



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

More or less maize cash markets traded steady during the week and is expected to trade steady to slightly firm ahead 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 EOI No. MMTC/Agro/Maize/Imp/2019-20/4LMT, The Applicants desirous of getting imported feed-grade Maize (Corn) under TRQ may register with MMTC by 13th Aug 2019.

SOWING COVERAGE:

In India, maize has been sown in around 69.27 lakh hectares as on 02nd Aug'19 which is higher than 69.03 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.01 lakh hectares which is higher than 13.12 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.61 lakh hectares which is higher than 8.56 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 8.89 lakh hectare which is lower than 10.06 lakh hectare covered during corresponding period last year which is also expected to increase in next few weeks. In A.P, maize has been sown in around 0.61 lakh hectares as on 31st July'19 which is lower than 0.71 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 3.31 lakh hectare as on 31st July'19 which is lower than 4.15 lakh hectare covered during corresponding period last year. Maize crops are at vegetative stage. Fall army worm is below ETL level in Mahboobnagar, Gadwal and Khammam districts. As per trade information, in Madhya Pradesh, soybean farmers in the Betul- Chhindwara belt have moved to maize this year because of better returns.

RECOMMENDATION:

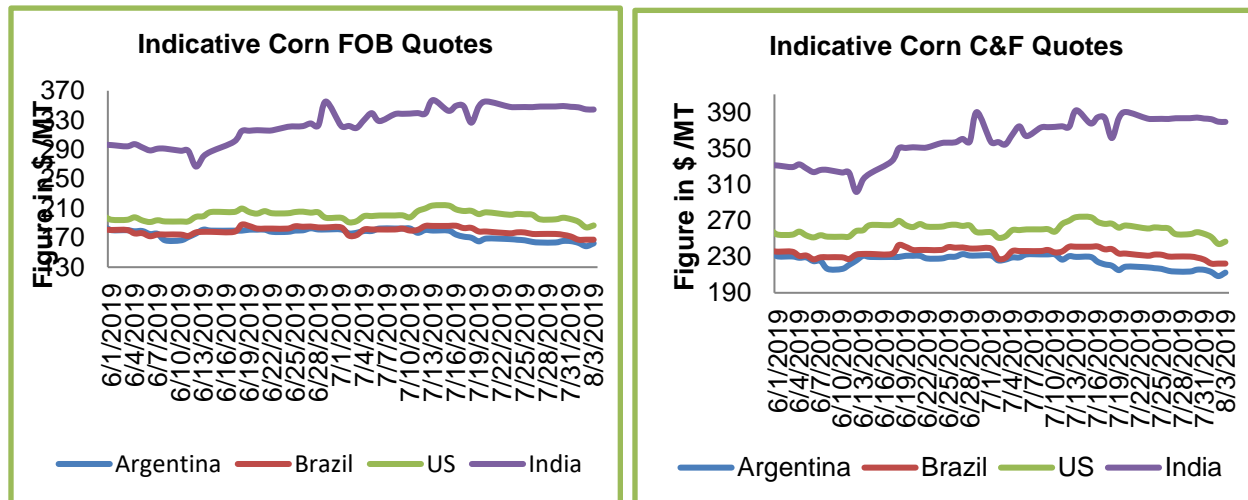
Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2320-2380 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

U.S corn exports reached 45.99 MMT in the 2018-19 marketing year. At 0.70 MMT (for the period 19th July- 25th July, 2019) US corn exports were up 22 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (298,100 MT), Japan (260,800 MT), China (63,000 MT), El Salvador (28,900 MT), and Colombia (18,000 MT).

In U.S, Corn has been silked 58% as of 28th July, 2019 which is lower by 35.56% compared to last year and 30.12% from last 5 year average period. It has been dough 13% as of 28th July, 2019. 58% crop of Corn is in good to excellent condition which is up by 1.75% compared to previous week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.67)				
As on 03.08.2019	Argentina	Brazil	US	India
FOB	162.40	167.4	186.80	344.48
C&F	212.40	222.40	246.80	379.48

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.

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

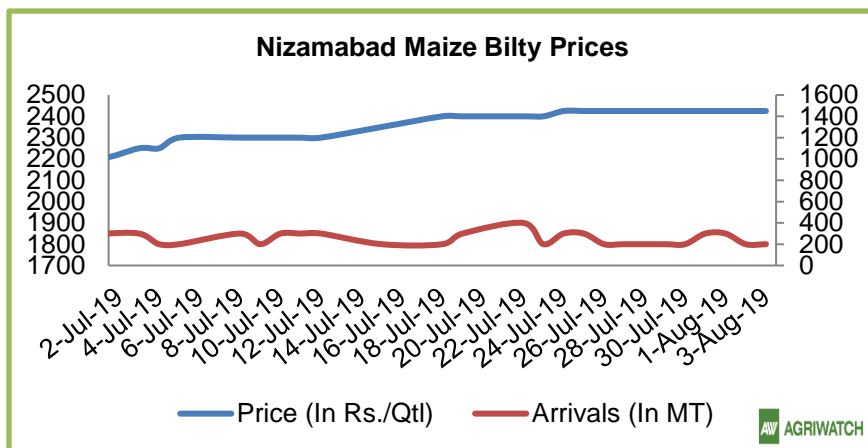
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2550--2575 per quintal. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.2150 per quintal. Maize is moving towards Haryana at Rs. 2300 per quintal, U.P at Rs. 2200 per quintal; sourced from Naugachia region of Bihar.

CURRENT MARKET DYNAMICS:

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

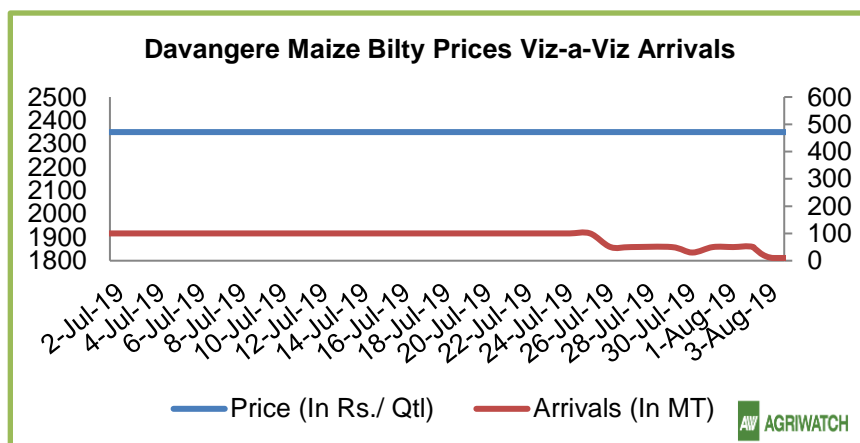
TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. Maize is moving towards Hyderabad at Rs. 2550-2575 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:

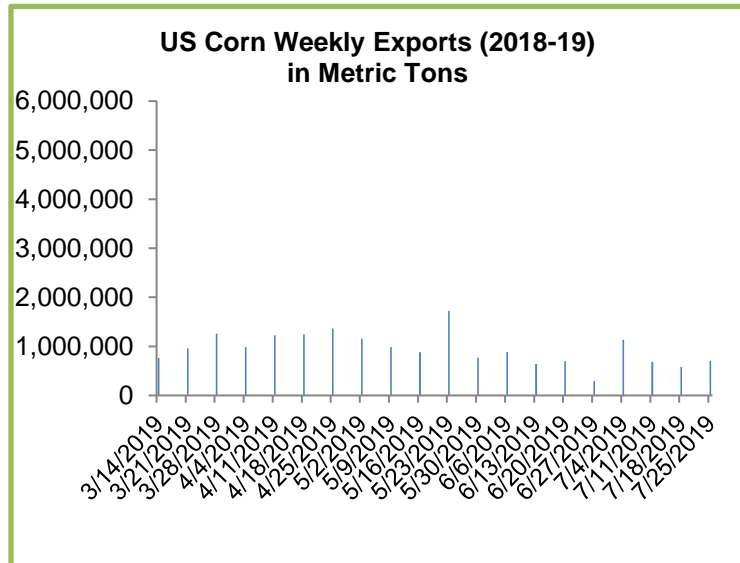
Prices of standard quality maize are likely to be steady to slightly firm as arrival pressure has reduced. Besides, feed makers' demand could also support to maize prices.



INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 45.99 MMT in the 2018-19 marketing year. At 0.70 MMT (for the period 19th July- 25th July, 2019) US corn exports were up 22 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (298,100 MT), Japan (260,800 MT), China (63,000 MT), El Salvador (28,900 MT), and Colombia (18,000 MT).

In U.S, Corn has been silked 58% as of 28th July, 2019 which is lower by 35.56% compared to last year and 30.12% from last 5 year average period. It has been dough 13% as of 28th July, 2019. 58% crop of Corn is in good to excellent condition which is up by 1.75% compared to previous week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 5.90 USD/MT to 157.28 USD/MT for September'19 contract compared to previous week. However, it could trade firm on the expectation of 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.2320-2380 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	1-Aug-19	25-Jul-19	1-Jul-19	1-Aug-18	1-Aug-17
Naugachia	Bilty	2125	2125	2250	1200	1300
Delhi	Hybrid Maize (U.P.)	2125	2100	2050	1350	1300
Davangere	Bilty	2350	2350	2350	1350	1700
Shimoga	Bilty	NA	NA	2550	1360	1680
Ranebennur	Bilty	NA	2500	2500	1400	1670
Bagalkot	Hybrid/Local	NA	NA	NA	1322	NA
Gadag	Local	NA	1867	2050	1212	NA
Nizamabad	Bilty	2425	2425	2200	NA	1650
Khanna	Bilty	2010	2020	2120	1390	1280
Sangli	Feed	2537	2550	2543	1531	1650
Ahmedabad	Feed	2300	2250	2200	1460	1440
	Starch	2300	2300	2300	1460	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	02-Aug-19	26-July-19	Change
Corn CBOT Prices	Sep-19	157.28	163.18	-5.90
	Dec-19	161.21	167.12	-5.91
	Mar-20	165.54	171.06	-5.52
	May-20	167.91	172.73	-4.82
	July-20	169.58	174.11	-4.53

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