

Maize Monthly Research Report

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

Maize cash markets showed a steady to range bound trend during the month of May 2021 compared to previous month and Maize cash markets trend during the month of May 2021 was almost similar to corresponding period last year. For the month of June 2021, Agriwatch expects that Maize would trade steady to range-bound as expectation of an increase in new crop arrivals containing high moisture percentage in coming weeks would weigh on market sentiments. On the other hand, continuous demand from domestic millers and domestic cattle feed makers would support the market at the lower level.

Sources revealed that around 60% crop has been harvested in Bihar. Maize arrivals in Bihar markets contain 15-20% moisture due to rainfall in previous week.

In Karnataka and Telangana Maize crop arrivals are small in quantity.

MAIZE TRADE SCENARIO

Sources revealed that Maize sourced from Bihar is moving towards Punjab in the range of Rs. 1,700 - 1750 per quintal. Maize (loose) in Bihar markets is being traded at Rs. 1,425 per quintal and Maize (bilty) in Bihar markets is being traded at Rs. 1,450 per quintal. Banaras cattle feed makers are buying Maize at Rs.1,600-1,650 per quintal; sourced from Bihar. Jamanagar, Gujarat millers plans on buying Maize sourced from Bihar, which is on a halt since 31st May due to heavy rains during past week. Maize in villages nearby Nizamabad is being traded between Rs. 1500-1550 per quintal. Markets and trade in Karnataka are moving at slow pace due to the impact of Covid and lockdown. Maize in M.P, Neemuch and nearby areas is being traded at an average of Rs.1450 per quintal.

INTERNATIONAL CORN MARKET SUMMARY

Maize on CBOT rose by US\$ 3.34 per MT to US\$ 258.55 per MT for July 2021 contract compared to the previous month due to decent demand of Maize crop in international market, even though world Maize production estimates were higher than expected according to WASDE Maize report published during second week of May. Agriwatch expects that weather related concerns in U.S. and Brazil, would support CBOT Maize.

USDA increased its World Maize Ending Stock Estimate by 8.77 MMT to 292.301 MMT for 2021-22, with projected increase in Production Estimates, which would weigh the global Maize market. USDA also revised the Ending stock estimates for Argentina, at 2.62 MMT for 2021-22, Brazil at 8.93 MMT for 2021-22 and for U.S at 38.27 MMT for 2021-22.

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2019-20	2020-21F
Opening Stocks (MMT)	01.42	3.41
Production (MMT)	25.38	24.51
Imports (MMT)	00.34	0.02
Total Supply (MMT)	27.14	27.94
Export (MMT)	01.11	2.78
Domestic Consumption (MMT)	22.62	22.52
Total Demand (MMT)	23.73	25.30
Ending Stock (MMT)	03.41	2.65
Monthly Use	01.98	5.13
Stock to Use Ratio	14.38%	10.46%

- 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 2.65 MMT.
- Total Maize production in India is estimated at around 24.51 MMT in 2020-21 against our total annual demand including exports of 25.30 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

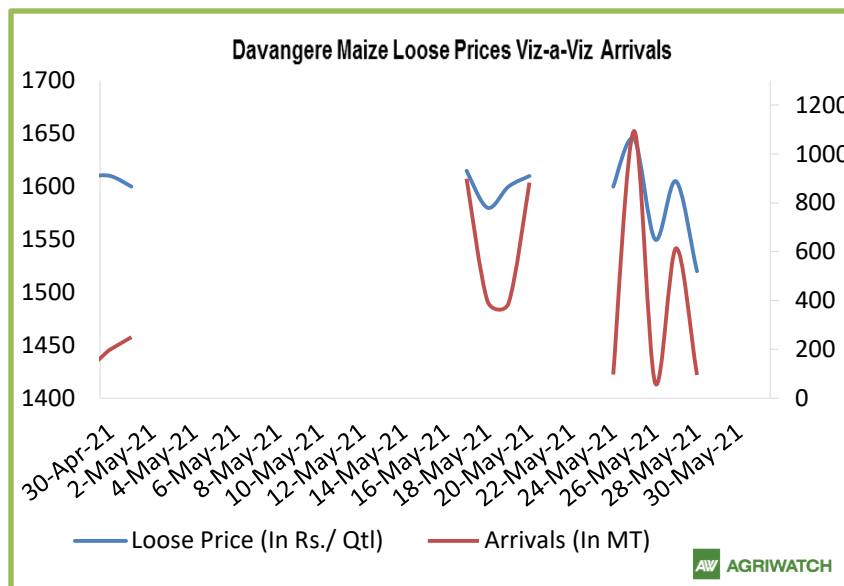
(Quantity in MMT)

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

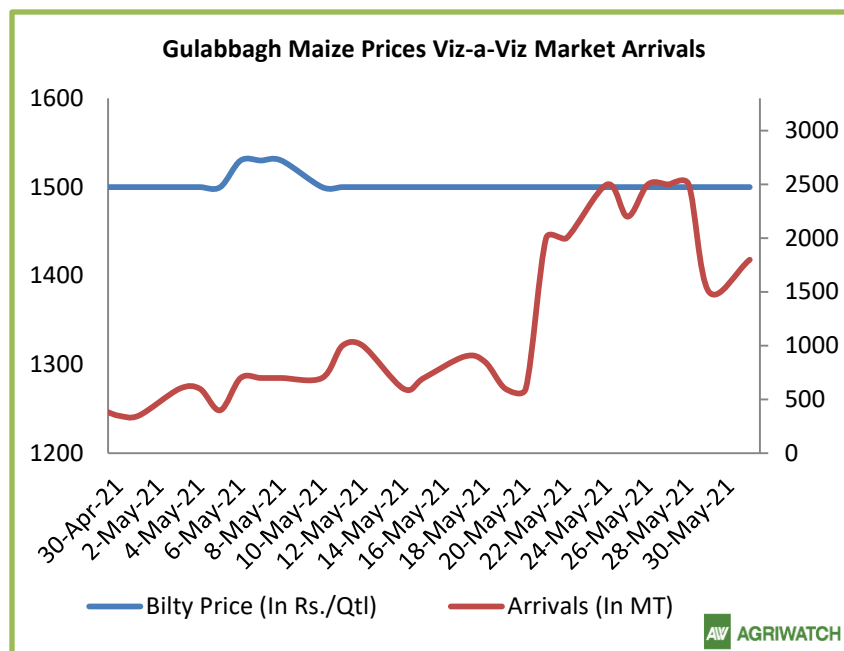
Karnataka

In Karnataka, maize is likely to trade steady to range bound in near term on the expectation of crop arrivals in the month of June containing high moisture percentage. Agriwatch expects that maize in Davangere would trade in a range of Rs. 1450-1700 per quintal (loose price) during the month of June 21.



Bihar

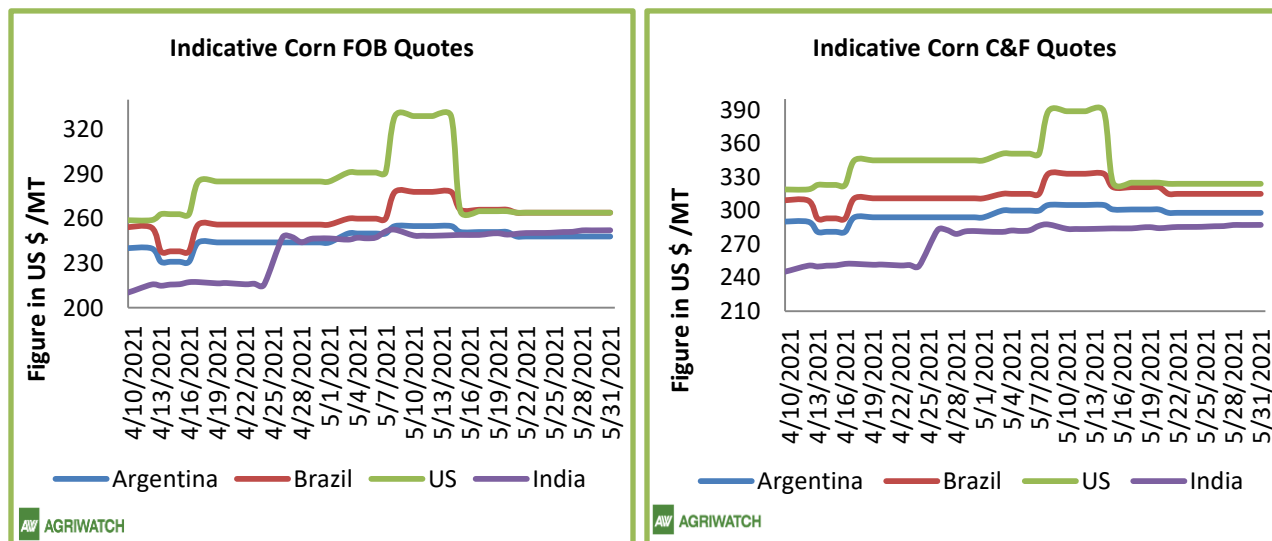
In Gulabbagh region of Bihar, in the month of May Maize traded almost steady at Rs. 1,500 per quintal (Bilty Price). Maize in Gulabbagh would trade steady to range bound in the range of Rs. 1,500-1,700 per quintal for the month of June, since the expectation of an increase in the new crop arrivals containing high moisture percentage in coming days could weigh on market sentiments. However, if cattle feed makers, millers and stockists demand comes; could lead the market.



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade steady to range-bound during the month of June 2021 on the expectation of increase in new crop arrivals containing high moisture in the coming weeks. Agriwatch expects that Maize in Nizamabad would trade in a range of Rs.1,450-1,700 per quintal during the month of June 2021.

June, 2021

ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 72.37)				
As on May 31, 2021	Argentina	Brazil	US	India
FOB	248.00	264.00	264.00	252.11
C&F	298.00	315.00	324.00	286.18

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 APRIL'21:

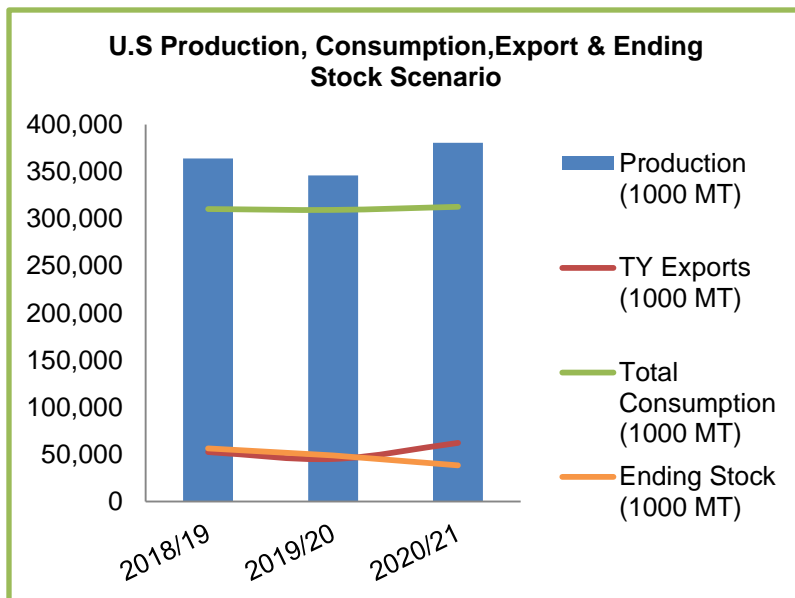
As per trade sources, India exported around 3,00,287 MT of Maize in April 2021 at an average FoB of US\$ 228.66 per MT, out of which, 2,03,921 MT was exported to Vietnam at an average FoB of US\$ 243.67 per MT and around 31,452 MT was exported to Malaysia at an average FoB of US\$ 254.28 per MT. Around 36,518 MT was exported to Bangladesh at an average FoB of US\$ 215.59 per MT. And, 19,996 MT was exported to Nepal at an average FoB of US\$ 212.47 per MT.

MAIZE VESSEL POSITION:

As per the sources, 31,000 MT of Maize Vessel, GOLDEN BRIGHT has completed loading at KAKINADA port by May 30, 2021. Also 22,860 MT of Maize Vessel, INLACO ACCORD has completed loading at KRISHNAPATNAM port by June 1, 2021 and 31,000 MT of Maize Vessel, GOLDEN BRIDGE has completed loading at Tuticorin port by May 26, 2021. 11,000 MT of Maize Vessel, TAN BINH 127, is waiting to complete loading at Tuticorin port. Whereas, 30,000 MT of Maize Vessel, OSPREY BULKER has been lined up since May 29, 2021.

INTERNATIONAL MARKET SCENARIO:

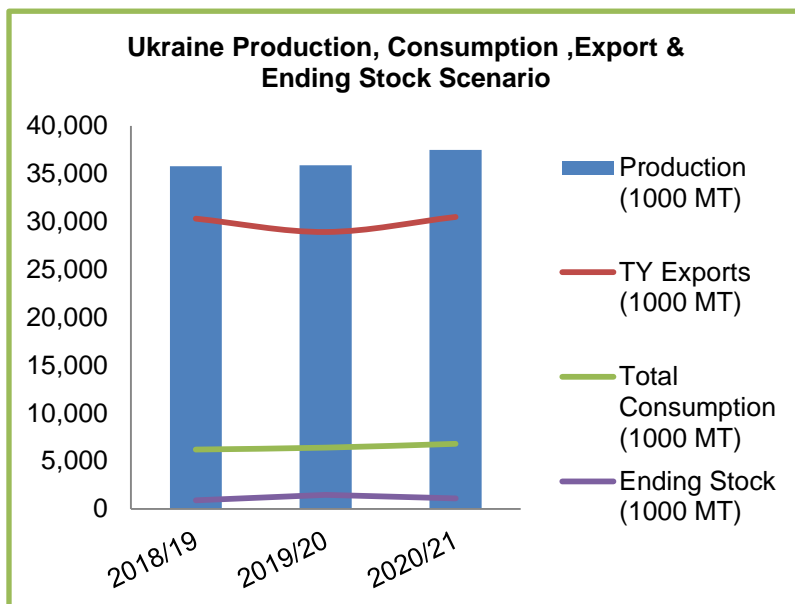
U.S. Maize exports have reached 49.13 MMT in the 2020-21 marketing year. At 1.92 MMT (for the period May 14-20, 2021) U.S. Maize exports were down by 17 percent from the previous week and 6 percent from the prior 4-week average; mainly for the destinations like China (8,47,000 MT), Mexico (3,79,000 MT, Japan (2,00,000 MT), Colombia (2,00,700 MT), and South Korea (61,500 MT). Agriwatch expects that weather related concerns in U.S. and Brazil, would provide support to CBOT Maize.



In its May 2021 report, USDA increased its World Maize Ending Stock Estimate by 8.77 MMT to 292.301 MMT for 2021-22. With projected increase in Production Estimates, which would weigh the global Maize market.

USDA also increased the Ending stock estimates for U.S, by 6.35 MMT to 38.27 MMT compared to previous month's estimates, along with an increase in Consumption but a decrease in export Estimates.

USDA also revised the Ending stock estimates for Argentina and Brazil at 2.62 MMT and 8.93 MMT for May 2021-22 respectively, compared to previous month's estimates, and for Ukraine, it increased its ending stock estimates at 1.10 MMT for May 2021-22.



Brazil second crop planting 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.

CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	May31, 2021	Apr30, 2021	Change
Corn CBOT Prices	July-21	258.55	255.21	3.34
	Sep-21	225.68	224.6	1.08
	Dec-21	214.75	215.05	-0.30
	Mar-22	217.41	217.31	0.10
	May-22	218.79	-	-

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Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2021-May	2021-April	2020-May	% Change from Prev. Month	% Change from Prev. Year
Delhi	1642	1523	1380	7.81	18.99
Davangere	1650	1563	1355	5.57	21.77
Shimoga	1642	1576	1375	4.19	19.42
Bagalkot	1543	1510	1298	2.19	18.88
Gadag	1291	1316	1348	-1.90	-4.23
Nizamabad	1601	1400	closed	14.36	-
Khanna	1605	1572	1327	2.10	20.95
Sangli (NCDEX Quality)	1776	1696	NA	4.72	-
Gulabgh (NCDEX Quality)	1493	1483	1229	0.67	21.48
Naugachia	1436	1413	1206	1.63	19.07
Erode (NCDEX Quality)	1831	1784	NA	2.63	-

- All market prices are monthly average of loose prices

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