ Domestic Price Outlook
- ❖ On The Export-Import Front
- ❖ Maize Exports-Imports during March'20
- ❖ International Market Scenario
- ❖ CBOT Corn Future Prices
- ❖ International Corn Outlook
- ❖ Monthly Spot Price Comparison

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

Maize cash markets traded weak during the month of April'20 compared to previous month and corresponding period last year as arrival of new crop starts amid sluggish demand from poultry feed industry in the wake of coronavirus. Besides, large size of Rabi crop is also weighing on market sentiments. For the month of May'20, Agriwatch expects that maize could trade steady to slightly weak on the expectation of arrival pressure. However, fresh export demand could give support at lower level.

Although it's early to say about corn acreage for this Kharif season amid COVID19 where acreage depends on seed and inputs availability; chances for maize acreage compared to corresponding period last year seems unchanged, in the Karnataka, Rajasthan, Maharashtra, Madhya Pradesh, Telangana and U.P states, on the expectation of enough seed availability; provided state government provides sufficient seeds. Also, this is less labour required crop so farmers could be interested to plant that.

In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity. While, in Bihar, it is being traded at Rs. 1200-1250 (Bilty Price) per quintal.

As per trade sources, Telangana state government is procuring maize at Rs. 1760 per quintal. Earlier State Government announced that it will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal, directly from farmers through village procurement centers over a period of 45 days.

CURRENT HARVEST SITUATION

As per trade sources, in Telangana, around 90% rabi crop of maize has been harvested while in Bihar regions, maize crop has been harvested around at 50% till date. However, in Karnataka, maize crop has been harvested only at 5% due to labour shortage.

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 11.52 USD/MT to 122.63 USD/MT for May'20 contract compared to last month due to uncertainty over economic fallout from the coronavirus. Rapid U.S planting progress likely to put pressure on CBOT corn prices. Besides, price direction also depends on the demand for U.S corn.

INDIA MAIZE BALANCE SHEET

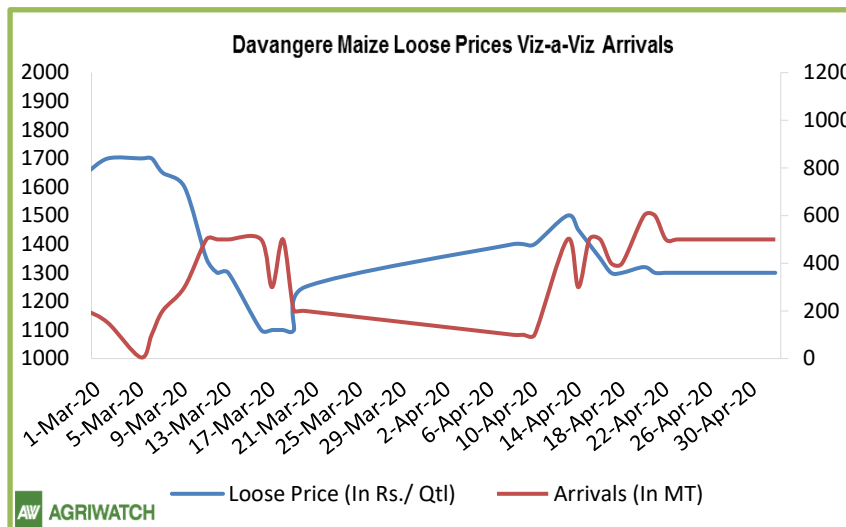
Maize Year-(Oct-Sep)	2018-19E	2019-20F
Opening Stocks (MMT)	2.50	1.42
Production (MMT)	22.72	25.38
Imports (MMT)	0.21	0.34
Total Supply (MMT)	25.43	27.13
Export (MMT)	0.58	0.47
Domestic Consumption (MMT)	23.43	22.63
Total Demand (MMT)	24.01	23.10
Ending Stock (MMT)	1.42	4.03
Monthly Use	2.00	1.93
Stock to Use Ratio	5.92%	17.44%

- In 2019/20, season started from October; has begun with 1.42 MMT and expected to end with 4.03 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 27.13 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

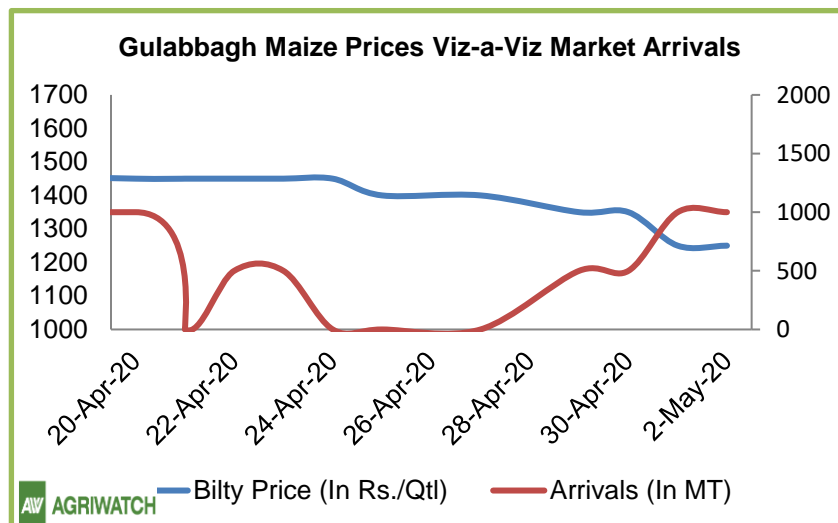
Karnataka

In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity.



Gulabghagh

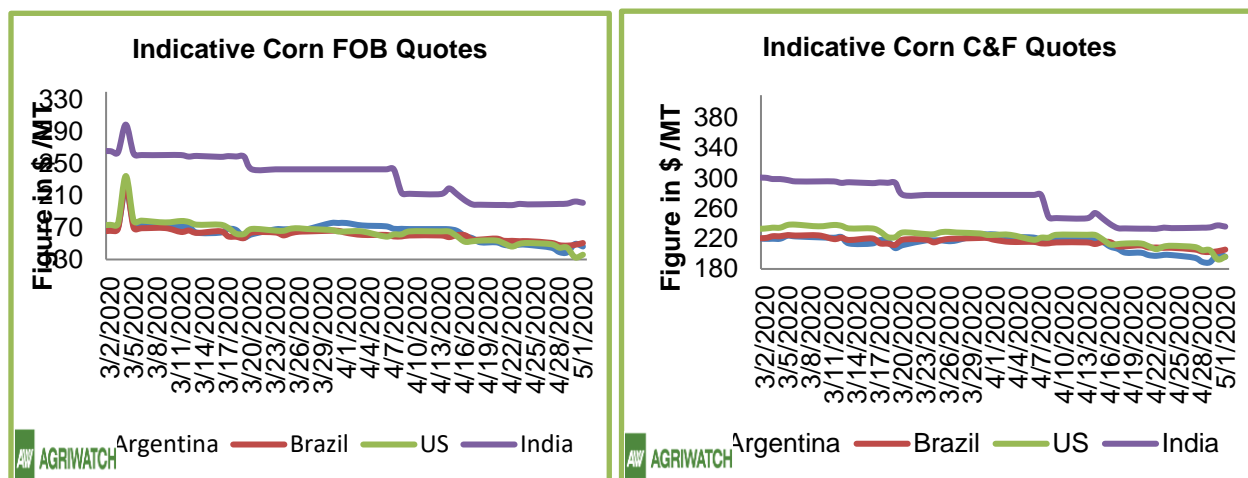
In Bihar, Maize is being traded at Rs. 1200-1250 (Bilty Price) per quintal. Despite the demand of Rajasthan, U.P and Haryana feed makers; it could trade slightly weak amid arrival pressure. Any further fall is a good buying opportunity for stockists and importers. Agriwatch expects that maize could trade in a range of Rs. 1150-1300 per quintal during the month of May'20.



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that maize could trade steady to slightly weak during the month of May'20 on the expectation of new crop arrivals pressure. However, fresh export demand could give support to maize prices.

ON THE EXPORT-IMPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.61)				
As on 01.05.2020	Argentina	Brazil	US	India
FOB	146.26	150.60	135.97	201.04
C&F	196.26	205.60	195.97	236.04

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed. Current FOB of Ukraine is \$168 USD/ MT.

MAIZE IMPORTS DURING MARCH'20:

As per trade sources, India imported around 57,255 MT of maize for the month of March'20. Out of this, around 46,635 MT was imported from Myanmar at Tuticorin (22,588 MT @ \$252.30 USD/MT), Kolkata port (13,863 MT @ \$265.20 USD/MT), Vizag (6,176 MT @253.14 USD/MT), Mundra port (3,935 MT @266.67 USD/MT) and Chennai (72 MT @353.94 USD/MT) while around 10,620 MT was imported from Ukraine at Kandla port at an average value of \$196.51 USD/ MT.

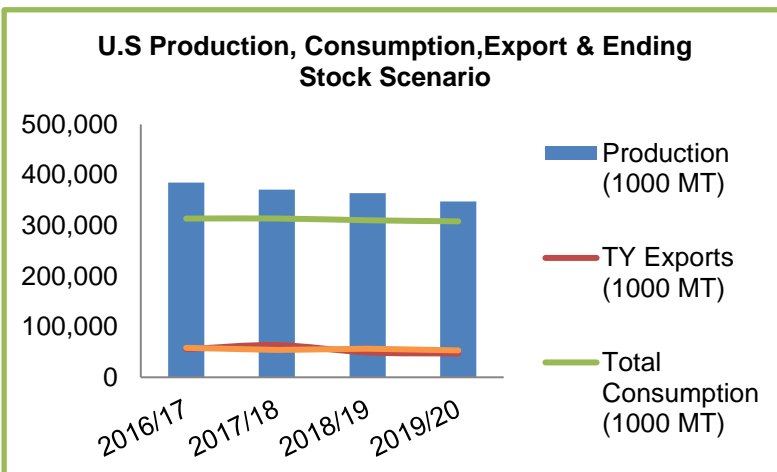
MAIZE EXPORTS DURING MARCH'20:

As per trade sources, India exported around 18,527 MT of maize for the month of March'20 at an average FoB of \$274.79/ MT. Out of which, around 12,217 MT Indian maize was exported mainly to Nepal at an average FoB of \$272.82/MT; mainly through Raxaul followed by Jogbani ICD and Sonauli ICD port.

May, 2020

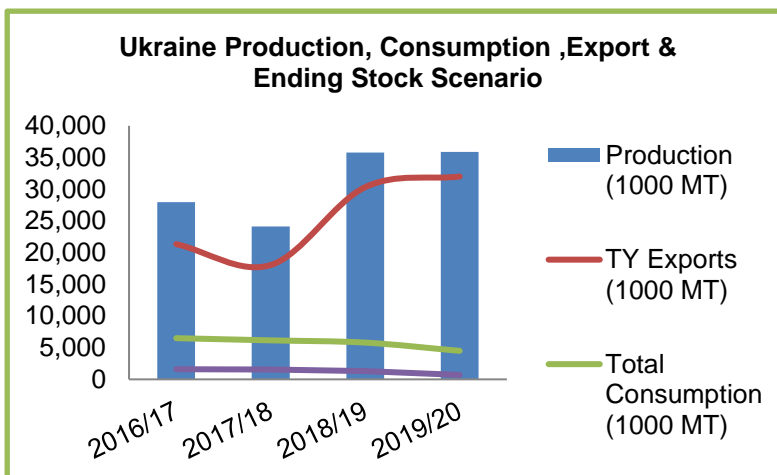
INTERNATIONAL MARKET SCENARIO:

U.S corn exports reached 22.70 MMT in the 2019-20 marketing year. At 1.05 MMT (for the period 17th- 23rd April, 2020) US corn exports were up 27 percent from the previous week but down 9 percent from the prior 4-week average; mainly for the destinations like Japan (405,000 MT), South Korea (263,200 MT, late reporting 67,300 MT), Mexico (190,100 MT), Colombia (52,500 MT), and the Dominican Republic (31,600 MT).



In U.S, corn plantings as on 3 May 2020 stand at 51%, up 30 percentage points from same time last year and up 12 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

During the month of April, USDA increased its world corn ending stock estimates by 5.83 MMT to 303.17 MMT for 2019/20 compared to previous month due to decrease in domestic consumption and also increase in production estimates for 2019/20 which could weigh on global corn market.



During the month of April, Corn ending stock estimates for U.S increased by 5.08 MMT to 53.15 MMT for 2019/20 due to decrease in consumption estimates while for Ukraine, it increased its corn ending

stock estimates by 0.04 MMT to 0.70 MMT compared to previous month estimates due to increase in production estimates for 2019/20. However, for Argentina, it decreased its corn ending stock estimates by 0.24 MMT to 3.87 MMT compared to previous month due to increase in exports while for Brazil, it kept unchanged its corn ending stock estimates at 4.39 MMT compared to previous month estimates.

IGC increased its global corn production forecast for 2020/21 by 1 MMT to 1158 MMT compared to previous month forecast. Forecast for global corn ending stock was also up by 7 MMT to 281 MMT for 2020/21 compared to last month forecast which could weigh on international corn market.

As per media news, Russia will suspend exports of wheat, rye, barley and corn to countries which are not members of the (Russia-led) Eurasian Economic Union until July 1.

Republic Korea imported total 856.89 Thousand MT of corn; out of which 448.35 Thousand MT imported from Ukraine and 85.18 Thousand MT imported from Argentina during March'20.

Brazil imported total 73.94 Thousand MT of corn; out of which 40.94 Thousand MT imported from Paraguay and 33 Thousand MT imported from Argentina during March'20.

South Africa imported total 32.12 Thousand MT of corn; out of which 32.05 Thousand MT imported from Argentina during March'20.

May, 2020

Switzerland imported total 22.43 Thousand MT of corn; out of which 12.02 Thousand MT from France and 4.70 Thousand MT imported from Germany during March'20.

Bosnia and Herzegovina imported total 18.63 Thousand MT of corn; out of which 17.76 Thousand MT from Area Nes during March'20.

Bangladesh imported 6.84 Thousand MT of corn from Brazil during March'20.

CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	30/04/2020	31/03/2020	Change
Corn CBOT Prices	May-20	122.63	134.15	-11.52
	Jul-20	125.98	136.21	-10.23
	Sep-20	128.54	137.69	-9.15
	Dec-20	132.77	140.74	-7.97
	Mar-21	137.99	145.07	-7.08

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 11.52 USD/MT to 122.63 USD/MT for May'20 contract compared to last month due to uncertainty over economic fallout from the coronavirus. Rapid U.S planting progress likely to put pressure on CBOT corn prices. Besides, price direction also depends on the demand for U.S corn.

Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2020-Apr	2020-Mar	2019-Apr	% Change from Prev. Month	% Change from Prev. Year
Delhi	Closed	1738	2246	-	-
Davangere	1345	1381	1994	-2.61	-32.55
Shimoga	1552	1462	2213	6.16	-29.87
Bagalkot	1271	1482	2131	-14.24	-40.36
Gadag	1420	1434	2049	-0.98	-30.70
Nizamabad	Closed	1686	1958	-	-
Khanna	Closed	1737	2179	-	-
Sangli (NCDEX Quality)	Closed	1595	2332	-	-
Gulabgachh(NCDEX Quality)	1397	1806	2071	-22.65	-32.54
Naugachia	Closed	NR	1925	-	-
Erode (NCDEX Quality)	Closed	1634	2360	-	-

- All market prices 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>
 © 2020 Indian Agribusiness Systems Ltd.