

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Sowing Coverage
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Trade Scenario
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to firm sentiment during the week and is expected to trade above MSP in near term 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.

As per media report, MMTC, Indian state-run trading company, has issued another international tender to import yellow corn. The volume of purchase is not decided yet but minimum offers are 24,000 tonnes to 25,000 tonnes. The tender closes on July 30 and offers must remain valid until Aug. 12. The MMTC is asking for offers of corn for the shipment between August 1-31, September 1-30 and October 1-31.

SOWING COVERAGE:

In India, maize has been sown in around 63.84 lakh hectares as on 24th July'19 which is higher than 62.48 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 14.13 lakh hectares which is higher than 12.07 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.56 lakh hectares which is higher than 8.43 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 7.74 lakh hectare which is lower than 9.06 lakh hectare covered during corresponding period last year.

In A.P, maize has been sown in around 0.43 lakh hectares as on 24th July'19 which is lower than 0.62 lakh hectare covered during corresponding period last year. Maize crops are at sowing to vegetative stage. Pests and Diseases reported nil till date.

In Telangana, it has been sown in 2.92 lakh hectare as on 24th July'19 which is lower than 3.68 lakh hectare covered during corresponding period last year. Maize crops are at vegetative stage. Fall army worm is below ETL level in Nizambad, Kamareddy, Siddipet, Nagarkurnool, Khammam, Karimnagar and Nirmal districts.

RECOMMENDATION:

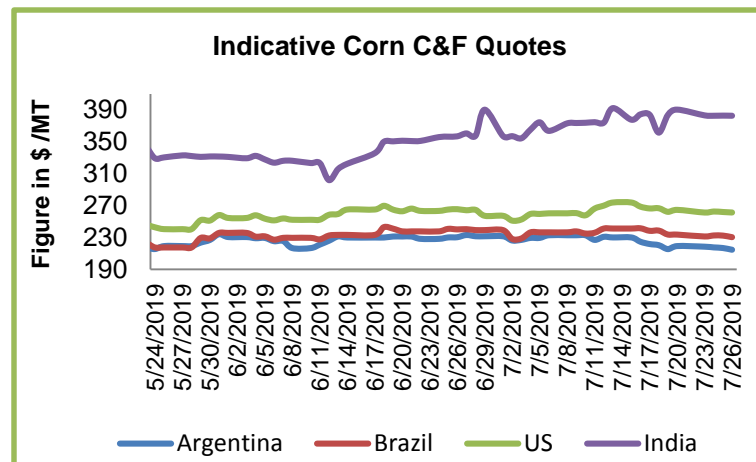
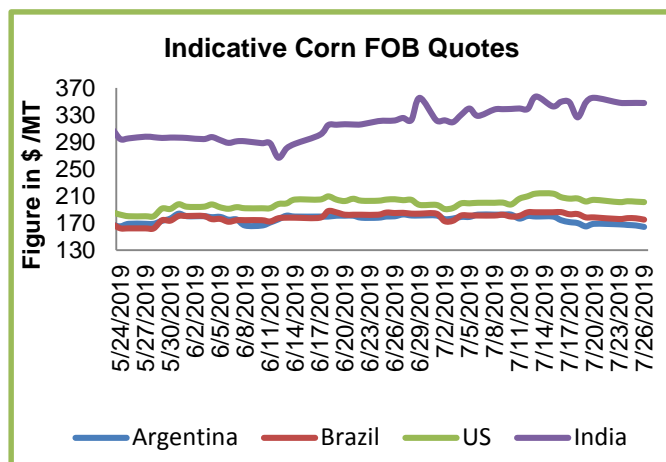
Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2350-2400 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

U.S corn exports reached 45.29 MMT in the 2018-19 marketing year. At 0.58 MMT (for the period 12th July- 18th July, 2019) US corn exports were down 15 percent from the previous week and 18 percent from the previous 4-week average; mainly for the destination like Japan (226,000 MT), Mexico (190,200 MT), Taiwan (70,000 MT), Colombia (39,400 MT), and Costa Rica (26,300 MT).

In U.S, Corn has been silked 35% as of 21st July, 2019 which is lower by 43% compared to last year and 31% from last 5 year average period. It has been dough 5% as of 21st July, 2019. 57% crop of Corn is in good to excellent condition which is down by 1% compared to previous week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.02)				
As on 26.07.2019	Argentina	Brazil	US	India
FOB	164.37	175.20	201.32	347.73
C&F	214.37	230.20	261.32	382.73

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 MAY19

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 JUN'19

As per trade sources, India imported around 15,169 MT of maize for the month of Jun'19. Out of which, around 13,328 MT was imported from Ukraine for the Kandla port at an average value of \$215.16/ MT.

TRADE SCENARIO

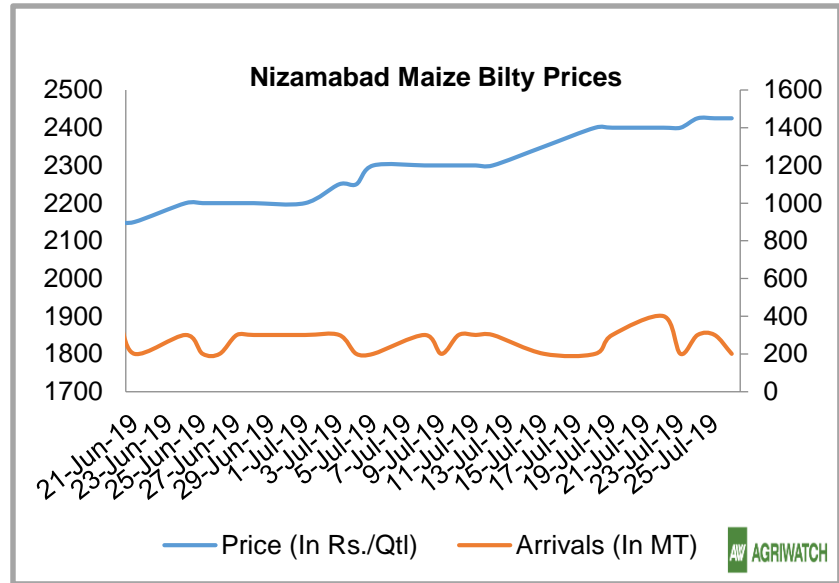
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2575 per quintal. In Gulabbagh region of Bihar, maize (Bilty) is trading at Rs.2150 per quintal. Maize is moving towards Haryana at Rs. 2300 per quintal, U.P at Rs. 2150-2250 per quintal; sourced from Naugachia region of Bihar.

CURRENT MARKET DYNAMICS:

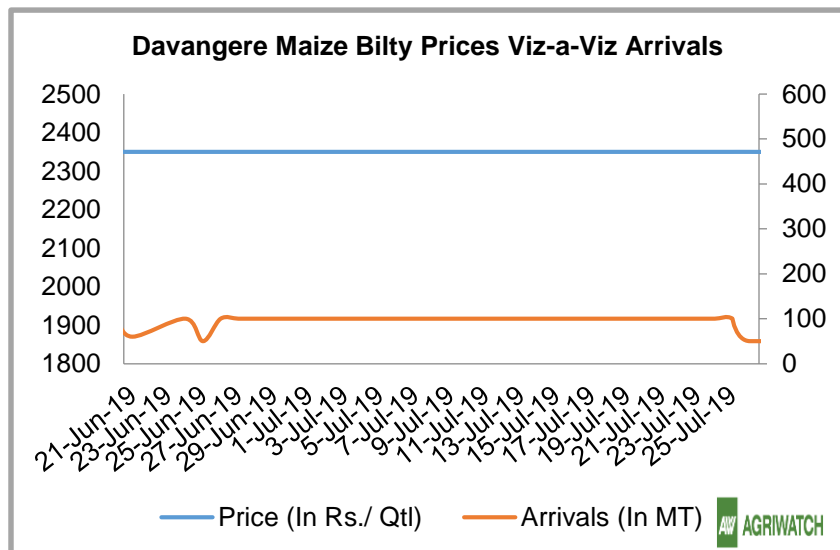
During the week under review, steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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. 2575 per quintal; soured 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.

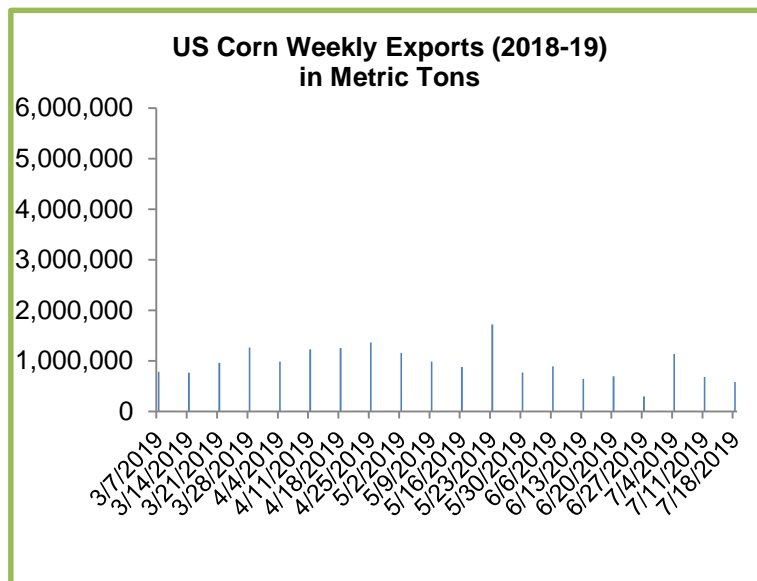
DOMESTIC MAIZE OUTLOOK:

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:

U.S corn exports reached 45.29 MMT in the 2018-19 marketing year. At 0.58 MMT (for the period 12th July- 18th July, 2019) US corn exports were down 15 percent from the previous week and 18 percent from the previous 4-week average; mainly for the destination like Japan (226,000 MT), Mexico (190,200 MT), Taiwan (70,000 MT), Colombia (39,400 MT), and Costa Rica (26,300 MT).

In U.S, Corn has been silked 35% as of 21st July, 2019 which is lower by 43% compared to last year and 31% from last 5 year average period. It has been dough 5% as of 21st July, 2019. 57% crop of Corn is in good to excellent condition which is down by 1% compared to previous week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 6.40 USD/MT to 163.18 USD/MT for September'19 contract compared to previous week due to decrease in export demand for U.S corn. Besides, cooler weather across the U.S. Midwest also weighing on market sentiments.

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	25-Jul-19	18-Jul-19	25-Jun-19	25-Jul-18	25-Jul-17
Gulabbagh	Bilty	2150	2000	1980	1200	1330
Delhi	Hybrid Maize (U.P.)	2100	2075	1950	1350	1300
Davangere	Bilty Price	2350	2350	2350	1350	1750
Shimoga	Bilty	2500	2530	2400	1520	1720
Ranebennur	Bilty	2350	2350	2350	1300	1700
Bagalkot	Hybrid/Local	2350	2262	2240	1336	1501
Gadag	Local	2260	2130	2050	1261	1501
Nizamabad	Bilty	2425	2400	2200	1335	1650
Khanna	Bilty	2020	2060	2000	1340	1280
Sangli	Feed	2550	2531	2508	1511	1687
Ahmedabad	Feed	2250	2250	2100	1440	1470
	Starch	2300	2300	2150	1450	1430



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-July-19	19-July-19	Change
Corn CBOT Prices	Sep-19	163.18	169.58	-6.40
	Dec-19	167.12	171.55	-4.43
	Mar-20	171.06	174.8	-3.74
	May-20	172.73	176.37	-3.64
	July-20	174.11	177.65	-3.54

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.