

Maize Monthly Research Report

Contents

- ❖ Outlook and Review
- ❖ Maize Trade Scenario
- ❖ State Wise Rabi Sowing Coverage
- ❖ International Corn Market Summary
- ❖ India Maize Balance Sheet
- ❖ Consumption Break-Up
- ❖ State Wise Market Dynamics
- ❖ Domestic Price Outlook
- ❖ On The Export-Import Front
- ❖ Maize Exports during December'20
- ❖ Maize Vessel Position
- ❖ 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 January 2021 compared to previous month and corresponding period last year. Despite continuous export demand, maize in domestic markets showed weak trend due to trade of low quality material and pockets of severe cases of bird flu in India. For the month of February 2021, Agriwatch expects that Maize would trade steady to slightly firm due to continuous demand from global feed makers. However, higher stock availability would limit the gain.

MAIZE TRADE SCENARIO

Maize is being loaded at Krishnapatnam, Vizag and Chennai ports at Rs.1,555 per quintal, Rs.1,620 per quintal and Rs.1,551 per quintal, respectively; sourced from Davangere and Kotturu region of Karnataka. Hyderabad poultry feed makers are buying Maize at Rs.1,550-1,600 per quintal; sourced from Nizamabad region of Telangana, while, Kolkata feed makers are buying Maize at Rs. 1,600 per quintal, sourced from Gulabghat region of Bihar.

STATE WISE MAIZE SOWING COVERAGE

In India, Maize has been sown in 16.94 lakh hectares, as of January 29, 2021, which is lower than the 17.49 lakh hectares of sown area during the corresponding period last year. In Andhra Pradesh, it has been sown in 1.28 lakh hectares against the 1.67 lakh hectares sown last year in this period; in Karnataka, it has been sown in 0.76 lakh hectares against 0.87 lakh hectares and in Telangana, in 1.08 lakh hectares against 1.39 lakh hectares; in Tamil Nadu, it has been sown in 1.58 lakh hectares against 1.65 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 5.27 lakh hectares; higher than the 5.05 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.73 lakh hectares; higher than 2.28 lakh hectares in the corresponding period, last year.

INTERNATIONAL CORN MARKET SUMMARY

Maize on CBOT rose by US\$ 24.80 per MT to US\$ 215.34 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 Stock Estimate by 5.13 MMT to 283.83 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 U.S. and Brazil, at 39.42 MMT and 6.49 MMT for 2020-21, respectively compared to previous month's estimates, while for Argentina and Ukraine, it kept the same unchanged at 2.88 MMT and 0.89 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	25.18
Imports (MMT)	00.34	00.02
Total Supply (MMT)	27.14	28.61
Export (MMT)	01.11	01.87
Domestic Consumption (MMT)	22.62	22.58
Total Demand (MMT)	23.73	24.45
Ending Stock (MMT)	03.41	04.16
Monthly Use	01.98	02.04
Stock to Use Ratio	14.38%	17.01%

- 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 4.16 MMT.
- Total Maize production in India is estimated at around 25.18 MMT in 2020-21 against our total annual demand including exports, of 24.45 MMT.
- As the Ending stocks are expected to be lower than in 2019-20, Indian Maize prices would take clue from that.***
- F=AW Forecast***

CONSUMPTION BREAK UP

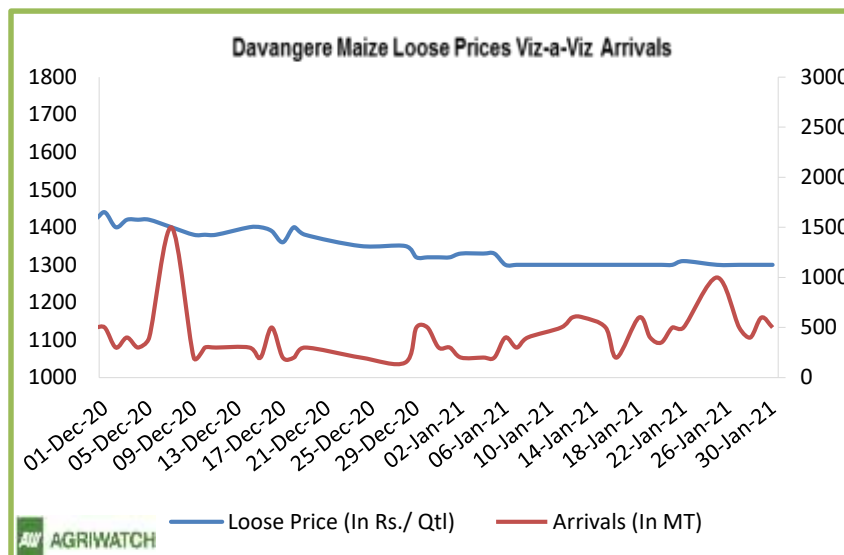
(Quantity in MMT)

Consumption Break Up	2019-20	2020-21F
Poultry & Cattle Feed	14.27	14.05
Starch & Brewery	04.66	04.66
Human Consumption	01.85	01.86
Seed	00.27	00.27
Shortage & Wastage	01.02	01.01
Storage & Moisture Loss	00.56	00.73
Total Domestic Consumption	22.62	22.58

STATE - WISE MARKET DYNAMICS

Karnataka

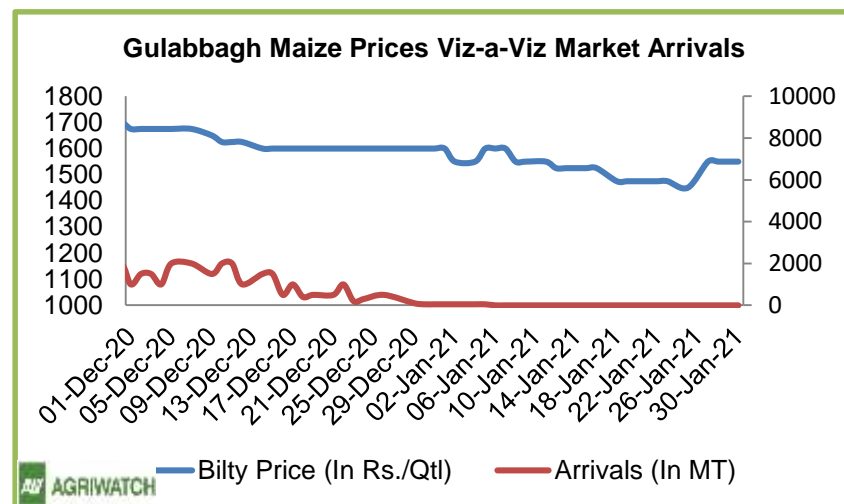
In Karnataka, maize is likely to trade steady to range bound in near term despite fresh export demand. Maize is being loaded for Krishnapatnam, Vizag and Chennai port at Rs.1,555 per quintal, Rs.1,620 per quintal and Rs.1,551 per quintal, respectively; sourced from Davangere and Kotturu region of Karnataka. Agriwatch expects that maize in Davangere would trade in a range of Rs. 1300-1400 per quintal (loose price) during the month of February'21.



Bihar

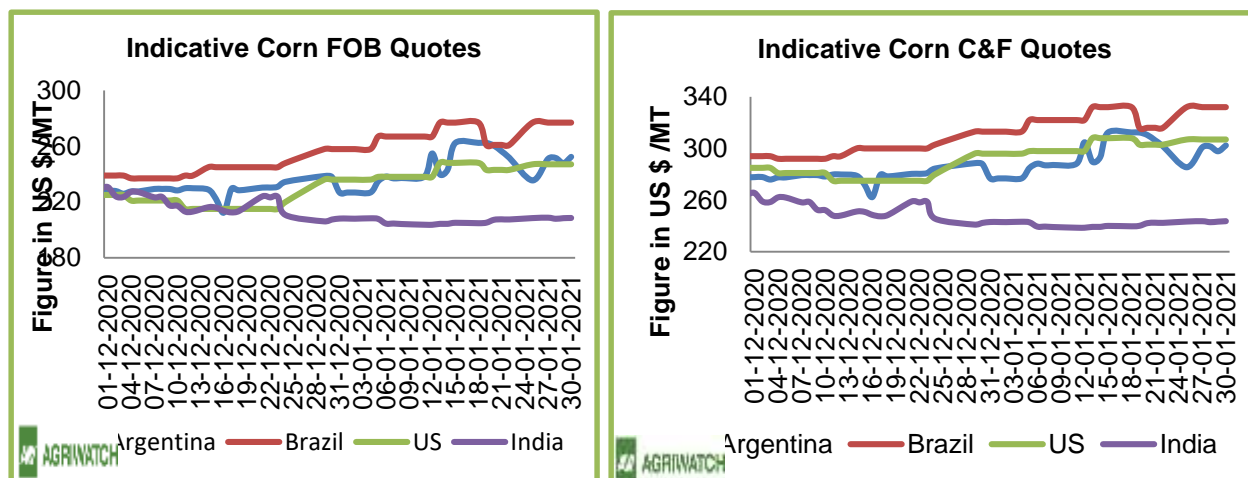
In Gulabbagh region of Bihar, Maize is being traded at Rs. 1,525-1,550 per quintal (Bilty Price). Trade activities in Bihar has been lower due to low supply in to the market.

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



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade steady to slightly firm during the month of February 2021 due to continuous demand from the export markets. Besides, decrease in arrivals would also support the market. However, higher stock availability would limit the gain.

ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 72.91)				
As on 30.01.2021	Argentina	Brazil	US	India
FOB	252.36	277.00	247.00	208.48
C&F	302.36	332.00	307.00	243.68

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 DECEMBER'20:

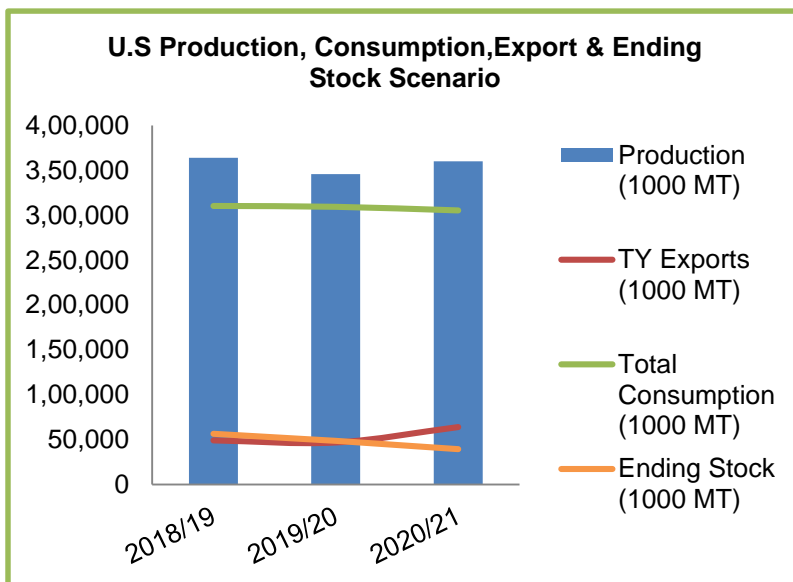
As per trade sources, India exported around 3,59,265 MT of Maize in the month of December 2020 at an average FoB of US\$ 221.05 per MT, out of which, 2,02,092 MT was exported to Bangladesh at an average FoB of US\$ 212.49 per MT and around 73,632 MT was exported to Nepal at an average FoB of US\$ 218.98 per MT. Around 69,647 MT was exported to Vietnam at an average FoB of US\$ 229.60 per MT. Data for January is not yet available.

MAIZE VESSEL POSITION:

Sources revealed that 22,000 MT of Maize Vessel, DMC NEPTUNE, was expected to complete loading at VIZAG/ Visakhapatnam port on February 04, 2021. Around 31,500 MT of Maize Vessel, LADY C, was expected to complete loading at Chennai port on February 08, 2021. And, 18,000 MT of Maize Vessel, EVOLUTION, is expected to arrive at Krishnapatnam port on February 05, 2021. Earlier, 27,500 MT of Maize Vessel, EAST AYUTTHAYA, has been loaded at Visakhapatnam port on January 16, 2021. Besides, 36,000 MT of Maize Vessel, GANT MUSE, has been loaded at Krishnapatnam port, on January 17, 2021. And, 24,600 MT of Maize Vessel, PIONEER FORTUNE, has been loaded at Krishnapatnam port, on January 16, 2021. While, 25,000 MT of Maize Vessel, DMC NEPTUNE, has been loaded at Krishnapatnam port, on January 12, 2021.

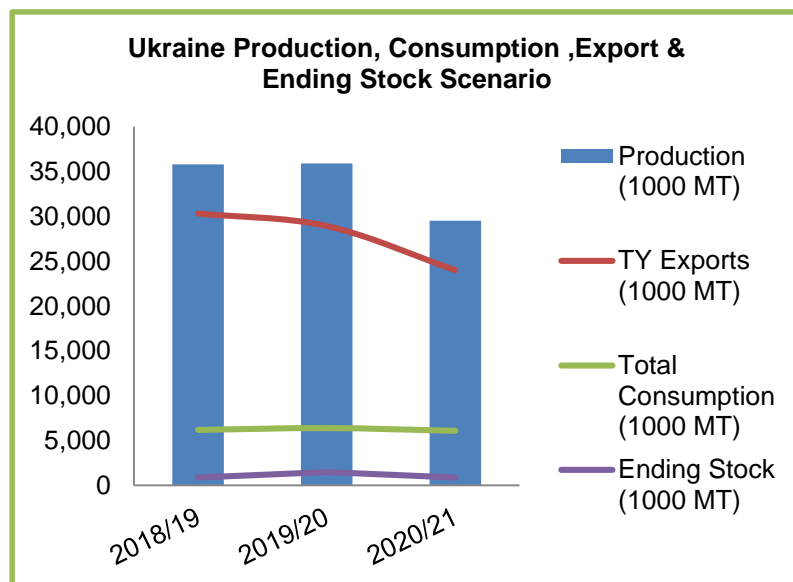
INTERNATIONAL MARKET SCENARIO:

U.S. Maize exports have reached 20.02 MMT in the 2020-21 marketing year. At 1.00 MMT (for the period January 22-28, 2021) U.S. Maize exports were down 30 percent from the previous week and 17 percent from the prior 4-week average; mainly for the destinations like Japan (2,53,600 MT), China (2,09,500 MT), Mexico (1,90,900 MT), Colombia (1,08,800 MT), and Chile (45,300 MT). However, Agriwatch expects that increase in export demand for U.S. Maize would support to CBOT Maize.



In its January 2021 report, USDA decreased its World Maize Ending Stock Estimate by 5.13 MMT to 283.83 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 U.S. and Brazil, at 39.42 MMT and 6.49 MMT for 2020-21, respectively compared to previous month's estimates, while for Argentina and Ukraine, it kept the same unchanged at 2.88 MMT and 0.89 MMT, respectively.



CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	30/01/2021	31/12/2020	Change
Corn CBOT Prices	Mar-21	215.34	190.54	24.80
	May-21	215.54	190.25	25.29
	July-21	211.21	189.07	22.14
	Sep-21	185.13	175.78	9.35
	Dec-21	175.29	171.15	4.14

INTERNATIONAL CORN OUTLOOK:

Maize on CBOT rose by US\$ 24.80 per MT to US\$ 215.34 per MT for March 2021 contract compared to the previous month due to increase in demand for U.S Maize by China. Besides, Argentina has fixed an export limit of 30,000 MT per day to safeguard domestic supply leading to lower completion and increased prices. Agriwatch expects that increase in 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	2021-January	2020-December	2020-January	% Change from Prev. Month	% Change from Prev. Year
Delhi	1464	1545	2152	-5.24	-31.97
Davangere	1306	1382	1921	-5.50	-32.01
Shimoga	1330	1337	1888	-0.52	-29.56
Bagalkot	1414	1428	1871	-0.98	-24.43
Gadag	1367	1362	1911	0.37	-28.47
Nizamabad	1401	1460	1950	-4.04	-28.15
Khanna	1390	1489	2057	-6.65	-32.43
Sangli (NCDEX Quality)	1528	1542	2001	-0.91	-23.64
Gulababagh(NCDEX Quality)	1563	1621	2346	-3.58	-33.38
Naugachia	1381	1523	NA	-9.32	-
Erode (NCDEX Quality)	1515	1559	2008	-2.82	-24.55

- All market prices are monthly average of loose prices

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