



# **Maize Weekly Research Report**

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## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Overall 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.

### **SOWING COVERAGE AND CROP CONDITION:**

In India, maize has been sown in around 73.61 lakh hectares as on 16th Aug'19 which is higher than 73.05 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.32 lakh hectares which is higher than 13.59 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.82 lakh hectares which is higher than 8.69 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 10.04 lakh hectare which is lower than 10.86 lakh hectare covered during corresponding period last year which is also expected to increase in next few days. In Telangana, it has been sown in 3.48 lakh hectare as of 14th August'19 which is lower than 4.35 lakh hectare covered during corresponding period last year. Maize sown area is 69% to season normal and its sowing is almost completed. Maize crops are at vegetative stage. Fall army worm is below ETL level in Mahboobnagar, Gadwal, Jangaom and Khammam districts. In A.P, maize has been sown in around 0.72 lakh hectares as of 14th August'19 which is lower than 0.86 lakh hectare covered during corresponding period last year. Maize sown area is 76.6% to season normal and at sowing to vegetative stage. Pests and Diseases reported nil till date. As per trade sources, in Karnataka, there is a huge crop loss, due to heavy rainfall, in dharbad, hubli, belgaum, shimoga, chikkamagaluru, hassan, bagalkot, bijapur 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**

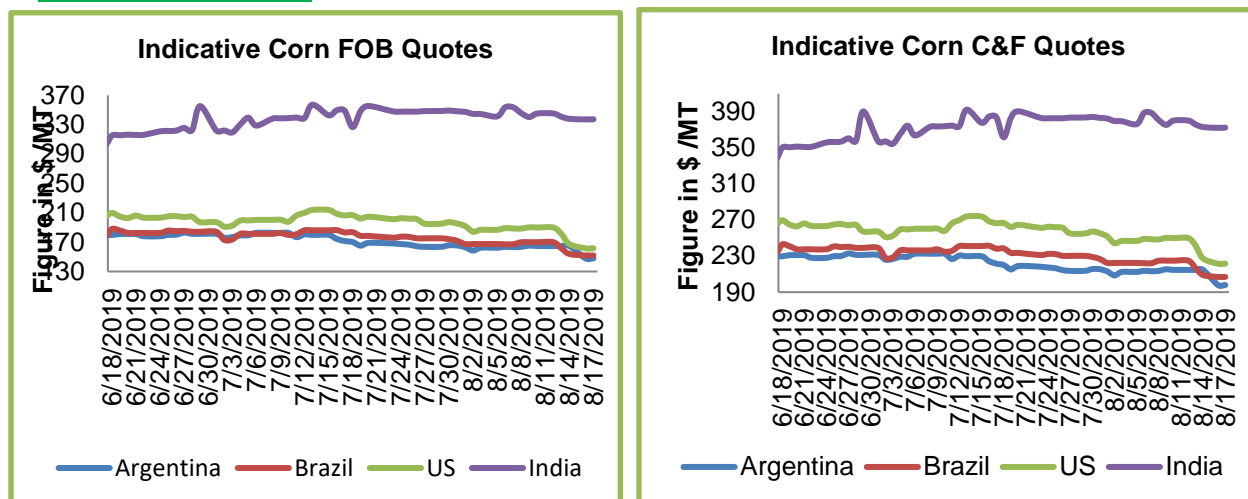
Corn on CBOT fall by 15.45 USD/MT to 146.06 USD/MT for September'19 contract compared to previous week as USDA increased its corn ending stock estimates for U.S.

At 0.71 MMT (for the period 2nd- 08th August, 2019) US corn exports were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (384,800 MT), Japan (85,000 MT), Colombia (49,300 MT), Guatemala (39,700 MT), and Honduras (30,200 MT).

In U.S, Corn has been silked 90% as of 11th August, 2019 which is lower by 6% compared to last year and 7% from last 5 year average period. It has been dough 39% and dented 7% as of 11th August, 2019. 57% crop of Corn is in good to excellent condition which is same compared to previous week.

USDA increased its world corn ending stock estimates by 8.81 MMT to 307.72 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20.

## EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.18)				
As on 16.08.2019	Argentina	Brazil	US	India
FOB	147.93	151.90	161.59	337.36
C&F	197.93	206.90	221.59	372.36

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

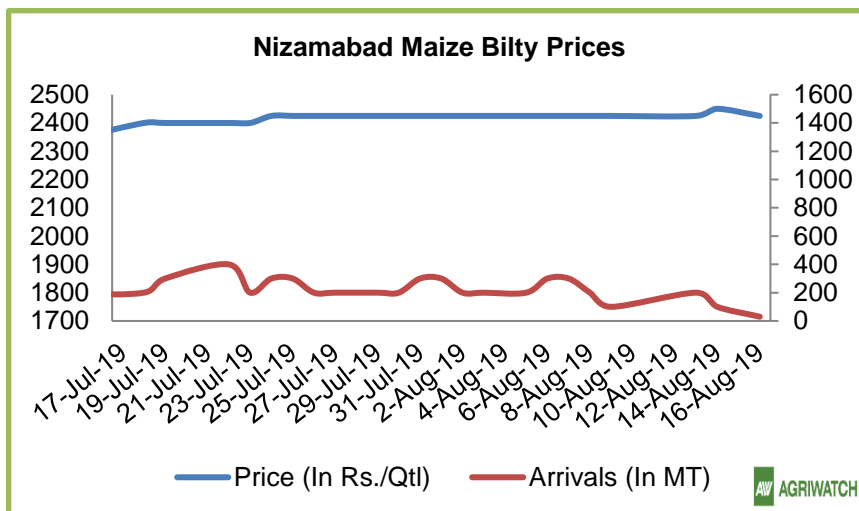
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2550 per quintal. In Gulabbagh region of Bihar, maize (Bilty) is trading at Rs.2150 per quintal. Maize is moving towards Haryana at Rs. 2300-2350 per quintal, U.P at Rs. 2250 per quintal; sourced from Naugachia region 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:

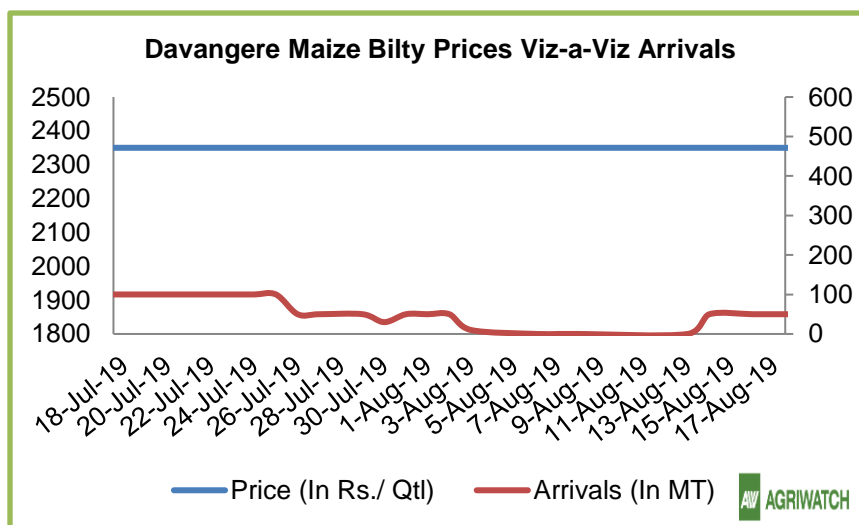
### TELANGANA:

- In Nizamabad region, maize is likely to trade steady to range bound amid limited demand. Maize is moving towards Hyderabad at Rs. 2550 per quintal; sourced from Nizamabad. New crop is expected from mid of September.



### 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.



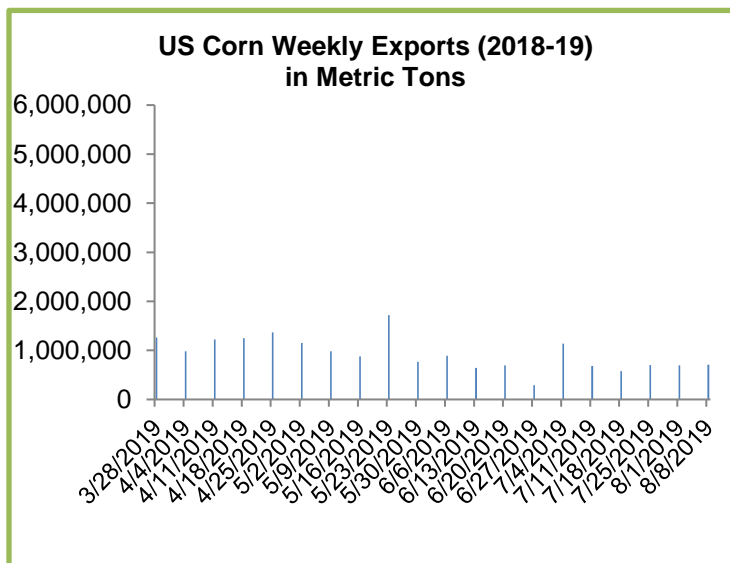
## DOMESTIC MAIZE OUTLOOK:

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 47.39 MMT in the 2018-19 marketing year. At 0.71 MMT (for the period 2nd-08th August, 2019) US corn exports were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (384,800 MT), Japan (85,000 MT), Colombia (49,300 MT), Guatemala (39,700 MT), and Honduras (30,200 MT).

In U.S, Corn has been silked 90% as of 11th August, 2019 which is lower by 6% compared to last year and 7% from last 5 year average period. It has been dough 39% and dented 7% as of 11th August, 2019. 57% crop of Corn is in good to excellent condition which is same compared to previous week.



USDA increased its world corn ending stock estimates by 8.81 MMT to 307.72 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 by 4.34 MMT for 2019/20 due to increase in production estimates while for Ukraine, it increased its corn ending stock estimates only 0.4 MMT to 1.63 MMT compared to previous month estimates.

### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 15.45 USD/MT to 146.06 USD/MT for September'19 contract compared to previous week as USDA increased its corn ending stock estimates for U.S.

### 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	16-Aug-19	9-Aug-19	16-Jul-19	16-Aug-18	16-Aug-17
Gulabbagh	Bilty	2150	2150	2150	1200	1320
Delhi	Hybrid Maize (U.P.)	2150	2150	2075	1400	1325
Davangere	Bilty	2350	Closed	2350	1350	NA
Shimoga	Bilty	NA	NA	NA	1400	1700
Ranebennur	Bilty	2350	2350	2370	1400	NA
Bagalkot	Hybrid/Local	NA	2000	NA	1300	NA
Gadag	Local	NA	NA	NA	1300	NA
Nizamabad	Bilty	2425	2425	Closed	NA	NA
Khanna	Bilty	2010	2050	NA	1410	1300
Sangli	Feed	2550	NA	2518	1537	1650
Ahmedabad	Feed	2325	2280	2250	1500	1460
	Starch	2325	2300	2300	1500	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	16-Aug-19	09-Aug-19	Change
Corn CBOT Prices	Sep-19	146.06	161.51	-15.45
	Dec-19	149.89	164.46	-14.57
	Mar-20	154.62	168.59	-13.97
	May-20	157.47	170.86	-13.39
	July-20	159.74	172.24	-12.50

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