

Maize Monthly Research Report

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

Overall maize cash markets except Khanna market traded range bound during the month of December 2020 compared to previous month but was weak compared to corresponding period last year. Despite some improvement in demand from the domestic feed industry and export markets, some markets showed weak trend due to trade of low quality material. For the month of January 2021, Agriwatch expects that Maize would trade steady to slightly firm due to continuous demand from the domestic feed industry and export markets. Besides, decrease in arrivals would also support the market.

MAIZE TRADE SCENARIO

In Gulabghat region of Bihar, Maize is being traded at Rs.1,550 per quintal (Bilty Price). Trade activities in Bihar have been lower due to low supply in to the market. Hyderabad poultry feed makers are buying Maize at Rs.1,550-1,600 per quintal; sourced from Nizamabad region. Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices.

STATE WISE MAIZE SOWING COVERAGE

In India, Maize has been sown in 12.57 lakh hectares as of January 01, 2021, which is lower than the 13.73 lakh hectares of area during the corresponding period last year. In Karnataka, it has been sown in 0.66 lakh hectares; lower than the 0.87 lakh hectares in the corresponding period, last year. In Andhra Pradesh, it has been sown in 0.64 lakh hectares; lower than the 1.21 lakh hectares in the corresponding period, last year and in Telangana, it has been sown in 0.36 lakh hectares; lower than the 0.91 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 4.35 lakh hectares; marginally higher than the 4.30 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.46 lakh hectares; higher than the 1.42 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.23 lakh hectares; higher than 1.61 lakh hectares in the corresponding period, last year.

INTERNATIONAL CORN MARKET SUMMARY

Maize on CBOT rose by US\$ 22.83 per MT to US\$ 190.54 per MT for March 2021 contract compared to the previous month. Agriwatch expects that continuous export demand for U.S. Maize and decrease in Global Maize Ending Stock, would continue to support CBOT Maize.

USDA decreased its World Maize Ending Stocks Estimate by 2.47 MMT to 288.96 MMT for 2020-21, along with a decrease in Production Estimates, which would support the global Maize market.

USDA also revised the Ending stock estimates for Brazil and Ukraine, at 7.49 MMT and 0.89 MMT for 2020-21, respectively compared to previous month's estimates, while for U.S. and Argentina, it kept the same unchanged at 43.23 MMT and 2.88 MMT, respectively.

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2019-20	2020-21F
Opening Stocks (MMT)	01.42	03.41
Production (MMT)	25.38	24.52
Imports (MMT)	00.34	00.02
Total Supply (MMT)	27.14	27.95
Export (MMT)	01.11	01.42
Domestic Consumption (MMT)	22.62	23.11
Total Demand (MMT)	23.73	24.53
Ending Stock (MMT)	03.41	03.43
Monthly Use	01.98	02.04
Stock to Use Ratio	14.38%	13.97%

- The 2020-21 season, beginning October 2020, started with an opening stock of 3.41 MMT and is expected to end in September 2021 with 3.43 MMT.
- Total Maize production in India is estimated at around 24.52 MMT in 2020-21 against our total annual demand including exports, of 24.53 MMT.
- ***As the Ending stocks are expected to be same than in 2019-20, Indian Maize prices would take clue from that.***
- ***F=AW Forecast***

CONSUMPTION BREAK UP

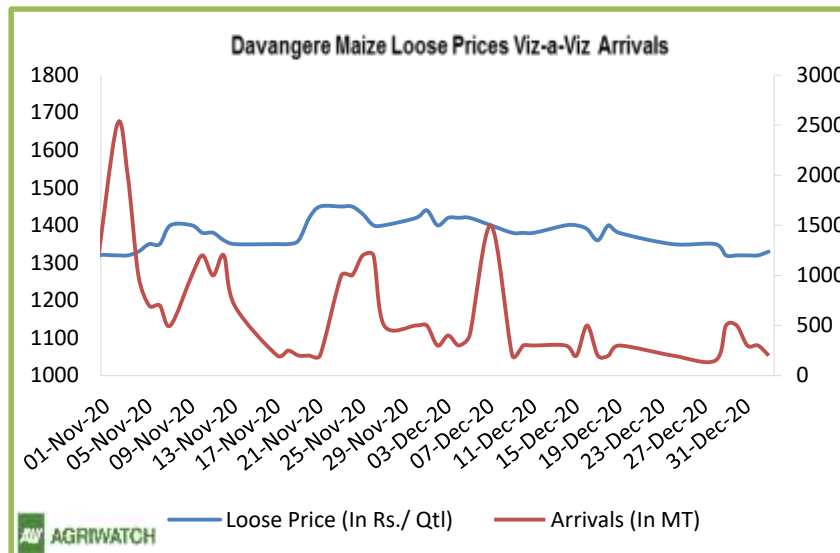
(Quantity in MMT)

Consumption Break Up	2019-20	2020-21F
Poultry & Cattle Feed	14.27	14.62
Starch & Brewery	04.66	04.66
Human Consumption	01.85	01.86
Seed	00.27	00.27
Shortage & Wastage	01.02	00.98
Storage & Moisture Loss	00.56	00.71
Total Domestic Consumption	22.62	23.11

STATE - WISE MARKET DYNAMICS

Karnataka

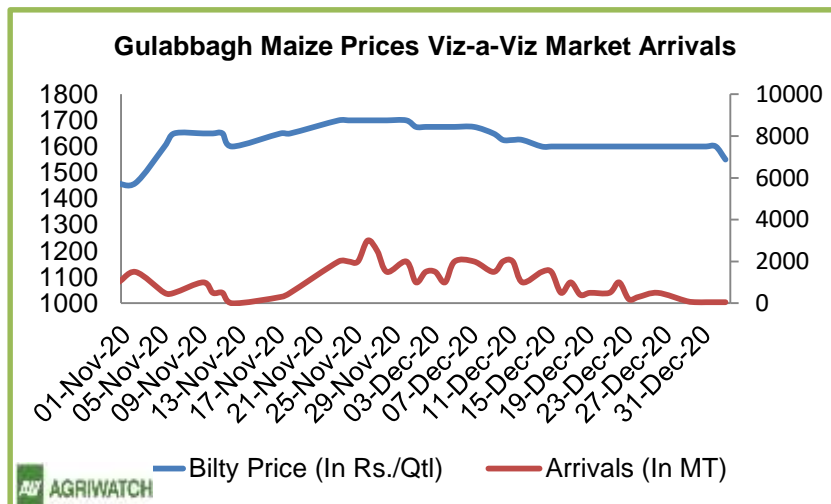
In Karnataka, maize is likely to trade steady to range bound in near term amid sluggish demand as Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices. Agriwatch expects that maize in Davangere would trade in a range of Rs. 1300-1400 per quintal (loose price) during the month of January'21.



Bihar

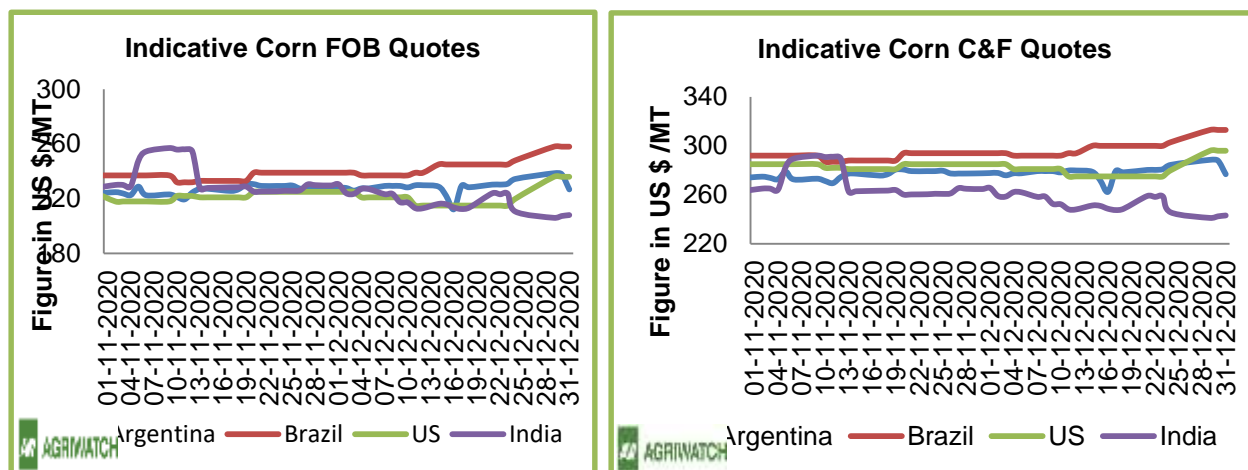
In Gulabbagh region of Bihar, Maize is being traded at Rs.1,550 per quintal (Bilty Price). Trade activities in Bihar has been lower due to low supply in to the market.

Agriwatch expects that maize in Gulabbagh would trade in a range of Rs. 1500-1600 per quintal (Bilty Price) during the month of January'21.



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade steady to slightly firm during the month of January 2021 due to continuous demand from the domestic feed industry and export markets. Besides, decrease in arrivals would also support the market.

ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.06)				
As on 31.12.2020	Argentina	Brazil	US	India
FOB	226.77	258.00	236.00	208.05
C&F	276.77	313.00	296.00	243.05

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed.

MAIZE EXPORTS DURING NOVEMBER'20:

As per trade sources, India exported around 2,67,069 MT of Maize in the month of November 2020 at an average FoB of US\$ 212.75 per MT, out of which, 2,17,263 MT was exported to Bangladesh at an average FoB of US\$ 203.25 per MT and around 39,746 MT was exported to Nepal at an average FoB of US\$ 215.63 per MT. Around 3,845 MT was exported to Vietnam at an average FoB of US\$ 229.04 per MT. Data for December is not yet available.

MAIZE VESSEL POSITION:

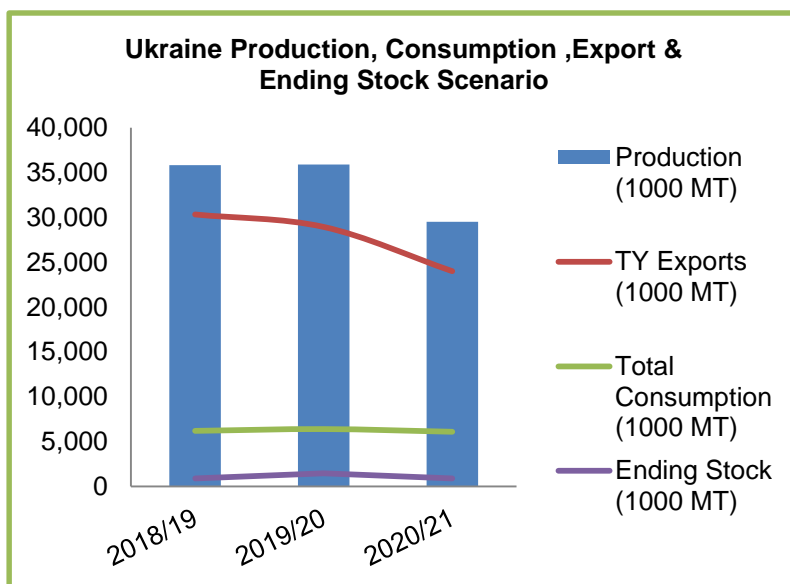
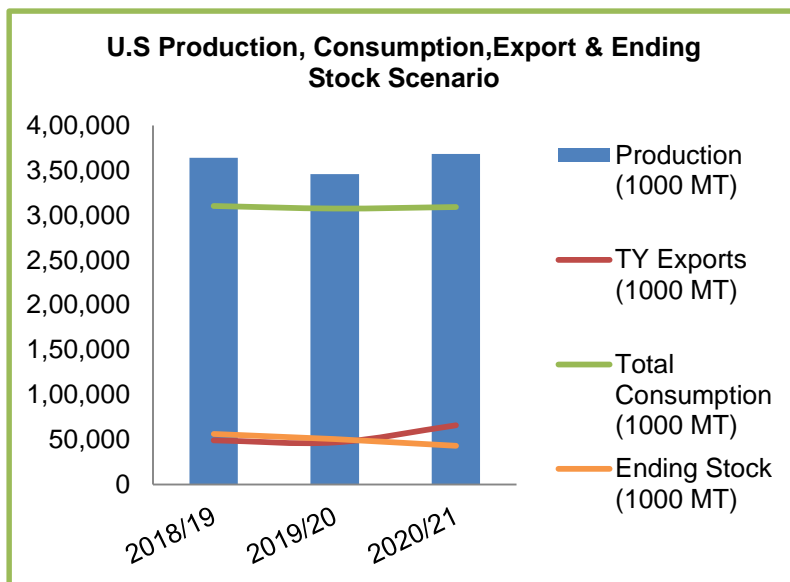
Sources revealed that 27,500 MT of Maize Vessel, EAST AYUTTHAYA, was expected to arrive at VIZAG/ Visakhapatnam port on January 01, 2021. While, 17,500 MT of Maize Vessel, J K GALAXY, was expected to complete on December 29, 2020. Earlier, around 27,500 MT of Maize has been loaded onto Vessel, ATROMITOS L, at VIZAG/ Visakhapatnam port during the month of December 2020. Besides, 25,000 MT of Maize Vessel, DMC NEPTUNE, was expected to arrive at Krishnapatnam port on December 31, 2020.

INTERNATIONAL MARKET SCENARIO:

U.S. Maize exports have reached 14.23 MMT in the 2020-21 marketing year. At 1.34 MMT (for the period December 18 -December 24, 2020) U.S. Maize exports were up 60 percent from the previous week and 49 percent from the prior 4-week average; mainly for the destinations like China (492,000 MT), Japan (273,400 MT), Mexico (226,900 MT), Colombia (76,100 MT), and Morocco (65,900 MT).

In its December 2020 report, USDA decreased its world Maize ending stock estimate by 2.47 MMT to 288.96 MMT for 2020-21 along with a decrease in production estimates which would support to global Maize market.

USDA also revised the Ending stock estimates for Brazil and Ukraine, at 7.49 MMT and 0.89 MMT for 2020-21, respectively compared to previous month's estimates, while for U.S. and Argentina, it kept the same unchanged at 43.23 MMT and 2.88 MMT, respectively.



CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	31/12/2020	30/11/2020	Change
Corn CBOT Prices	Mar-21	190.54	167.71	22.83
	May-21	190.25	168.89	21.36
	July-21	189.07	169.19	19.88
	Sep-21	175.78	161.80	13.98
	Dec-21	171.15	NA	-

INTERNATIONAL CORN OUTLOOK:

Maize on CBOT rose by US\$ 22.83 per MT to US\$ 190.54 per MT for March 2021 contract compared to the previous month due to dry weather in South America. Besides, Argentina has temporarily suspended registration for exports, until March 01, 2021 to safeguard domestic supply which is another reason to increase. Agriwatch expects that continuous export demand for U.S. Maize and decrease in Global Maize Ending Stock, would continue to support CBOT Maize.

Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2020-December	2020-November	2019-December	% Change from Prev. Month	% Change from Prev. Year
Delhi	1545	1589	2200	-2.77	-29.77
Davangere	1382	1383	1944	-0.07	-28.91
Shimoga	1337	1360	1861	-1.69	-28.16
Bagalkot	1428	1475	1981	-3.19	-27.92
Gadag	1362	1399	1917	-2.64	-28.95
Nizamabad	1460	1405	1922	3.91	-24.04
Khanna	1489	1333	2070	11.70	-28.07
Sangli (NCDEX Quality)	1542	1539	2048	0.19	-24.71
Gulabghat (NCDEX Quality)	1621	1647	2348	-1.58	-30.96
Naugachia	1523	1509	2160	0.93	-29.49
Erode (NCDEX Quality)	1559	1591	2084	-2.01	-25.19

- All market prices are monthly average of loose prices

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