



# **Maize Weekly Research Report**

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### **EXECUTIVE SUMMARY**

#### **DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to slightly weak during the week due to crop arrival pressure from Bihar. However, it could trade steady to slightly firm as arrival pressure is likely to reduce. Besides, feed makers' demand could also support to maize prices.

In Bihar region, maize is likely to trade steady to slightly firm on the expectation of low arrival pressure in near term. In Karnataka region, maize is likely to trade steady in near term. However, in Nizamabad region, it is likely to trade steady to slightly firm as arrival pressure has reduced.

In Karnataka, farmers are likely to shift from sugarcane to maize as this is short term crop and requires less water in comparison to sugarcane. As maize traded higher than MSP; farmers are likely to sow more maize during kharif season.

As per media report, India has allowed 1 lakh ton Non- GM maize import on 15 % duty for actual users. MMTC and NAFED each were allowed to import 50,000 tonnes of corn for poultry firms during the financial year 2019-20; starting from April 1.

As per media news, Farmers in Haryana are posing a positive attitude towards the state government's efforts to discourage paddy cultivation under the Crop Diversification Scheme and to promote maize, arhar and soybean cultivation in the state. Within Haryana, 11,535 farmers in 8 blocks of the districts have expressed their resolve to leave paddy cultivation in 7443 hectares and start farming of alternative crops.

As per trade sources, India exported 19,552 MT of maize for the month of April'19 at an average FoB of \$324.81/ MT. Indian maize is exported mainly to Nepal mainly through Sonauli ICD followed by Raxaul and Jogbani ICD port.

#### **RECOMMENDATION:**

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2330-2370 per quintal for the week.

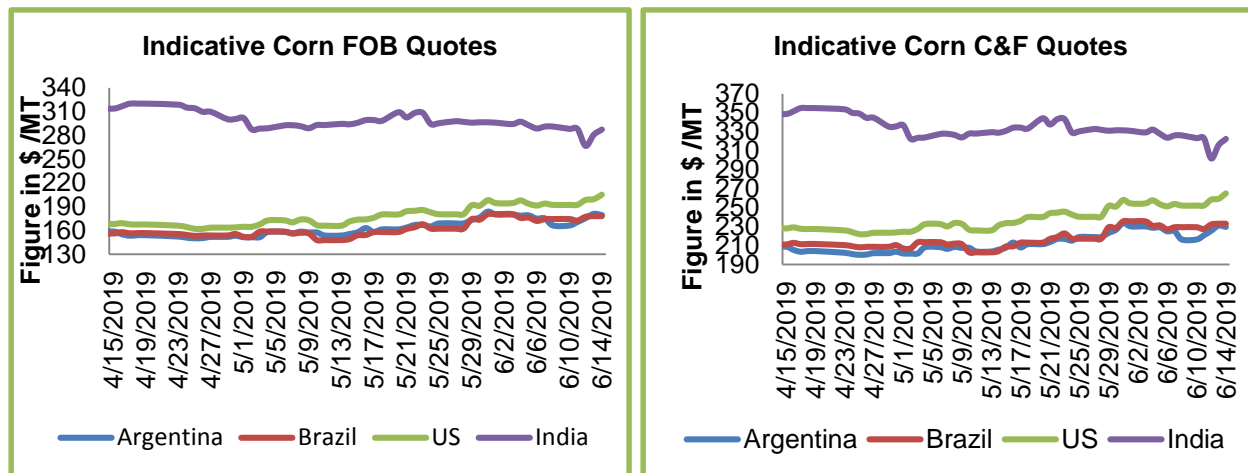
#### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 8.47 USD/MT to 174.01 USD/MT for July'19 contract compared to last week on the concern over yield potential of the delayed U.S. crop.

At 0.89 MMT (for the period 31st May- 06th Jun, 2019) US corn exports were up 15 percent from the previous week but down 18 percent from the previous 4-week average; mainly for the destination like Japan (322,100 MT), Mexico (253,400 MT), Colombia (95,800 MT), and Taiwan (58,600 MT).

In U.S, corn planting has been 83% as of 9th June, 2019, which is lower by 16% compared to previous year and last 5 year average period. It has been emerged 62% as of 9th June, 2019 which is lower by 33% compared to previous year and last 5 year average period.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.57)				
As on 14.06.2019	Argentina	Brazil	US	India
FOB	179.72	178.10	205.08	287.48
C&F	229.72	233.10	265.08	322.48

As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries has broadened.

### TRADE SCENARIO

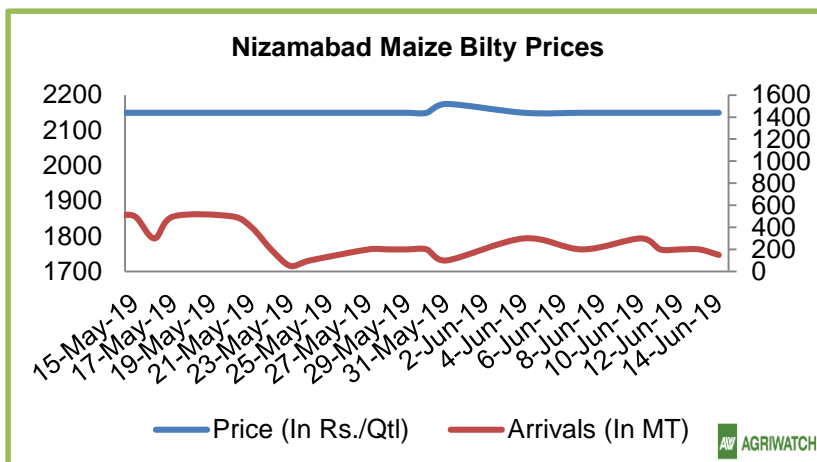
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2250 per quintal. Maize is moving towards M.P at Rs.1950 per quintal and Haryana at Rs. 2000-2025 per quintal and Kolkata at Rs. 1850 per quintal; sourced from Bihar. Pune, Bangalore and Nammakal feed makers demand has shifted towards Bihar.

## CURRENT MARKET DYNAMICS:

During the week under review, steady to slightly weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

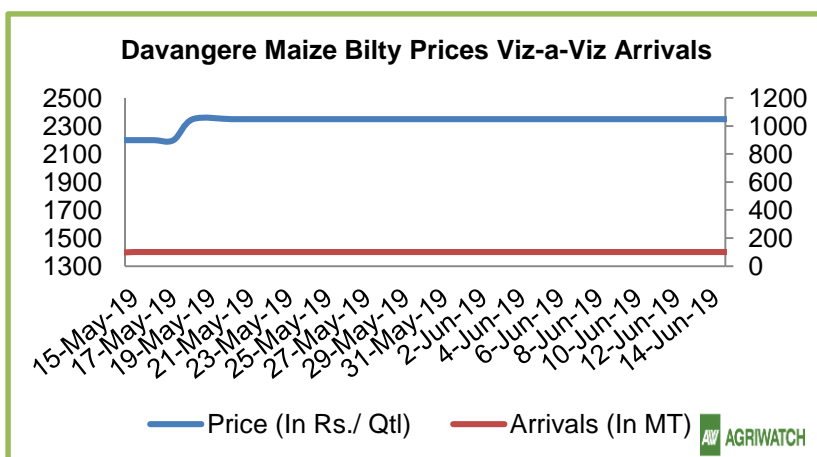
### TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. In Nizamabad, maize is moving towards Hyderabad at Rs. 2250 per quintal. Pune feed makers demand has shifted towards Bihar.



### KARNATAKA:

- In Karnataka, farmers are likely to shift from sugarcane to maize as this is short term crop and requires less water in comparison to sugarcane. As maize traded higher than MSP; farmers are likely to sow more maize during kharif season. In Karnataka region, maize is likely to trade steady in the near term.



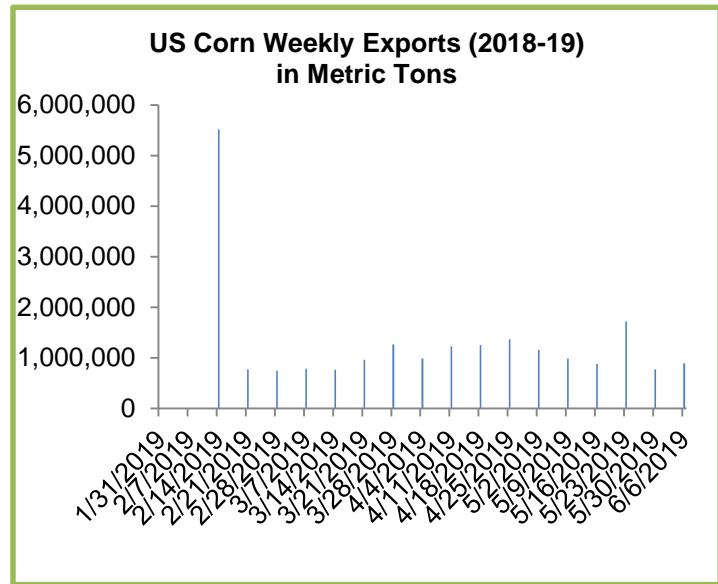
## DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to slightly firm as arrival pressure is likely to reduce. Besides, feed makers' demand could also support to maize prices.

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 41.26 MMT in the 2018-19 marketing year. At 0.89 MMT (for the period 31st May- 06th Jun, 2019) US corn exports were up 15 percent from the previous week but down 18 percent from the previous 4-week average; mainly for the destination like Japan (322,100 MT), Mexico (253,400 MT), Colombia (95,800 MT), and Taiwan (58,600 MT).

In U.S, corn planting has been 83% as of 9th June, 2019, which is lower by 16% compared to previous year and last 5 year average period. It has been emerged 62% as of 9th June, 2019 which is lower by 33% compared to previous year and last 5 year average period.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 8.47 USD/MT to 174.01 USD/MT for July'19 contract compared to last week on the concern over yield potential of the delayed U.S. crop.

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2330-2370 per quintal for the week.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	13-Jun-19	6-Jun-19	13-May-19	13-Jun-18	13-Jun-17
Gulabbagh	Bilty	1750	1750	1820	1125	1240
Delhi	Hybrid Maize (U.P.)	1850	1900	2000	1300	NA
Davangere	Bilty Price	2350	2350	2200	1300	NA
Shimoga	Bilty	NA	NA	2160	NA	1600
Ranebennur	Bilty	2300	2350	2150	1300	1580
Bagalkot	Hybrid/Local	2172	2150	2088	1331	1516
Gadag	Local	NA	2123	2015	1153	1024
Nizamabad	Bilty	2150	Closed	2150	1350	1530
Khanna	Bilty	1970	2000	2100	1300	1280
Sangli	Feed	2293	2316	2333	NA	1655
Ahmedabad	Feed	1980	2060	2200	1400	1480
	Starch	1900	2000	2150	1350	1510

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Jun-19	06-Jun-19	Change
Corn CBOT Prices	Jul-19	174.01	165.54	8.47
	Sep-19	176.27	169.09	7.18
	Dec-19	179.42	172.63	6.79
	Mar-20	181.49	175.88	5.61
	May-20	182.18	177.16	5.02

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