



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

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 there is still one month time to arrive new crop in the market. 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 fourth advance production estimate released by the Ministry of Agriculture, maize production in India is estimated at 27.23 million tonnes (Kharif + Rabi) for 2018-19 as against 28.75 million tonnes estimated for 2017-18.

SOWING COVERAGE AND CROP CONDITION:

In India, maize has been sown in around 75.09 lakh hectares as on 23rd Aug'19 which is higher than 73.73 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.44 lakh hectares which is higher than 13.59 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.84 lakh hectares which is higher than 8.71 lakh hectares covered during corresponding period last year. However, In Karnataka, it has been sown in 10.64 lakh hectare which is slightly lower than 10.86 lakh hectare covered during corresponding period last year which is also expected to increase in next few days. In A.P, maize has been sown in around 0.80 lakh hectares as of 21st August'19 which is lower than 0.90 lakh hectare covered during corresponding period last year. Maize sown area is 84.7% to season normal and at vegetative stage. Pests and Diseases reported nil till date. In Telangana, it has been sown in 3.62 lakh hectare as of 21st August'19 which is lower than 4.47 lakh hectare covered during corresponding period last year. Maize sown area is 72% 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.

As per trade sources, in hubli-dharwad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, could be around 15 to 20%. In shimoga, bagalkot and bijapur districts; crop loss could be around 5 % in each districts while in chikmagalur district; crop loss could be around 2%. Meanwhile, in Sangli region of Maharashtra, around 15% crop loss could be due to flood while in Aurangabad, around 5-10% yield could be affected due to dry spell.

RECOMMENDATION:

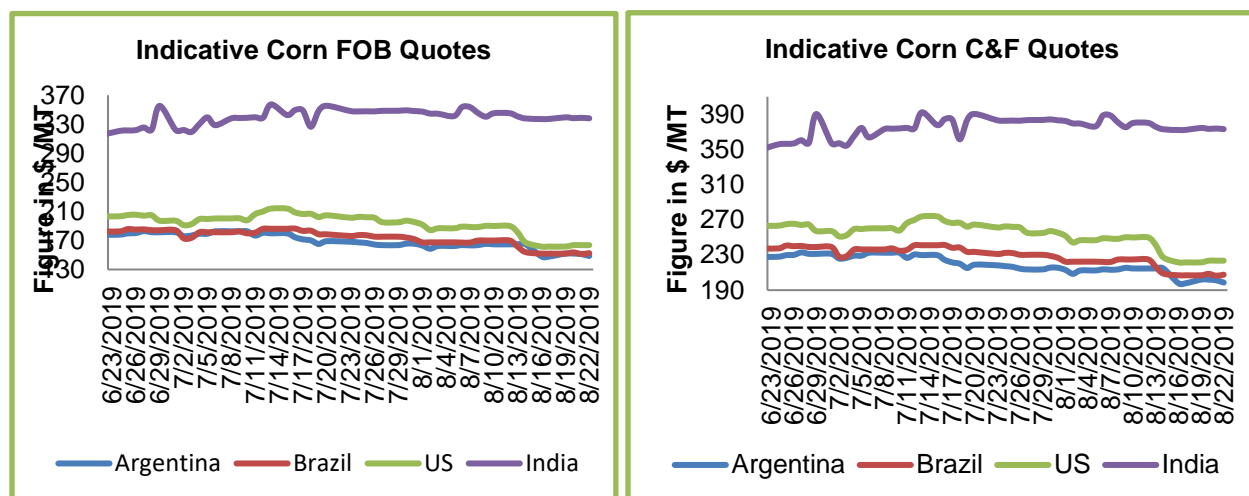
Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2350-2450 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 3.05 USD/MT to 143.01 USD/MT for September'19 contract compared to previous week due to low export demand for U.S corn.

At 0.54 MMT (for the period 9th- 15th August, 2019) US corn exports were down 24 percent from the previous week and 20 percent from the prior 4-week average. In U.S, Corn has been silked 95% as of 18th August, 2019 which is lower by 5% compared to last year and 4% from last 5 year average period. 56% crop of Corn is in good to excellent condition which is 1% lower than previous week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 72.01)				
As on 23.08.2019	Argentina	Brazil	US	India
FOB	147.34	152.60	163.59	336.76
C&F	197.34	207.60	223.59	371.76

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

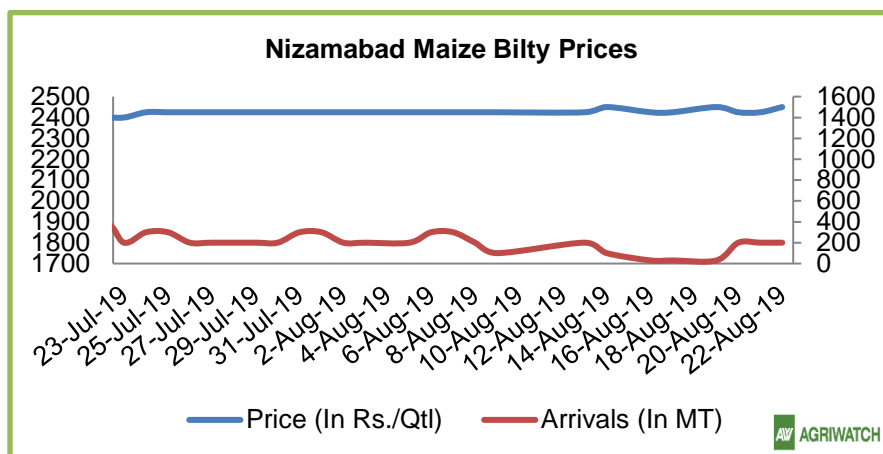
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,550 per quintal. In Gulabbagh region of Bihar, maize (Bilty) is trading at Rs.2,200 per quintal. Maize is moving towards Haryana at Rs. 2,300-2350 per quintal, U.P at Rs. 2250-2300 per quintal; sourced from Naugachia region of Bihar.

CURRENT MARKET DYNAMICS:

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

TELANGANA:

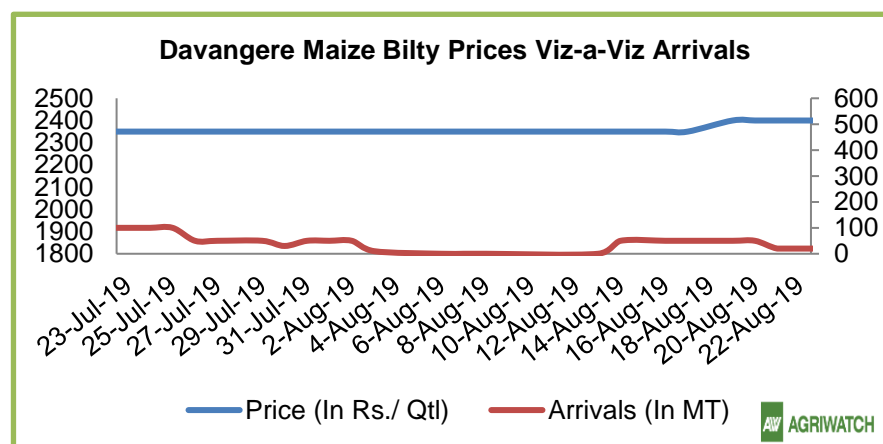
- In Nizamabad region, maize is likely to trade steady to range bound amid limited demand. Maize is moving towards Hyderabad at Rs. 2550 per quintal; soured from Nizamabad.



New crop is expected from mid of September.

KARNATAKA:

- As per trade sources, in hubli-dharwad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, could be around 15 to 20%. In shimoga, bagalkot and bijapur districts;



crop loss could be around 5 % in each districts while in chikmagalur district; crop loss could be around 2%.

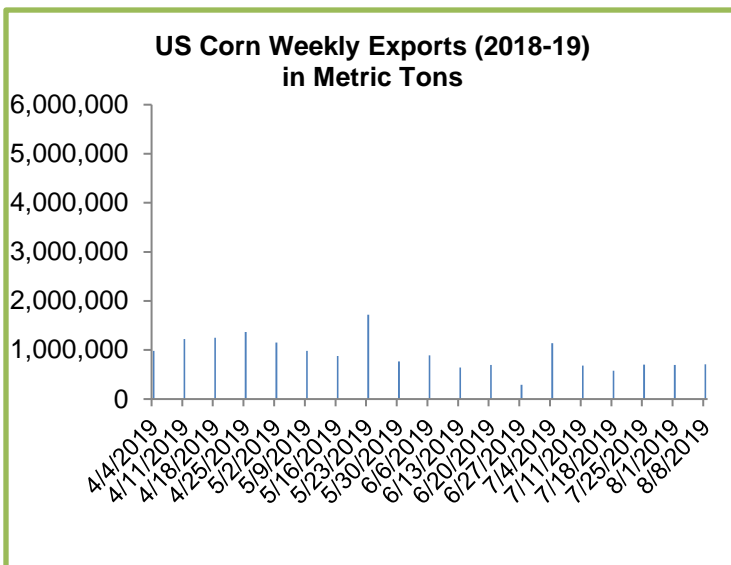
DOMESTIC MAIZE OUTLOOK:

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 47.93 MMT in the 2018-19 marketing year. At 0.54 MMT (for the period 9th-15th August, 2019) US corn exports were down 24 percent from the previous week and 20 percent from the prior 4-week average. The destinations were primarily to Mexico (323,100 MT), Japan (95,900 MT), Honduras (40,700 MT), Guatemala (24,800 MT), and Panama (19,700 MT).

In U.S, Corn has been silked 95% as of 18th August, 2019 which is lower by 5% compared to last year and 4% from last 5 year average period. It has been dough 55% and dented 15% as of 18th August, 2019. 56% crop of Corn is in good to excellent condition which is 1% lower than previous week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 3.05 USD/MT to 143.01 USD/MT for September'19 contract compared to previous week due to low export demand for U.S corn.

DAVANGERE MARKET ANALYSIS: MAIZE


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2350-2450 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	22-Aug-19	16-Aug-19	22-Jul-19	22-Aug-18	22-Aug-17
Gulabbagh	Bilty	2200	2150	2200	1250	1310
Delhi	Hybrid Maize (U.P.)	2150	2150	2100	1350	1350
Davangere	Bilty	2400	2350	2350	1350	NA
Shimoga	Bilty	NA	NA	2530	1430	NA
Ranebennur	Bilty	2400	2350	2600	1360	NA
Bagalkot	Hybrid/Local	NA	NA	NA	NA	NA
Gadag	Local	NA	NA	NA	NA	NA
Nizamabad	Bilty	2450	2425	2400	1300	NA
Khanna	Bilty	2070	2010	2000	1395	1300
Sangli	Feed	2580	2550	2533	1600	1660
Ahmedabad	Feed	2350	2325	2260	1460	1460
	Starch	2325	2325	2300	1430	1440

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	22-Aug-19	16-Aug-19	Change
Corn CBOT Prices	Sep-19	143.01	146.06	-3.05
	Dec-19	146.06	149.89	-3.83
	Mar-20	150.78	154.62	-3.84
	May-20	153.83	157.47	-3.64
	July-20	156.39	159.74	-3.35

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