



# Maize Weekly Research Report

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**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to firm during the week due to low crop arrival and is expected to trade above MSP as arrival pressure has reduced and new crop would not come before the month of October. However, India has allowed another 4 lakh tonnes; total 5 lakh tonnes Non GM maize under TRQ @ 15% duty for the financial year 2019-20; starting from April 1 but as imports are also not expected to arrive before the mid of September it would trade above amid high feed makers demand and low carryover stock.

**SOWING COVERAGE:**

In India, maize has been sown in around 40.47 lakh hectares as on 10th July'19 which is lower than 41.59 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 3.54 lakh hectare which is lower than 7.65 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 9.27 lakh hectares which is lower than 9.85 lakh hectares covered during corresponding period last year. However, in Rajasthan, maize has been sown in around 8.44 lakh hectares which is higher than 5.06 lakh hectares covered during corresponding period last year. In Telangana, it has been sown in 1.66 lakh hectare which is higher than 1.32 lakh hectare covered during corresponding period last year.

As per trade sources, in Karnataka, farmers are likely to shift from cotton, groundnut, tur and sugarcane to maize. As maize traded higher than MSP and it is Photo-insensitive crop; farmers are likely to sow more maize during kharif season. Also, in Maharashtra, M.P, Rajasthan and A.P; some crop area of soybean could shift towards maize.

**RECOMMENDATION:**

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2350-2400 per quintal for the week.

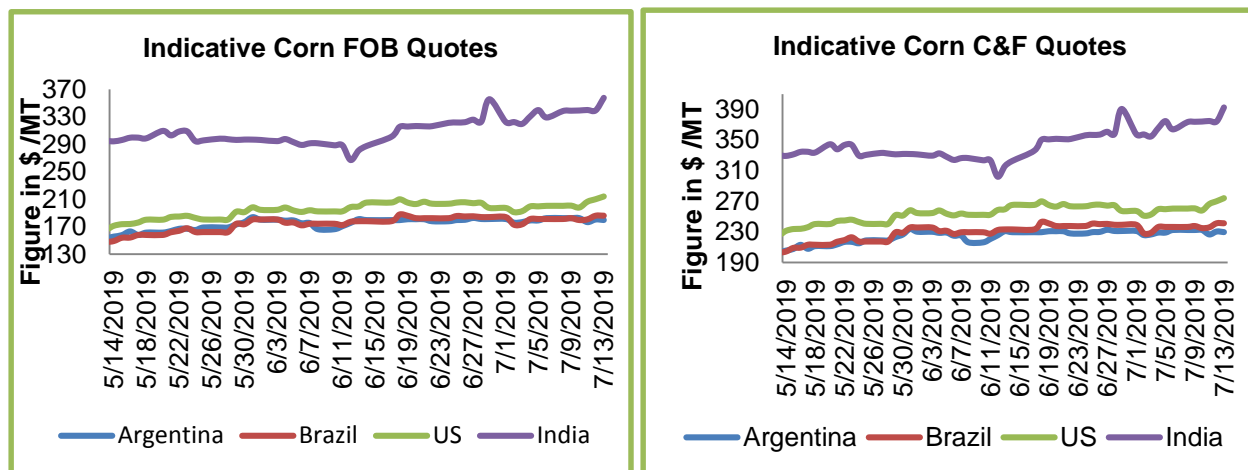
**INTERNATIONAL CORN MARKET SUMMARY**

At 1.14 MMT (for the period 28th June- 04th July, 2019) US corn exports were up 287 percent from the previous week and 80 percent from the previous 4-week average; mainly for the destination like Japan (737,400 MT, including 379,200 MT late reporting), Mexico (224,400 MT), Colombia (122,400 MT), Canada (21,000 MT), and Taiwan (15,700 MT).

USDA increased its world corn ending stock estimates by 8.40 MMT to 298.92 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20.

In U.S, corn has been emerged 98% as of 07th July, 2019 which is lower by 2% compared to previous year and last 5 year average period. Corn has been silked 8% as of 7th July, 2019 which is lower by 26% compared to last year. 57% crop of Corn is in good to excellent condition which is up by 1% compared to previous week.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.56)				
As on 13.07.2019	Argentina	Brazil	US	India
FOB	179.82	186.10	213.90	357.34
C&F	229.82	241.10	273.90	392.34

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.

### EXPORTS FOR THE MONTH OF MAY'19

As per trade sources, India exported around 35,016 MT of maize for the month of May'19 at an average FoB of \$288.95/ MT. Indian maize is exported mainly to Nepal mainly through Raxaul followed by Jogbani ICD and Sonauli ICD port.

### IMPORTS FOR THE MONTH OF MAY'19

As per trade sources, India imported around 74,378 MT of maize for the month of May'19. Out of which, around 72,225 MT was imported from Ukraine for the Kandla port at an average value of \$203.28/ MT.

### TRADE SCENARIO

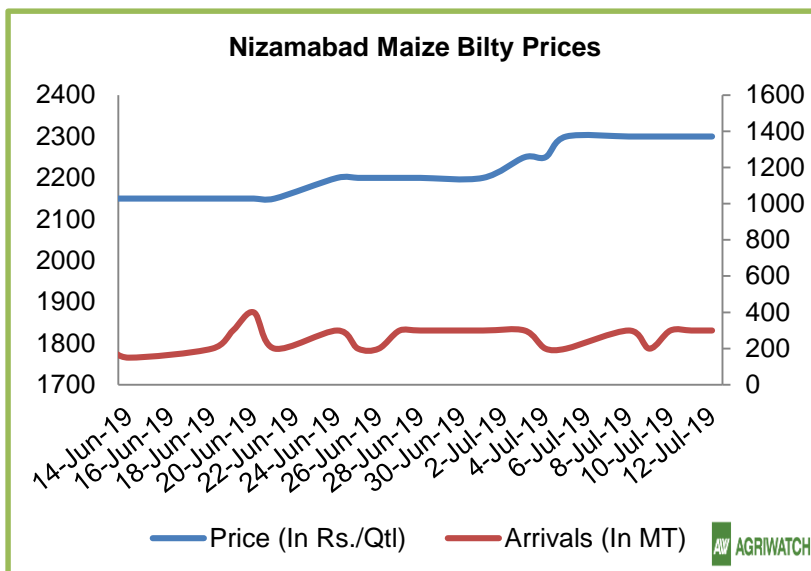
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2450 per quintal. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.2200 per quintal. Bangalore, Nammakal, Chitradurga, Pune and Mysore feed makers' demand has shifted towards Bihar.

## CURRENT MARKET DYNAMICS:

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

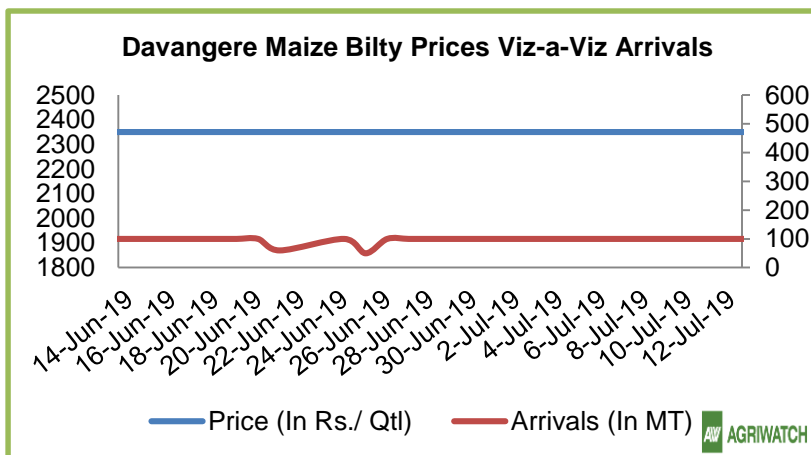
### TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. As per trade source, in Nizamabad, stock of maize could be around 5000 MT which was 8000 MT during corresponding period last year. Maize is moving towards Hyderabad at Rs. 2450 per quintal; sourced from Nizamabad.



### KARNATAKA:

- In Karnataka, farmers are likely to shift from cotton, groundnut, tur and sugarcane to maize. As maize traded higher than MSP and it is Photo-insensitive crop; farmers are likely to sow more maize during kharif season.
- Bangalore, Nammakal and Chitradurga feed makers' demand has shifted towards Bihar.



## DOMESTIC MAIZE OUTLOOK:

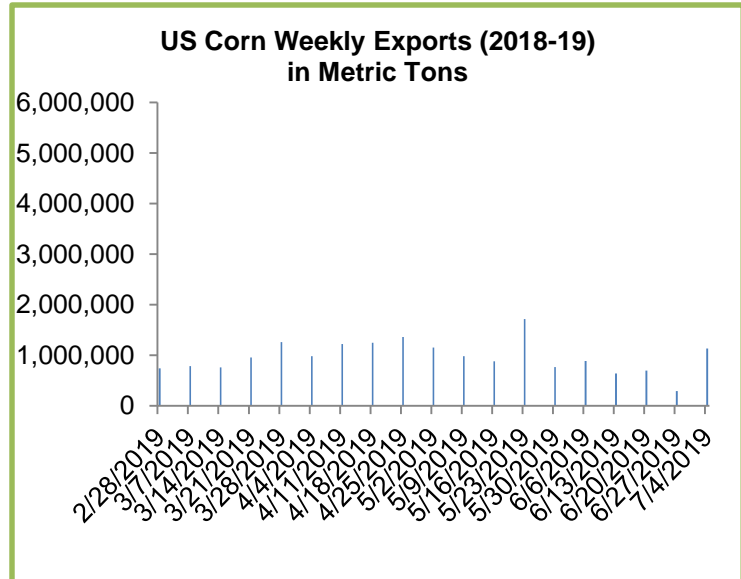
Prices of standard quality maize are likely to be steady to firm as arrival pressure has reduced. Besides, feed makers' demand could also support to maize prices.

### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 44.03 MMT in the 2018-19 marketing year. At 1.14 MMT (for the period 28th June- 04th July, 2019) US corn exports were up 287 percent from the previous week and 80 percent from the previous 4-week average; mainly for the destination like Japan (737,400 MT, including 379,200 MT late reporting), Mexico (224,400 MT), Colombia (122,400 MT), Canada (21,000 MT), and Taiwan (15,700 MT).

USDA increased its world corn ending stock estimates by 8.40 MMT to 298.92 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20. Corn ending stock estimates for U.S also increased due to increase in production estimates while for Ukraine, it increased its corn ending stock estimates only 0.015 MMT to 1.232 MMT compared to previous month but lower by 0.38 MMT compared to last year estimates.

In U.S, corn has been emerged 98% as of 07th July, 2019 which is lower by 2% compared to previous year and last 5 year average period. Corn has been silked 8% as of 7th July, 2019 which is lower by 26% compared to last year. 57% crop of Corn is in good to excellent condition which is up by 1% compared to previous week.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 6.10 USD/MT to 176.96 USD/MT for July'19 contract compared to previous week due to increase in export demand for U.S corn.

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2350-2400 per quintal for the week.

**ANNEXURE**
**MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)**

Maize(Corn)Weekly Prices:						
Market	Grade	11-Jul-19	4-Jul-19	11-Jun-19	11-Jul-18	11-Jul-17
Gulabghagh	Bilty	2200	2200	1750	1130	1340
Delhi	Hybrid Maize (U.P.)	2100	2050	1950	1250	0
Davangere	Bilty Price	2350	2350	2350	1350	1850
Shimoga	Bilty	2580	2550	2240	1400	1700
Ranebennur	Bilty	2350	2350	2250	1270	1610
Bagalkot	Hybrid/Local	2130	1879	2190	1326	1611
Gadag	Local	2130	2200	2066	1312	NA
Nizamabad	Bilty	2300	2250	2150	1330	1580
Khanna	Bilty	2010	2030	1980	1320	1300
Sangli	Feed	2500	2571	2300	1516	1710
Ahmedabad	Feed	2270	2170	1990	1400	1450
	Starch	2300	2200	1900	1400	1475



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12-July-19	05-July-19	Change
Corn CBOT Prices	Jul-19	176.96	170.86	6.10
	Sep-19	178.83	172.73	6.10
	Dec-19	180.80	174.11	6.69
	Mar-20	183.06	176.76	6.30
	May-20	183.75	178.14	5.61

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