

# Maize Monthly Research Report

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

Overall Maize cash markets except Bihar and Khanna markets showed a firm trend during the month of February 2021 compared to previous month due to good demand from global market but weak compared to corresponding period last year. For the month of March 2021, Agriwatch expects that Maize would trade firm due to continuous demand from global feed makers. Besides, expectation of improvement in domestic feed makers demand and low production estimates for the Rabi season crop would also support to the market.

**MAIZE TRADE SCENARIO**

Maize is being loaded for Chennai and Krishnapatnam ports at Rs. 1,665-1,675 per quintal and Rs. 1,645-1,655 per quintal, respectively; sourced from Karnataka. Maize is being loaded for Vizag port at Rs. 1,550 per quintal; sourced from Madhya Pradesh. Maize is also moving towards South at Rs. 1,625 per quintal; sourced from Madhya Pradesh. Hyderabad poultry feed makers are buying Maize at Rs.1,600 per quintal; sourced from Telangana while, Kolkata feed makers are buying Maize at Rs. 1,600-1,650 per quintal, sourced from Gulabghat region of Bihar.

**FIRST ADVANCE ESTIMATE OF RABI PRODUCTION**

Agriwatch's first advance estimate for the Maize production in 2020-21 Rabi season is 6.41 MMT with average yield of 3.74 MT per hectare.

**INTERNATIONAL CORN MARKET SUMMARY**

Maize on CBOT rose by US\$ 3.35 per MT to US\$ 218.69 per MT for March 2021 contract compared to the previous month due to unfavorable weather condition in crop growing regions of South America. Agriwatch expects that increase in export demand for U.S. Maize, would continue to support CBOT Maize. USDA increased its World Maize Ending Stock Estimate by 2.70 MMT to 286.53 MMT for 2020-21, along with a decrease in Consumption Estimates, which would weigh the global Maize market. However, USDA decreased its Ending stock estimates for U.S. by 1.27 MMT to 38.15 MMT for 2020-21, along with an increase in Export Estimates, which would support the CBOT Maize. China remains the factor for price changes in future as the imports are projected at 24 MMT for 2020-21, up 6.5 MMT compared to previous month's estimates. It also shows that China's appetite continues to increase, as its feed demand increases for rising swine and poultry populations.

### INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2019-20	2020-21F
Opening Stocks (MMT)	01.42	03.41
Production (MMT)	25.38	24.74
Imports (MMT)	00.34	00.02
<b>Total Supply (MMT)</b>	<b>27.14</b>	<b>28.17</b>
Export (MMT)	01.11	02.18
Domestic Consumption (MMT)	22.62	22.55
<b>Total Demand (MMT)</b>	<b>23.73</b>	<b>24.73</b>
<b>Ending Stock (MMT)</b>	<b>03.41</b>	<b>03.44</b>
<b>Monthly Use</b>	<b>01.98</b>	<b>02.06</b>
<b>Stock to Use Ratio</b>	<b>14.38%</b>	<b>13.92%</b>

- 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 3.44 MMT.
- Total Maize production in India is estimated at around 24.74 MMT in 2020-21 against our total annual demand including exports of 24.73 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

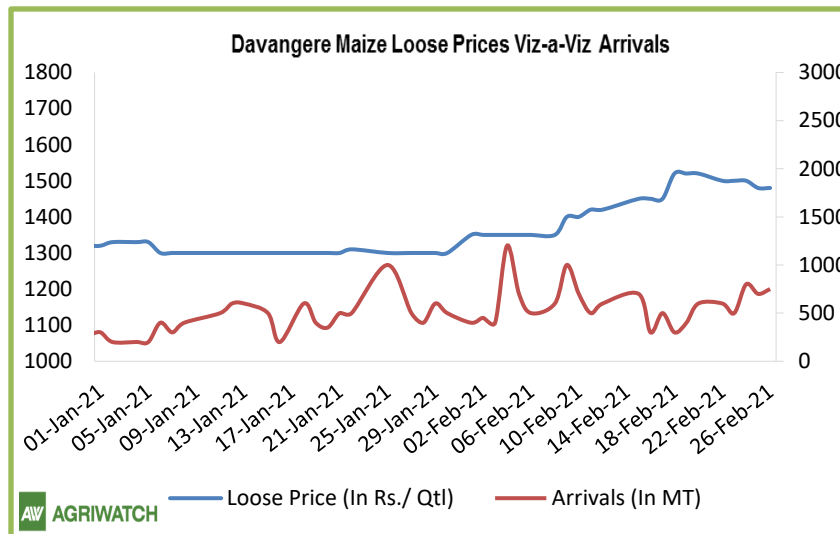
(Quantity in MMT)

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	00.99
Storage & Moisture Loss	00.56	00.72
<b>Total Domestic Consumption</b>	<b>22.62</b>	<b>22.55</b>

## STATE - WISE MARKET DYNAMICS

### Karnataka

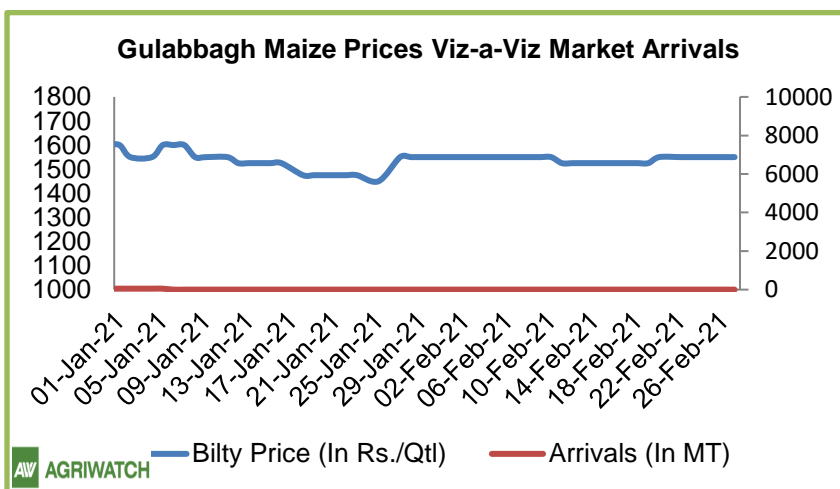
In Karnataka, maize is likely to trade steady to slightly firm in near term due to export demand. Maize is being loaded for Chennai and Krishnapatnam ports at Rs. 1,665-1,675 per quintal and Rs. 1,645-1,655 per quintal, respectively; sourced from Karnataka. Agriwatch expects that maize in Davangere would trade in a range of Rs. 1500-1600 per quintal (loose price) during the month of March'21.



### Bihar

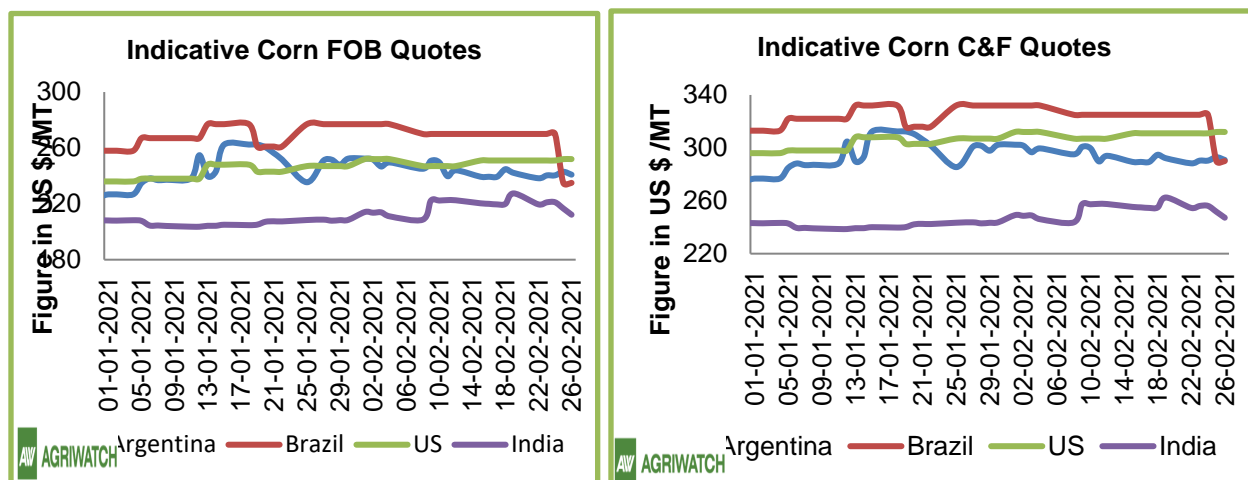
In Gulabghat region of Bihar, Maize is being traded at Rs. 1,500 per quintal (Bilty Price). Trade activities in Bihar has been lower due to low supply in to the market as new crop would start arriving during the month of April.

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



## DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade firm during the month of March 2021 due to continuous demand from the 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. 73.36)				
As on 01.03.2021	Argentina	Brazil	US	India
<b>FOB</b>	239.17	235.00	252.00	211.29
<b>C&amp;F</b>	289.17	290.00	312.00	246.29

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 JANUARY'21:**

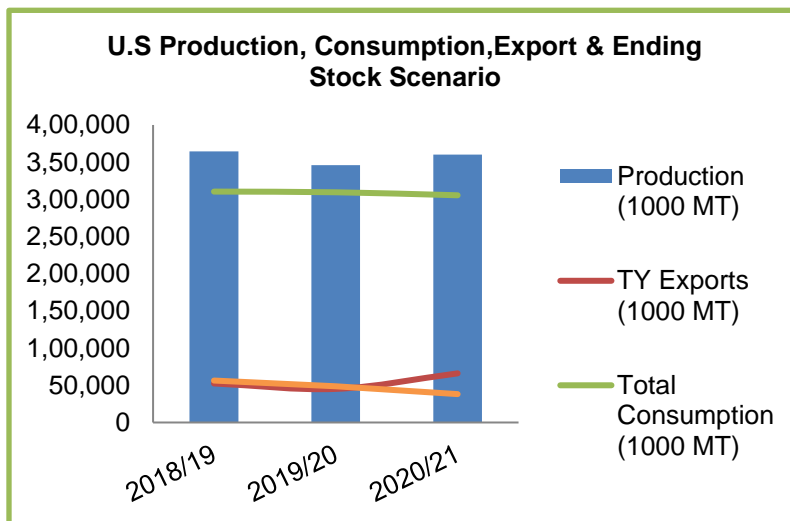
As per trade sources, India exported around 4,18,098 MT of Maize in the month of January 2021 at an average FoB of US\$ 222.79 per MT, out of which, 1,75,644 MT was exported to Bangladesh at an average FoB of US\$ 213.44 per MT and around 1,31,015 MT was exported to Vietnam at an average FoB of US\$ 238.20 per MT. Around 46,256 MT was exported to Malaysia at an average FoB of US\$ 243.14 per MT. And, 45,359 MT was exported to Nepal at an average FoB of US\$ 210.18 per MT. Data for February is not yet available.

**MAIZE VESSEL POSITION:**

Sources revealed that 28,000 MT of Maize Vessel, OSPREY BULKER, was expected to arrive at Kakinada port on February 27, 2021. And, 22,000 MT of Maize Vessel, VTC GLORY, was expected to complete loading at Vizag port on February 26, 2021 while, 32,000 MT of Maize Vessel, MAGPIE SW, has complete loading at Krishnapatnam port on February 28, 2021. And, 45,000 MT of Maize Vessel, OBE QUEEN, has complete loading at Vizag port on February 22, 2021. And, 6,800 MT of Maize Vessel, VSG DREAM, has complete loading at Krishnapatnam port on February 24, 2021. Besides, 9,500 MT of Maize Vessel, POCHARD S, has complete loading at Kandla port on March 01, 2021. And, 6,000 MT of Maize Vessel, VSG PRIDE, is waiting for berth at Krishnapatnam port from March 02, 2021.

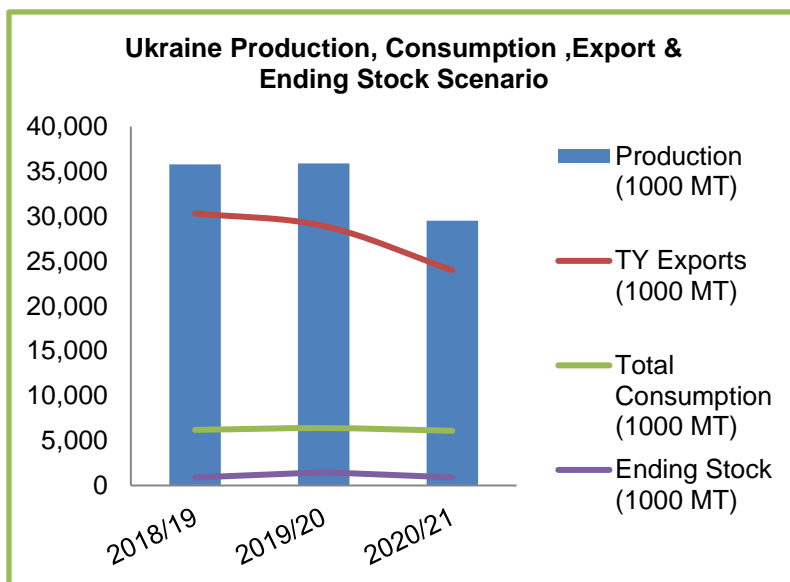
## INTERNATIONAL MARKET SCENARIO:

U.S. Maize exports have reached 26.17 MMT in the 2020-21 marketing year. At 2.01 MMT (for the period February 19-25, 2021) U.S. Maize exports were up 69 percent from the previous week and 57 percent from the prior 4-week average; mainly for the destinations like Japan (3,51,600 MT), China (3,46,700 MT), Mexico (2,61,100 MT), South Korea (1,73,700 MT), and Saudi Arabia (1,29,300 MT). Agriwatch expects that increase in export demand for U.S. Maize would support CBOT Maize.



In its February 2021 report, USDA increased its World Maize Ending Stock Estimate by 2.70 MMT to 286.53 MMT for 2020-21, along with a decrease in Consumption Estimates, which would weigh the global Maize market.

However, USDA decreased its Ending stock estimates for U.S. by 1.27 MMT to 38.15 MMT for 2020-21, along with an increase in Export Estimates, which would support the CBOT Maize.



### CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	26/02/2021	30/01/2021	Change
Corn CBOT Prices	Mar-21	218.69	215.34	3.35
	May-21	215.54	215.54	Unch
	July-21	210.62	211.21	-0.59
	Sep-21	192.71	185.13	7.58
	Dec-21	185.33	175.29	10.04

### INTERNATIONAL CORN OUTLOOK:

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### Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2021-February	2021-January	2020-February	% Change from Prev. Month	% Change from Prev. Year
Delhi	1480	1464	1885	1.09	-21.49
Davangere	1414	1306	1743	8.27	-18.88
Shimoga	1331	1330	1748	0.08	-23.86
Bagalkot	1462	1414	1709	3.39	-14.45
Gadag	1402	1367	1710	2.56	-18.01
Nizamabad	1441	1401	1858	2.86	-22.44
Khanna	1386	1390	1860	-0.29	-25.48
Sangli (NCDEX Quality)	1586	1528	1807	3.80	-12.23
Gulababagh(NCDEX Quality)	1512	1563	1997	-3.26	-24.29
Naugachia	1325	1381	NA	-4.06	-
Erode (NCDEX Quality)	1622	1515	1852	7.06	-12.42

- All market prices are monthly average of loose prices

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