

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly firm 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.

SOWING COVERAGE:

In India, maize has been sown in around 72.74 lakh hectares as on 9th Aug'19 which is almost equal than 72.83 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.28 lakh hectares which is higher than 13.52 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.80 lakh hectares which is higher than 8.68 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 9.78 lakh hectare which is lower than 10.53 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 0.66 lakh hectares as on 07th August'19 which is lower than 0.76 lakh hectare covered during corresponding period last year. Maize sown area is 70% to season normal and at sowing to vegetative stage. Pests and Diseases reported nil till date. In Telangana, it has been sown in 3.44 lakh hectare as on 07th August'19 which is lower than 4.31 lakh hectare covered during corresponding period last year. Maize sown area is 69% to season normal and its sowing will be completed shortly. Maize crops are at vegetative stage. Fall army worm is below ETL level in Mahboobnagar, Gadwal and Khammam districts. As per trade sources, 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.

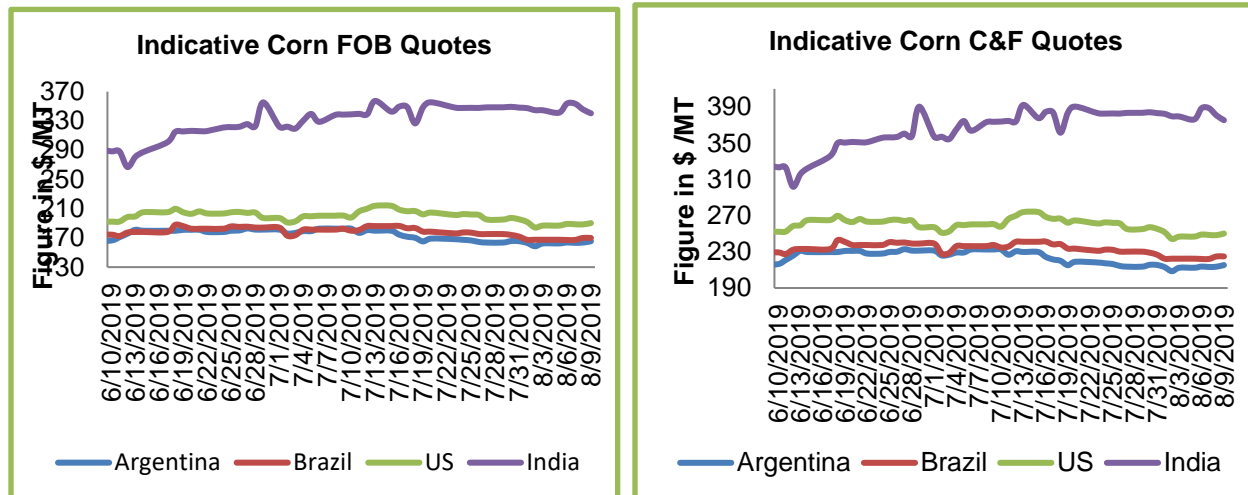
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 4.23 USD/MT to 161.51 USD/MT for September'19 contract compared to previous week as parts of U.S Midwest remains dry.

U.S corn exports reached 46.68 MMT in the 2018-19 marketing year. At 0.69 MMT (for the period 26th July- 01st August, 2019) US corn exports were down 2 percent from the previous week and 11 percent from the prior 4-week average. The destinations were primarily to Mexico (253,800 MT), Japan (214,000 MT), Saudi Arabia (59,300 MT), Guatemala (37,400 MT), and El Salvador (25,100 MT).

In U.S, Corn has been silked 78% as of 04th August, 2019 which is lower by 17% compared to last year and 15% from last 5 year average period. It has been dough 23% as of 04th August, 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. 70.51)				
As on 09.08.2019	Argentina	Brazil	US	India
FOB	165.35	169.9	190.2	340.38
C&F	215.35	224.9	250.2	375.38

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 JUNE 19

As per trade sources, India exported around 45,016 MT of maize for the month of June'19 at an average FoB of \$282.10/ MT. Indian maize is exported mainly to Nepal mainly through Jogbani ICD followed by Raxaul and Bhimnagar 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

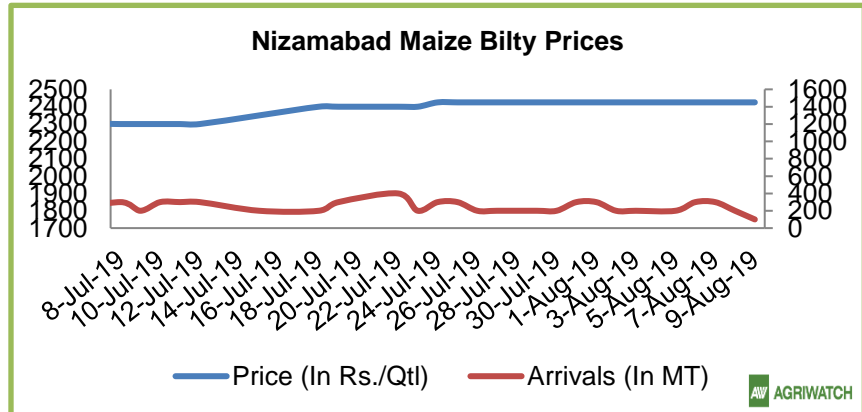
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2550 per quintal. In Gulabbagh region of Bihar, maize (Bilty) is trading at Rs.2200 per quintal. Maize is moving towards Haryana at Rs. 2300 per quintal, U.P at Rs. 2200-2250 per quintal; sourced from Naugachia region of Bihar.

CURRENT MARKET DYNAMICS:

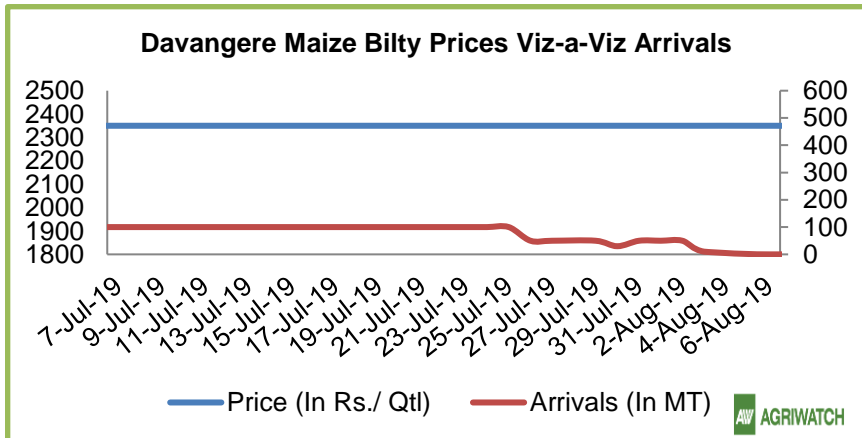
During the week under review, steady to slightly sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

TELANGANA:

- In Nizamabad region, maize is likely to trade steady to range bound amid limited demand. Maize is moving towards Hyderabad at Rs. 2550 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:

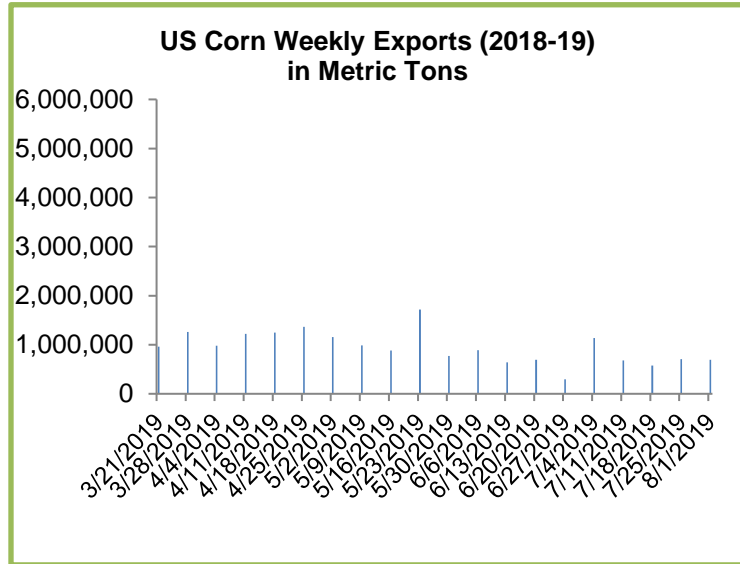
Prices of standard quality maize are likely to be steady to slightly firm as arrival pressure has reduced. Besides, feed makers' demand could also support to maize prices.



INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 46.68 MMT in the 2018-19 marketing year. At 0.69 MMT (for the period 26th July- 01st August, 2019) US corn exports were down 2 percent from the previous week and 11 percent from the prior 4-week average. The destinations were primarily to Mexico (253,800 MT), Japan (214,000 MT), Saudi Arabia (59,300 MT), Guatemala (37,400 MT), and El Salvador (25,100 MT).

In U.S, Corn has been silked 78% as of 04th August, 2019 which is lower by 17% compared to last year and 15% from last 5 year average period. It has been dough 23% as of 04th August, 2019. 57% crop of Corn is in good to excellent condition which is down by 1% compared to previous week.



INTERNATIONAL CORN OUTLOOK:

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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	8-Aug-19	1-Aug-19	8-Jul-19	8-Aug-18	8-Aug-17
Gulabbagh	Bilty	2200	2150	2200	1225	1350
Delhi	Hybrid Maize (U.P.)	2150	2125	2050	1400	1300
Davangere	Bilty	NA	2350	2350	1350	1700
Shimoga	Bilty	NA	NA	2650	1370	NA
Ranebennur	Bilty	2350	2350	2600	1410	1700
Bagalkot	Hybrid/Local	NA	NA	NA	NA	NA
Gadag	Local	NA	NA	NA	NA	NA
Nizamabad	Bilty	2425	Closed	2300	1320	1650
Khanna	Bilty	2050	2010	2020	1400	1280
Sangli	Feed	NA	2537	2513	1526	1650
Ahmedabad	Feed	2280	2300	2250	1500	1450
	Starch	2300	2300	2300	1510	1425

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	09-Aug-19	02-Aug-19	Change
Corn CBOT Prices	Sep-19	161.51	157.28	4.23
	Dec-19	164.46	161.21	3.25
	Mar-20	168.59	165.54	3.05
	May-20	170.86	167.91	2.95
	July-20	172.24	169.58	2.66

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