

Maize Monthly Research Report

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April, 2021

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

Overall Maize cash markets except Nizamabad and Bihar markets showed a firm trend during the month of March 2021 compared to previous month due to good demand from global as well as domestic markets but mixed compared to corresponding period last year. For the month of April 2021, Agriwatch expects that Maize would trade steady to slightly weak as expectation of new crop arrivals in coming weeks would weigh on market sentiments. However, continuous demand from domestic and global feed makers would support the market at lower level.

MAIZE TRADE SCENARIO

Hyderabad poultry feed makers are buying Maize at Rs.1,550-1,600 per quintal; sourced from Telangana. Tamil Nadu feed makers are buying maize at Rs. 1,700 per quintal, sourced from Karnataka. Low quality Maize is moving towards Banaras and Muzaffarnagar districts of U.P at Rs. 1,400-1,425 and Rs. 1,550 per quintal, respectively, sourced from 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. Sources revealed that in Aurangabad and Jalgaon districts of Maharashtra, quality of around 25% crop of Maize could be affected due to rains over last two weeks.

INTERNATIONAL CORN MARKET SUMMARY

Maize on CBOT rose by US\$ 6.60 per MT to US\$ 222.14 per MT for May 2021 contract compared to the previous month due to increase in demand for U.S Maize. 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 1.14 MMT to 287.67 MMT for 2020-21, along with an increase in Production Estimates, which would weigh the global Maize market. USDA also revised the Ending stock estimates for Argentina, at 2.18 MMT for 2020-21, compared to previous month's estimates while for U.S. and Brazil, it kept the same unchanged at 38.15 MMT and 6.29 MMT for 2020-21, respectively.

Brazil second crop plating is over, out of which, around 25% late planted crop, is likely to suffer from inadequate rainfall.

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
Total Supply (MMT)	27.14	28.17
Export (MMT)	01.11	02.47
Domestic Consumption (MMT)	22.62	22.55
Total Demand (MMT)	23.73	25.02
Ending Stock (MMT)	03.41	03.15
Monthly Use	01.98	02.08
Stock to Use Ratio	14.38%	12.61%

- 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 3.15 MMT.
- Total Maize production in India is estimated at around 24.74 MMT in 2020-21 against our total annual demand including exports of 25.02 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

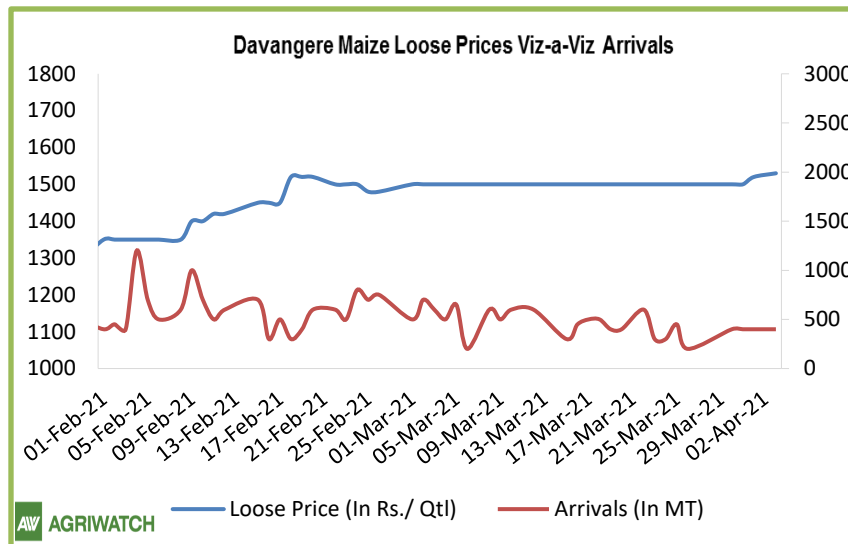
(Quantity in MMT)

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
Total Domestic Consumption	22.62	22.55

STATE - WISE MARKET DYNAMICS

Karnataka

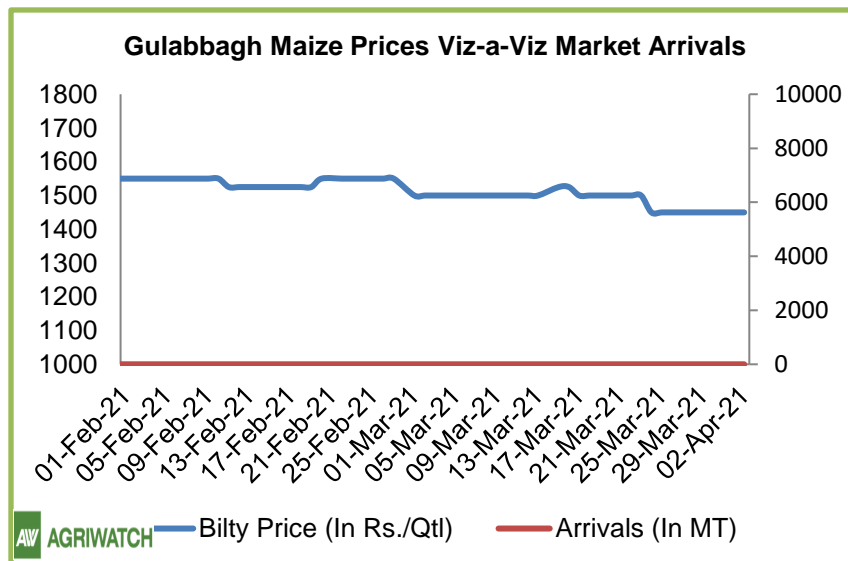
In Karnataka, maize is likely to trade steady to range bound in near term despite the expectation of new crop arrivals in coming weeks. Agriwatch expects that maize in Davangere would trade in a range of Rs. 1500-1600 per quintal (loose price) during the month of April'21.



Bihar

In Gulabghagh region of Bihar, Maize is being traded at Rs. 1,450 per quintal (Bilty Price). Expectation of new crop arrivals from the mid of April could weigh on market sentiments. However, if Government starts procurement, it could support the market.

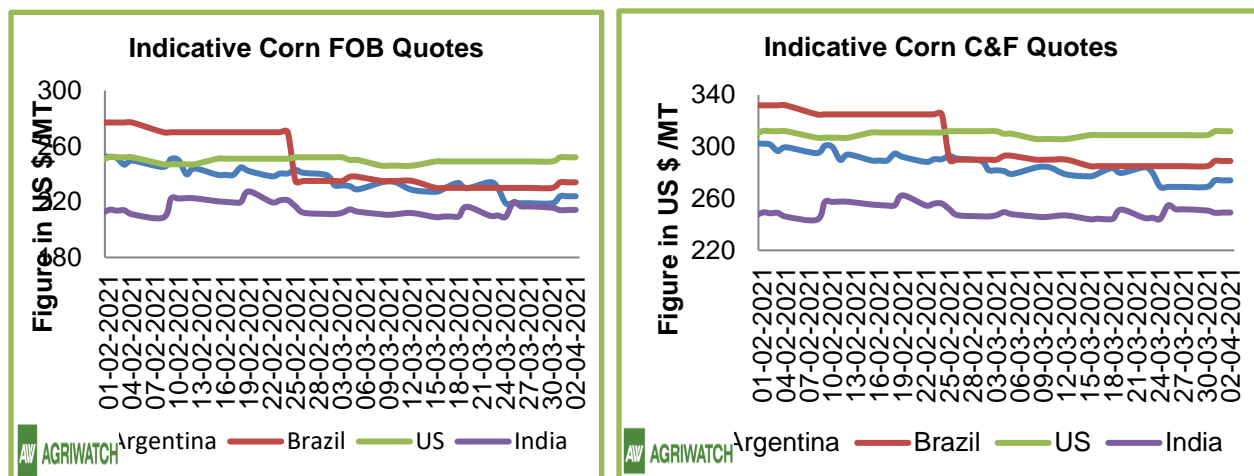
Agriwatch expects that maize in Gulabghagh would trade in a range of Rs. 1350-1500 per quintal (Bilty Price) during the month of April'21.



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade steady to slightly weak during the month of April 2021 on the expectation of new crop arrivals in the coming weeks.

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ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.30)				
As on 02.04.2021	Argentina	Brazil	US	India
FOB	224.00	234.00	252.00	214.19
C&F	274.00	289.00	312.00	249.19

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 FEBRUARY'21:

As per trade sources, India exported around 4,27,493 MT of Maize in the month of February 2021 at an average FoB of US\$ 222.50 per MT, out of which, 2,72,928 MT was exported to Vietnam at an average FoB of US\$ 239.41 per MT and around 51,513 MT was exported to Bangladesh at an average FoB of US\$ 201.68 per MT. Around 34,229 MT was exported to Nepal at an average FoB of US\$ 208.42 per MT. And, 20,892 MT was exported to Malaysia at an average FoB of US\$ 245.51 per MT.

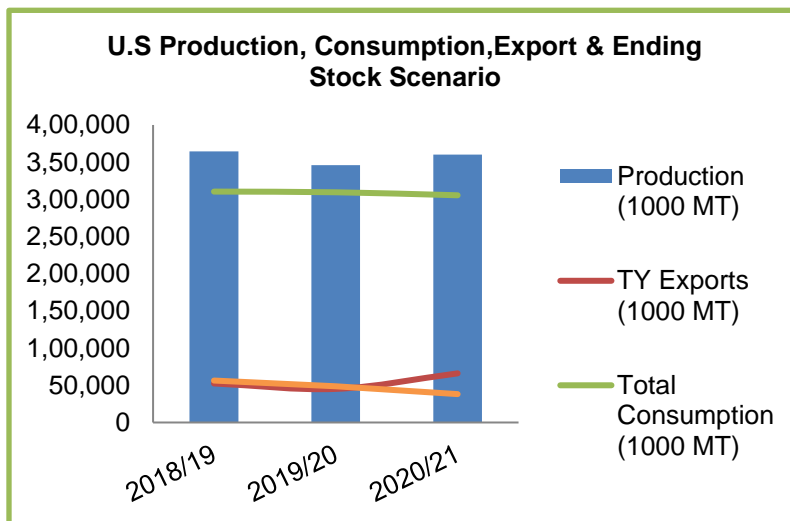
MAIZE VESSEL POSITION:

Sources revealed that 10,500 MT of Maize Vessel, HAI DOUNG 68, was expected to arrive at VIZAG port on April 03, 2021. And, 27,000 MT of Maize Vessel, KEN HOU, was expected to complete loading at Krishnapatnam port on April 03, 2021. And, 30,980 MT of Maize Vessel, EAST BANGOK, is waiting for berth, at Chennai port since March 12, 2021. While, 32,000 MT of Maize Vessel, CETUS STAR, was expected to arrive at VIZAG port on April 02, 2021. And, 30,000 MT of Maize Vessel, FEDERICA, is expected to arrive at VIZAG port on April 05, 2021.

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INTERNATIONAL MARKET SCENARIO:

U.S. Maize exports have reached around 33.92 MMT in the 2020-21 marketing year. At 1.98 MMT (for the period March 19- March 25, 2021) U.S. Maize exports were unchanged from the previous week but up 2 percent from the prior 4-week average; mainly for the destinations like Japan (4,34,200 MT), Mexico (2,98,100 MT), China (2,75,000 MT), Colombia (2,63,900 MT), and Taiwan (1,65,900 MT). However, Agriwatch expects that increase in export demand for U.S. Maize in near term would support to CBOT Maize.

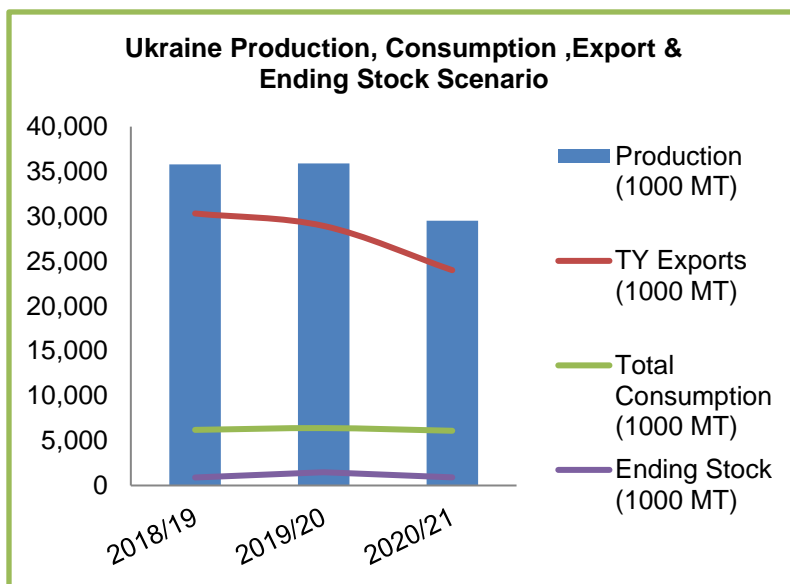


In its March 2021 report, USDA increased its World Maize Ending Stock Estimate by 1.14 MMT to 287.67 MMT for 2020-21, along with an increase in Production Estimates, which would weigh the global Maize market.

USDA also revised the Ending stock estimates for Argentina, at 2.18 MMT for 2020-21, compared to previous month's estimates while for U.S, Brazil and Ukraine, it kept the same unchanged at 38.15 MMT, 6.29 MMT and 0.89 MMT for 2020-21, respectively.

Brazil second crop plating is over, out of which, around 25% late planted crop, is likely to suffer from critical weather.

USDA forecasted U.S. corn planted area at 36.867 million hectares for 2021 which was below the market expectations by about 1 million hectares. This led to a sharp increase in US corn prices on CBOT.



As per media news, there are chances that Ukraine may not plant a large area due to last year's drought.

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CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	31/03/2021	26/02/2021	Change
Corn CBOT Prices	May-21	222.14	215.54	6.60
	July-21	215.54	210.62	4.92
	Sep-21	195.27	192.71	2.56
	Dec-21	187.98	185.33	2.65
	Mar-22	191.13	NA	-

INTERNATIONAL CORN OUTLOOK:

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Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2021-March	2021-February	2020-March	% Change from Prev. Month	% Change from Prev. Year
Delhi	1558	1480	1738	5.27	-10.36
Davangere	1500	1414	1385	6.08	8.30
Shimoga	1522	1331	1454	14.35	4.68
Bagalkot	1466	1462	1482	0.27	-1.08
Gadag	1450	1402	1434	3.42	1.12
Nizamabad	1415	1441	1686	-1.80	-16.07
Khanna	1402	1386	1737	1.15	-19.29
Sangli (NCDEX Quality)	1691	1586	1595	6.62	6.02
Gulababagh (NCDEX Quality)	1453	1512	1806	-3.90	-19.55
Naugachia	1314	1325	NA	-0.83	-
Erode (NCDEX Quality)	1680	1622	1634	3.58	2.82

- All market prices are monthly average of loose prices

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