

# Maize Monthly Research Report

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

Maize cash markets showed steady to narrow range bound trend during the month of August 2021 compared to previous month and Maize cash markets trend during the month of August 2021 was almost similar to corresponding period last year. For the month of September 2021, Agriwatch expects that Maize would trade range bound in a narrow zone with a slightly firm bias. Also, reduced or no arrivals accompanied with no near future arrivals of any new Maize crop for coming month, along with lower production estimates as per current situation will provide support to Maize market.

According to sources till 27th August 2021, maize crop covered 80.36 lakh hectare of area in India against 78.73 lakh hectare of area during same period previous year. Till 27th August 2021 largest area covered by maize till date, was in M.P, that is 15.13 lakh hectare, followed by Karnataka and Maharashtra at 13.48 lakh hectare and 8.54 lakh hectares respectively. Acreage cover under Maize has increased in Karnataka as compared to previous year for same time period, whereas it has declined in M.P and Maharashtra for same time period as compared to last year.

As per the sources upcoming kharif maize crop has been damaged due to floods in mid M.P. and south U.P due to floods, although exact amount of loss cannot be estimated at present. In the current situation, the Fall Army Worm has attacked maize crop in various district of Punjab and Himachal Pradesh.

**MAIZE TRADE SCENARIO**

Maize in Nizamabad market is being traded at Rs. 1,850 per quintal, with little to no arrivals in the APMC. Maize in Davangere, Karnataka is being traded at Rs. 1,950 per quintal. Feed Maize is being supplied to Tamil Nadu between Rs. 2,150-Rs.2,200 per quintal, sourced from Davangere. Good quality Maize is being traded in Bihar at Rs. 1,850 per quintal. Maize sourced from West Bengal is being supplied to Southern parts of India at Rs. 2,000 per quintal. At present local demand for Maize in Northern India is sluggish.

**INTERNATIONAL CORN MARKET SUMMARY**

Maize on CBOT fell by US\$ 9.45 per MT to US\$ 210.23 per MT for September, 2021 contract compared to the previous month. However, Agriwatch expects that Maize crop condition related concerns in U.S. and Brazil, would support CBOT Maize.

USDA decreased its World Maize Ending Stock Estimate by 6.55 MMT to 284.632 MMT for August'21/ 2021-22, USDA also decreased its World Maize Production Estimates by 8.68 MMT to 1186.117 MMT for August'21/ 2021-22, this might weight on the global Maize market. USDA also revised the Ending Stock Estimates for U.S at 31.55 MMT for August'21/ 2021-22. Although USDA kept Ending Stock Estimates same for Argentina, at 2.42 MMT for August'21/ 2021-22 and Brazil at 8.43 MMT for August'21/ 2021-22.

**INDIA MAIZE BALANCE SHEET**

| <b>Maize Year-(Oct-Sep)</b> | <b>2019-20</b> | <b>2020-21F</b> |
|-----------------------------|----------------|-----------------|
| Opening Stocks (MMT)        | 01.42          | 3.41            |
| Production (MMT)            | 25.38          | 24.51           |
| Imports (MMT)               | 00.34          | 0.02            |
| <b>Total Supply (MMT)</b>   | <b>27.14</b>   | <b>27.94</b>    |
| Export (MMT)                | 01.11          | 3.30            |
| Domestic Consumption (MMT)  | 22.62          | 22.52           |
| <b>Total Demand (MMT)</b>   | <b>23.73</b>   | <b>25.82</b>    |
|                             |                |                 |
| <b>Ending Stock (MMT)</b>   | <b>03.41</b>   | <b>2.13</b>     |
| <b>Monthly Use</b>          | <b>01.98</b>   | <b>2.00</b>     |
| <b>Stock to Use Ratio</b>   | <b>14.38%</b>  | <b>8.24%</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 2.15 MMT.
- Total Maize production in India is estimated at around 24.51 MMT in 2020-21 against our total annual demand including exports of 3.30 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**

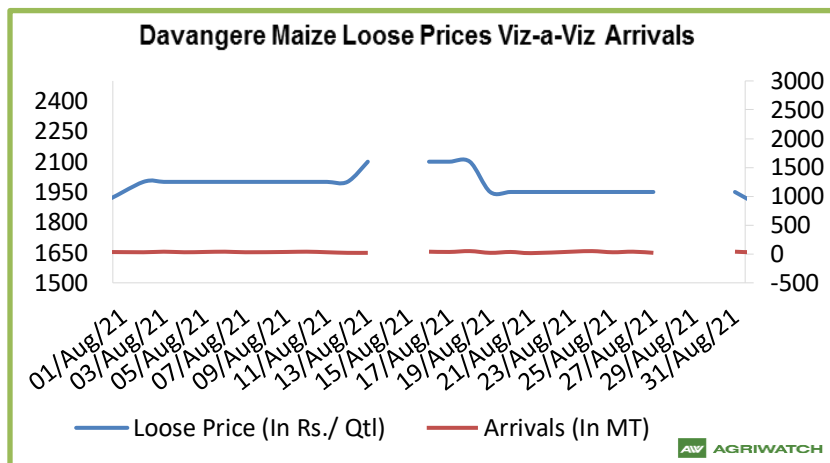
(Quantity in MMT)

| <b>Consumption Break Up</b>       | <b>2019-20</b> | <b>2020-21F</b> |
|-----------------------------------|----------------|-----------------|
| 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

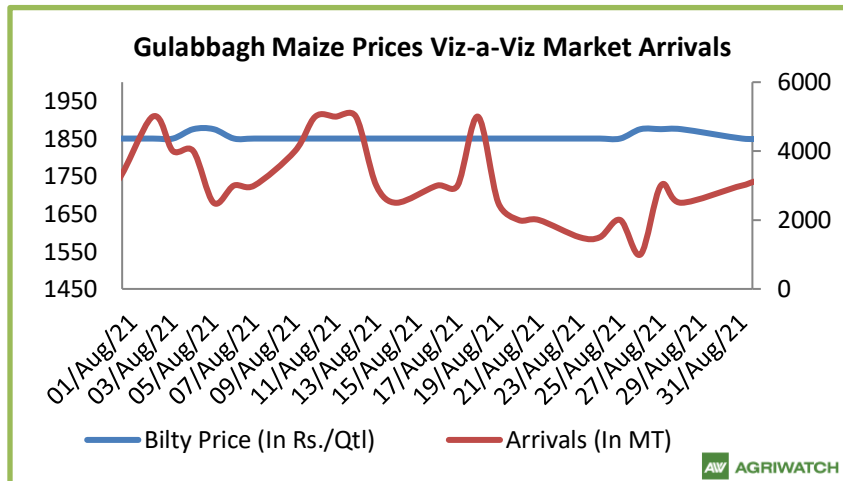
#### Karnataka

In Karnataka, maize is likely to trade range bound with a slightly firm bias. Also, 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.1,800-2,500 per quintal (loose price) during the month of August 2021.



#### Bihar

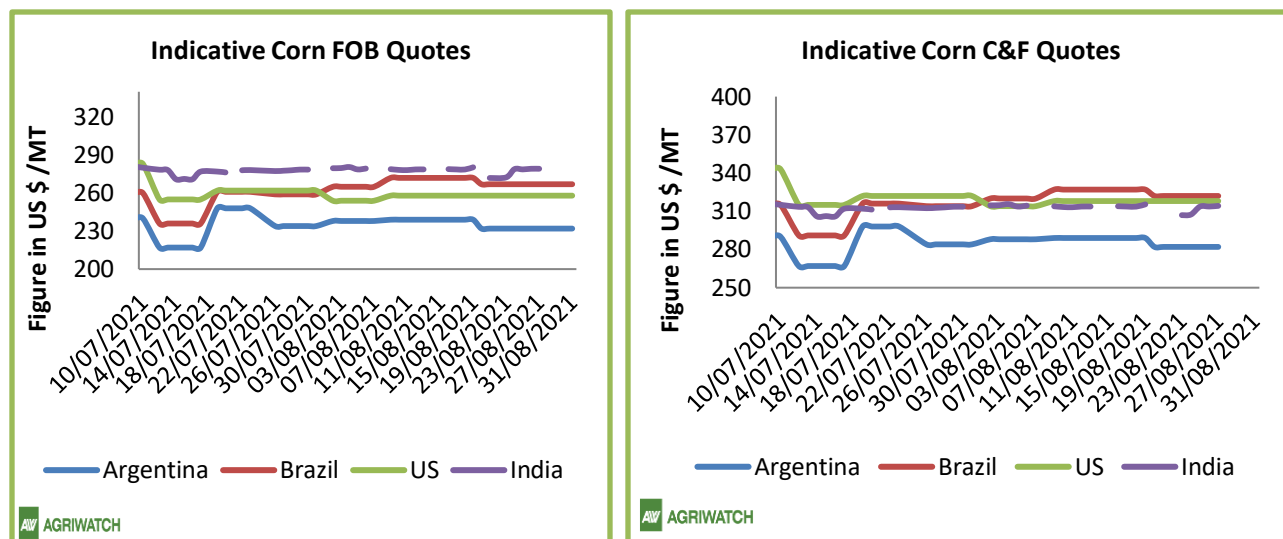
In Gulabghat region of Bihar, in the month of August Maize traded steady with a strong bias between Rs.1,850-Rs.1,875 per quintal (Bilty Price). Maize in Gulabghat would trade range bound in the Range of Rs.1,800-Rs.2,500 with a slightly steady bias in near term and strong bias by the end of the month on the expectation of low production and lower ending stocks as compared to expected.



### DOMESTIC PRICE OUTLOOK:

Agriwatch expects that Maize would trade range bound in a zone with a slightly firm bias in the month of September, 2021. Also, reduced or no arrivals accompanied with no near future arrivals of any new Maize crop for coming month, along with lower production estimates as per current situation will provide support to Maize market.

### ON THE EXPORT-IMPORT FRONT:



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.16) |           |        |        |        |
|--|-----------|--------|--------|--------|
| As on August 31, 2021  | Argentina | Brazil | US     | India  |
| <b>FOB</b>   | 232.00    | 267.00 | 258.00 | 276.11 |
| <b>C&amp;F</b>   | 282.00    | 322.00 | 318.00 | 311.11 |

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 JULY'21:

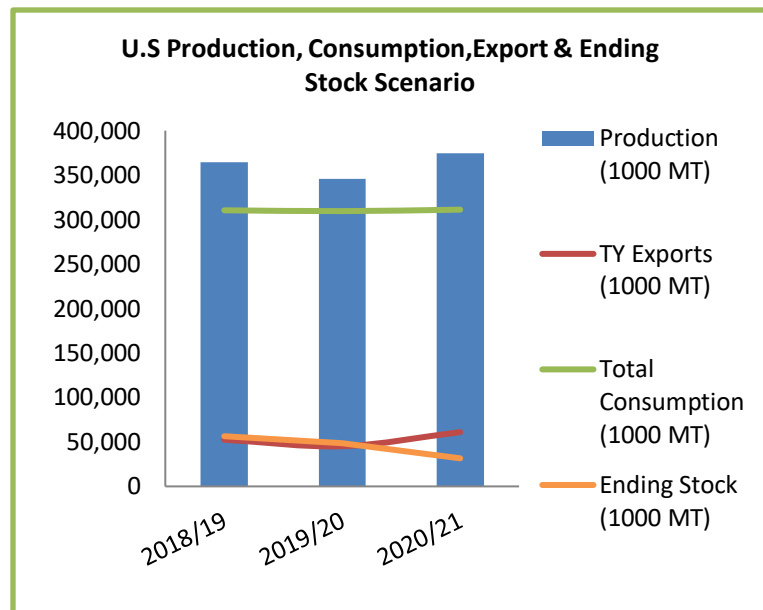
As per the trade sources, India exported around 1,21, 912 MT of Maize in July 2021 at an average FoB of US\$ 255.36 per MT, out of which, 7,118 MT was exported to Vietnam at an average FoB of US\$ 275.04 per MT and around 35,036 MT was exported to Nepal at an average FoB of US\$ 250.99 per MT. Around 73,460 MT was exported to Bangladesh at an average FoB of US\$ 254.43 per MT.

### MAIZE VESSEL POSITION:

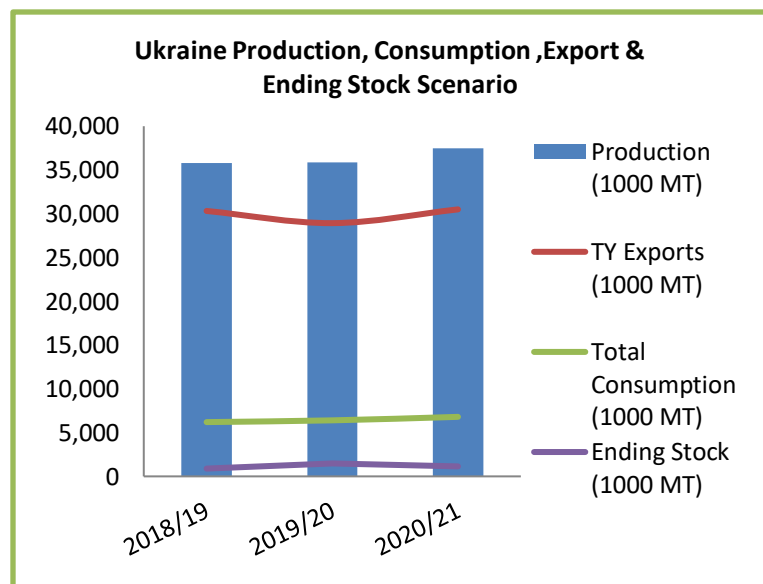
As per the sources 13,000MT of Maize Vessel BLUE LOTUS is waiting for arrival at Vizag port since 30th August 2021. And 23,100MT of Maize Vessel AQUALEO has completed loading at Hazira port on 30th August, 2021. Also 25,000MT of Maize Vessel CHARLENE completed loading, at Gangavaram port since 19th August, 2021. And 50,000MT of Maize Vessel FORTUNE WING, and 30,000 MT of Maize Vessel OCEAN CROWN have completed loading at Vizag port on 5th August, 2021.

### INTERNATIONAL MARKET SCENARIO:

U.S. Maize exports have reached to 66.70 MMT in the 2020-21 marketing year, at 5.29 MMT (for the period 19 August – 26 August, 2021). U.S. Maize exports were down 30 percent from the previous week and 48 percent from the prior 4-week average to destinations of Mexico (258,700 MT), China (138,700 MT), Guatemala (34,600 MT), Colombia (30,400 MT), and Costa Rica (29,600 MT). Agriwatch expects that weather and crop related concerns in U.S. and Brazil, would provide support to CBOT Maize.



USDA decreased its World Maize Ending Stock Estimate by 6.55 MMT to 284.632 MMT for August'21/ 2021-22, USDA also decreased its World Maize Production Estimates by 8.68 MMT to 1186.117 MMT for August'21/ 2021-22, this might weight on the global Maize market. USDA also revised the Ending Stock Estimates for U.S at 31.55 MMT for August'21/ 2021-22. Although USDA kept Ending Stock Estimates same for Argentina, at 2.42 MMT for August'21/ 2021-22 and Brazil at 8.43 MMT for August'21/ 2021-22.



In the U.S, as of 30th August, 2021, 60% crop is in good + excellent condition, which is 2% less than that of in last year for same duration but same as last week. Also, 9% of the crop is mature, 91% crop is in doughing stage and 59% crop is dented.

**CBOT CORN FUTURE PRICES**

| Maize CBOT Monthly Futures Price Listing (\$/MT) |                |                 |               |        |
|--|----------------|-----------------|---------------|--------|
|  | Contract Month | August 31, 2021 | June 30, 2021 | Change |
| Corn CBOT Prices                                 | Sep-21         | 210.23          | 219.68        | -9.45  |
|  | Dec-21         | 210.33          | 219.08        | -8.75  |
|  | Mar-22         | 213.67          | 222.14        | -8.47  |
|  | May-22         | 215.64          | 223.91        | -8.27  |
|  | July-22        | 215.84          | 223.81        | -7.97  |

**INTERNATIONAL CORN OUTLOOK:**

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**Monthly Spot Price Comparison**

| Month-wise Average prices of Maize at various markets |          |           |          |                           |                          |
|---|----------|-----------|----------|---------------------------|--------------------------|
| Market  | 2021-Aug | 2021-July | 2020-Aug | % Change from Prev. Month | % Change from Prev. Year |
| Delhi   | 1823     | 1739      | 1245     | 4.83                      | 46.43                    |
| Davangere   | 1886     | 2056      | 1345     | -8.27                     | 40.22                    |
| Shimoga   | 2051     | 1967      | 1338     | 4.27                      | 53.29                    |
| Bagalkot  | 1780     | 1823      | 1253     | -2.36                     | 42.06                    |
| Gadag   | 1296     | 1797      | 1235     | -27.88                    | 4.94                     |
| Nizamabad   | 1894     | 1847      | 1372     | 2.54                      | 38.05                    |
| Khanna  | 1718     | 1561      | 1226     | 10.06                     | 40.13                    |
| Sangli (NCDEX Quality)                                | 2079     | 2068      | 1442     | 0.53                      | 44.17                    |
| Gulabbagh(NCDEX Quality)                              | 1841     | 1836      | 1245     | 0.27                      | 47.87                    |
| Naugachia   | 1819     | 1776      | 1226     | 2.42                      | 48.37                    |
| Erode (NCDEX Quality)                                 | 2152     | 2148      | 1525     | 0.19                      | 41.11                    |

- All market prices are monthly average of loose prices

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