

Maize Monthly Research Report

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OUTLOOK AND REVIEW:

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets showed steady trend with a strong bias during the month of June 2021 compared to previous month and Maize cash markets trend during the month of June 2021 was strong as compared to corresponding period last year. For the month of July 2021, Agriwatch expects that Maize would trade range-bound with slightly weak sentiment in initial days and slightly strong sentiment during end of July 2021, on the expectation that domestic demand would decrease in initial days due to reason that Telangana government has provided Maize to poultry owners and export demand is also less at present. However little or no arrivals in the market will support the Maize market in later days.

As per sources sowing of Kharif Maize started in Jharkhand, Rajasthan, Gujarat, Orissa, Maharashtra, Punjab, Telangana, Karnataka and Madhya Pradesh by last week of May, 2021. According to sources 75%-80% kharif Maize sowing is completed in these states as of now. Till 25th June 2021, Maize crop covered 22.28 lakh hectare of area in India against 19.10 lakh hectare of area during same period previous year. In Gujarat and Orissa by the end of June, 2021, Maize crop has covered 32,188 hectare and 59,169 hectare of area respectively.

MAIZE TRADE SCENARIO

Sources revealed that good quality Maize, being traded in Bihar at Rs.1,800 per quintal is being exported to Bangladesh sourced from Gulabghat and Purnia, Bihar. Maize in Bihar, markets is being traded between Rs.1,600-Rs.1,800 per quintal, depending on the quality of Maize. Maize in Nizamabad market is being traded at Rs.1,700 per quintal, with little to no arrival in the market. Maize in Davangere, Karnataka is being traded at Rs. 2,000 per quintal. Domestic trade in Davangere and Nizamabad markets is still very sluggish due to Covid, farmers are unwilling to visit APMC markets due to Covid spread related concerns.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by US\$ 14.86 per MT to US\$ 258.55 per MT for July 2021 contract compared to the previous due to concerns related to poor condition of Corn crop and comparatively less area cover under Corn planting in U.S.. Agriwatch expects that Corn crop condition related concerns in U.S. and Brazil, would support CBOT Corn.

USDA decreased its World Maize Ending Stock Estimate by 2.88 MMT to 289.413 MMT for 2021-22, whereas it kept its Production Estimates same, this might support the global Maize market. USDA also revised the Ending stock estimates for U.S. at 34.46 MMT for 2021-22. Whereas it kept its Ending Stock Estimate same for Argentina, at 2.62 MMT for 2021-22, Brazil at 8.93 MMT for 2021-22 and

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	2.98
Domestic Consumption (MMT)	22.62	22.52
Total Demand (MMT)	23.73	25.50
Ending Stock (MMT)	03.41	2.45
Monthly Use	01.98	2.12
Stock to Use Ratio	14.38%	9.60%

- 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 2.45 MMT.
- Total Maize production in India is estimated at around 24.51 MMT in 2020-21 against our total annual demand including exports of 2.98 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)

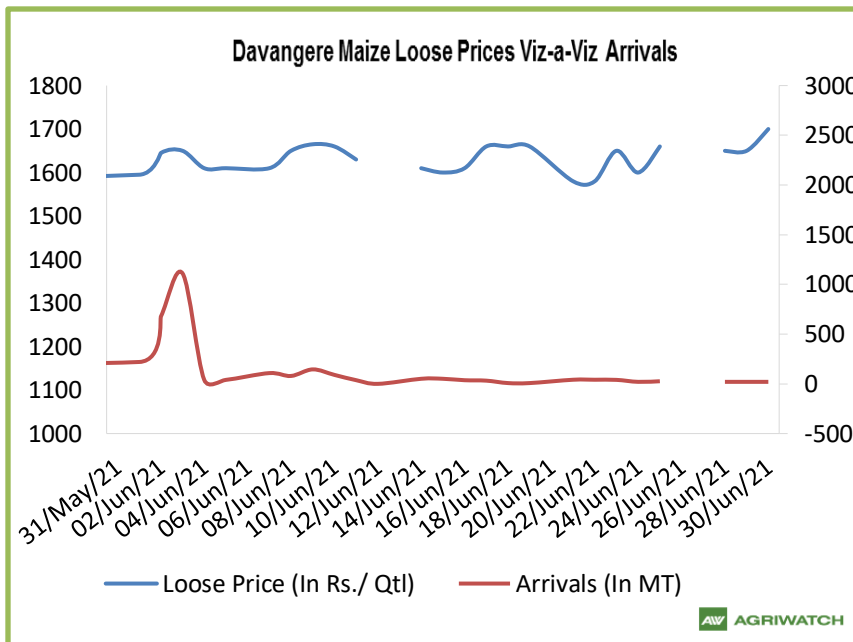
Consumption Break Up	2019-20	2020-21F
Poultry & Cattle Feed	14.27	14.05
Starch & Brewery	04.66	04.66
Human Consumption	01.85	01.86
Seed	00.27	00.27
Shortage & Wastage	01.02	00.99
Storage & Moisture Loss	00.56	00.72
Total Domestic Consumption	22.62	22.55

July, 2021

STATE - WISE MARKET DYNAMICS

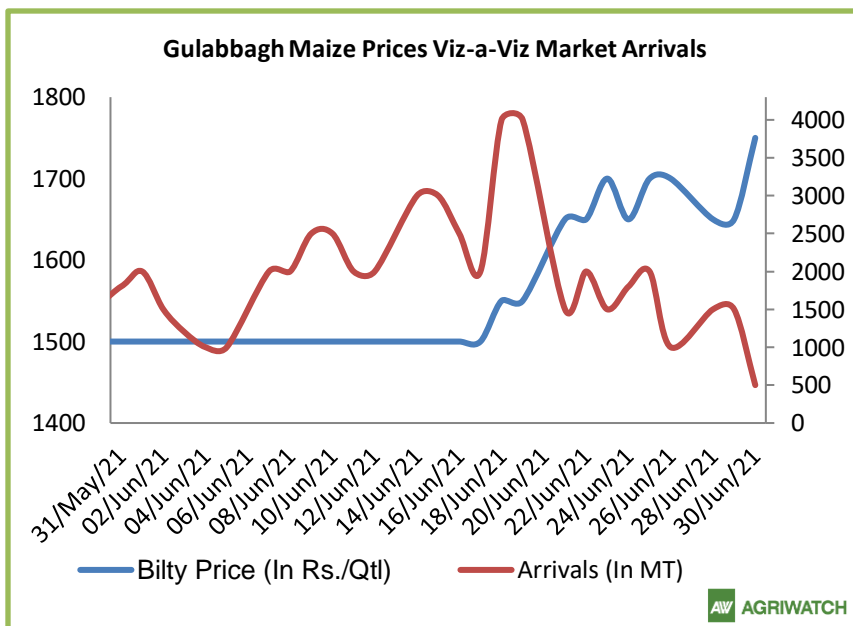
Karnataka

In Karnataka, maize is likely to trade range bound with a slightly weak bias in near term and strong bias by end of the month on the expectation of decreased domestic demand and export demand in the initial days July month. However, decreased and very little arrival in major markets will continue to support the maize market. Agriwatch expects that maize in Davangere would trade in a range of Rs. 1450-1780 per quintal (loose price) during the month of July 21.



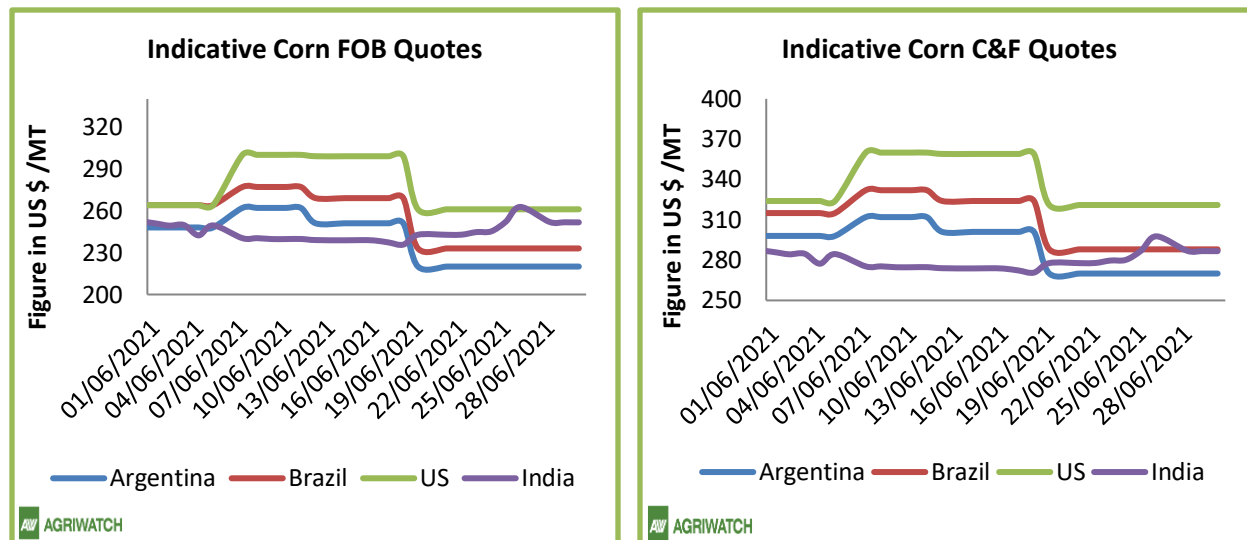
Bihar

In Gulabghat region of Bihar, in the month of June Maize traded range bound with a strong bias between Rs.1,500-Rs.1750 per quintal (Bilty Price). Maize in Gulabghat would trade steady to likely to trade range bound in the Range of Rs.1,450-Rs.1800 with a slightly weak bias in near term and strong bias by the end of the month on the expectation of decreased domestic demand and export demand in the initial days July month. However, if export and stockists demand comes; could lead the market.



DOMESTIC PRICE OUTLOOK:

Agriwatch expects that in the month of July, 2021 Maize would trade range-bound with a weak sentiment in initial days and slightly strong sentiment during end of July 2021. Agriwatch expects that Maize in Nizamabad would trade in a range of Rs.1,400-Rs.1,850 per quintal during the month of May 2021.

July, 2021
ON THE EXPORT-IMPORT FRONT:


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.31)				
As on June 30, 2021	Argentina	Brazil	US	India
FOB	220.00	233.00	261.00	251.65
C&F	270.00	288.00	321.00	286.65

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 MAY'21:

As per the trade sources, India exported around 3,42,517 MT of Maize in May 2021 at an average FoB of US\$ 232.61 per MT, out of which, 1,85,467 MT was exported to Vietnam at an average FoB of US\$ 263.97 per MT and around 29,685 MT was exported to Malaysia at an average FoB of US\$ 271.81 per MT. Around 65,748 MT was exported to Bangladesh at an average FoB of US\$ 219.71 per MT. And, 52,79 4MT was exported to Nepal at an average FoB of US\$ 220.34 per MT.

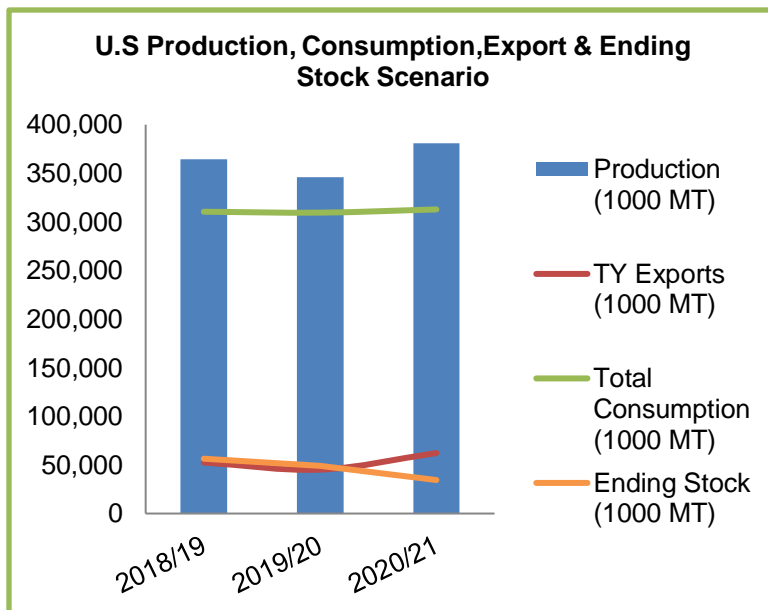
MAIZE VESSEL POSITION:

As per the sources 53,200 MT of Maize Vessel, OCEAN DESTINY, 18,000 MT Maize Vessel OCEAN CROWN, 50,000MT of Maize Vessel FORTUNE WING and, 40,000MT of Maize Vessel, GHOUSTA are waiting for loading at Vizag port. Also, 40,000MT of Maize Vessel TAN BINH 245 is waiting for loading on Gangavaram port.

As per trade sources, around 94,860 MT of Maize has been loaded in last month till last week of June 2021, mainly through Vizag port followed by Krishnapatnam port and Tuticorin port.

July, 2021
INTERNATIONAL MARKET SCENARIO:

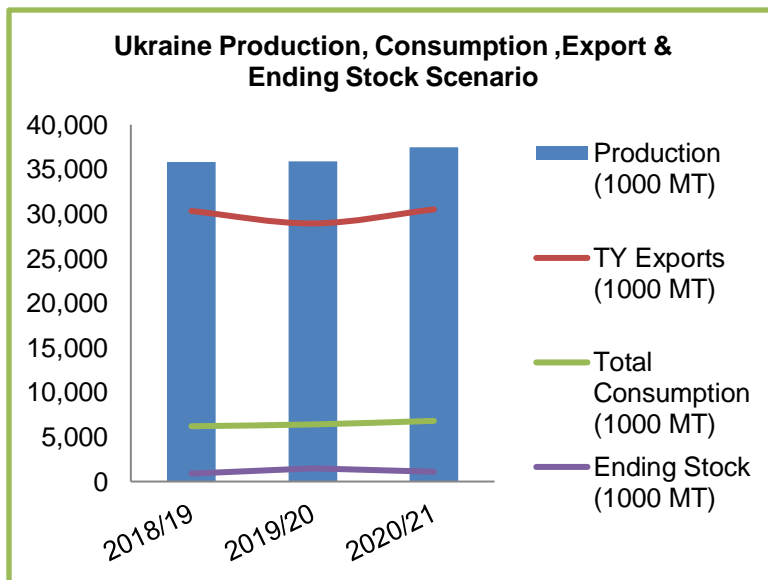
U.S. Maize exports have reached 57.39 MMT in the 2020-21 marketing year. At 1.13 MMT (for the period June 17-24, 2021). U.S.. Maize exports were down by 33 percent from the previous week and 36 percent from the prior 4-week average; mainly for the destinations like China (3,35,000MT), Mexico (2,52,500MT), Japan (3,34,700MT), Honduras (49,600 MT) and South Korea (31,600 MT). Agriwatch expects that weather related concerns in U.S. and Brazil, would provide support to CBOT Maize.



USDA decreased its World Maize Ending Stock Estimate by 2.88 MMT to 289.413 MMT for 2021-22, and a decrease in export Estimates.

USDA kept its Production Estimates same, this might support the global Maize market. USDA also revised the Ending stock estimates for U.S. at 34.46 MMT for 2021-22. Whereas it kept its Ending Stock Estimate same for Argentina, at 2.62 MMT for 2021-22 and Brazil at 8.93 MMT for 2021-22.

In the U.S, as of 28th June 2021, 4% crop of corn is in silking stage which is similar to that of June, 2020 but 2% down as compared to last five year average. Also, 64% crop is in good + excellent condition, as compared to 65% in last week and 73% in last year for same time period.



CBOT CORN FUTURE PRICES

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	June 30, 2021	May 31, 2021	Change
Corn CBOT Prices	July-21	273.41	258.55	+14.86
	Sep-21	220.17	225.68	-5.51
	Dec-21	215.94	214.75	+1.19
	Mar-22	218.69	217.41	+1.28
	May-22	220.46	218.79	+1.67

INTERNATIONAL CORN OUTLOOK:

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July, 2021
Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2021-June	2021-May	2020-June	% Change from Prev. Month	% Change from Prev. Year
Delhi	1643	1642	1351	+0.06	+21.61
Davangere	NA	1650	1435	-	-
Shimoga	1838	1642	1300	+11.94	+41.38
Bagalkot	1637	1543	1343	+6.09	+21.89
Gadag	NA	1291	1424	-	-
Nizamabad	1642	1601	1428	+2.56	+14.99
Khanna	1490	1605	1146	-7.17	+30.02
Sangli (NCDEX Quality)	1930	1776	1488	+8.67	+29.70
Gulabghat (NCDEX Quality)	1586	1493	1249	+6.23	+26.98
Naugachia	1468	1436	1188	+2.23	+22.57
Erode (NCDEX Quality)	1944	1831	1586	+6.17	+22.57

- All market prices are monthly average of loose prices

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