

# Maize Weekly Research Report

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**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded steady to range bound during the week and is expected to trade steady to range bound ahead as expectation of imported goods arrival and early crop arrival in Telangana, during the month of September; could limit the firmness.

**SOWING COVERAGE AND CROP CONDITION:**

In India, maize has been sown in around 78.53 lakh hectares as of 30th Aug'19 which is higher than 77.40 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.45 lakh hectares which is higher than 13.60 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 10.88 lakh hectare which is slightly lower than 11.41 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 3.66 lakh hectare as of 28th August'19 which is lower than 4.57 lakh hectare covered during corresponding period last year. Maize sown area is 73% 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, Janagoan, Khammam, Rangareddy and Siddipet districts. In A.P, maize has been sown in around 0.84 lakh hectares as of 28th August'19 which is lower than 0.93 lakh hectare covered during corresponding period last year. Maize sown area is 88.6% to season normal and at vegetative stage. Fall army worm intensity is low (5% to 10%) in Srikakulam, vizianagaram, Krishna, Ananthapuramu and Kurnool districts.

As per trade sources, in mahboobnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in janagoan district, crop yield could be affected around 5-10%. In hubli-dharbad, 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.

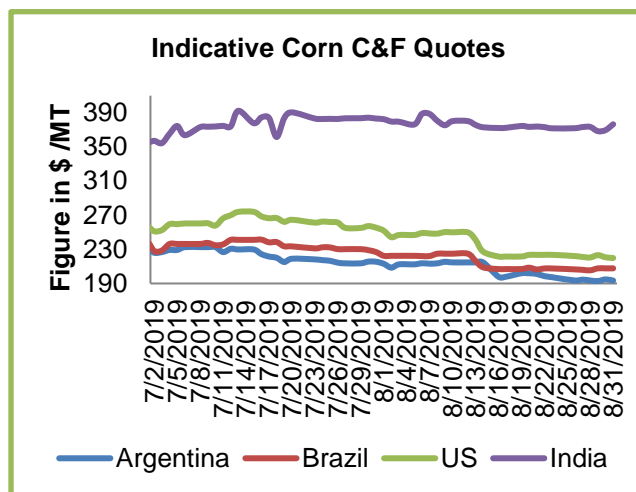
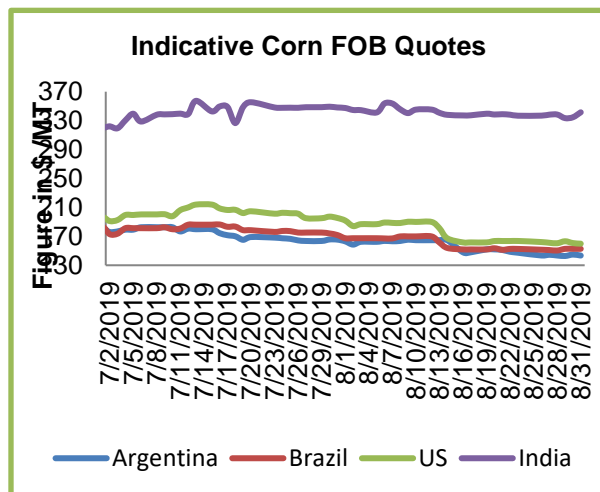
**RECOMMENDATION:**

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 1.38 USD/MT to 141.63 USD/MT for September'19 contract compared to previous week as IGC increased its global corn production forecast for 2019/20 by 8 MMT to 1100 MMT compared to previous month forecast; driven by upward projection for U.S.

At 0.61 MMT (for the period 16th- 22nd August, 2019) US corn exports were up 13 percent from the previous week but down 8 percent from the prior 4-week average. In U.S, 57% crop of Corn is in good to excellent condition which is 1% higher than previous week.

**EXPORT PARITY TREND****Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.74)**

As on 31.08.2019	Argentina	Brazil	US	India
FOB	143.41	152.70	159.83	341.51
C&F	193.41	207.70	219.83	376.51

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**

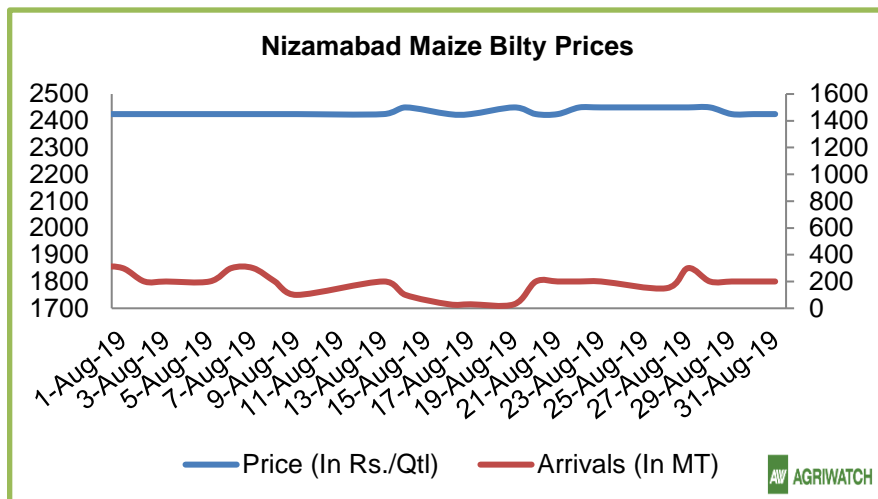
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,550 per quintal. In Gulabbagh region of Bihar, maize (Bilty) is trading at Rs.2,200 per quintal. Maize is moving towards Haryana at Rs. 2,350-2400 per quintal, U.P at Rs. 2250-2300 per quintal; sourced from Naugachia region of Bihar.

## CURRENT MARKET DYNAMICS:

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

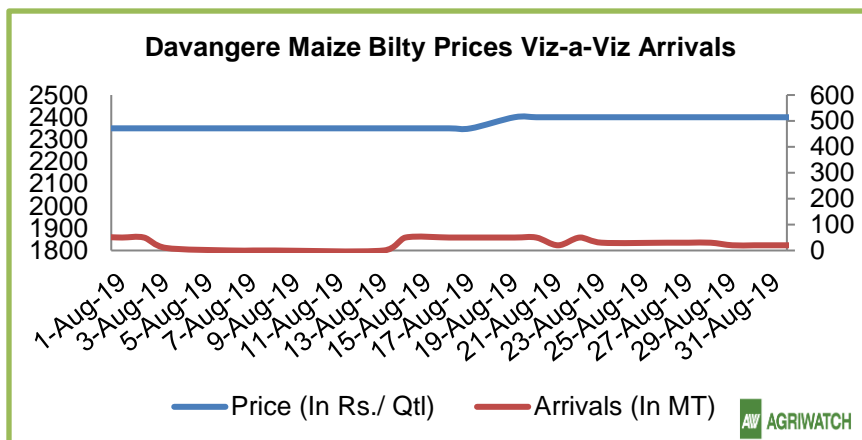
### TELANGANA:

- 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:

- 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%.



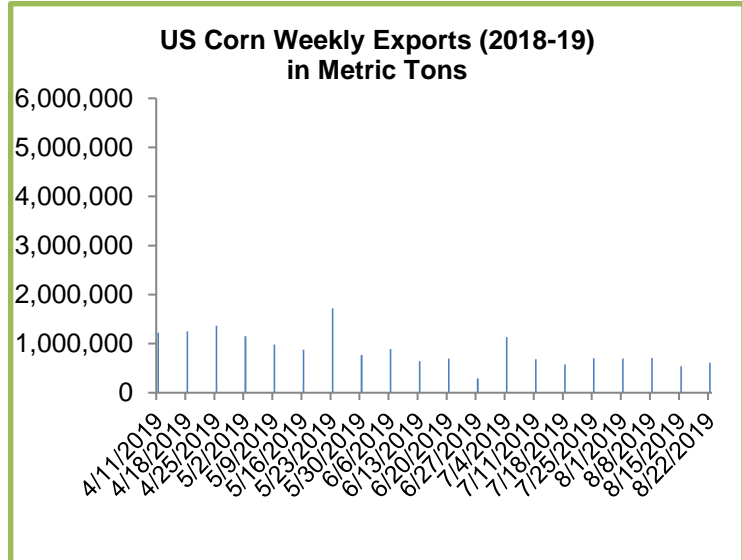
## DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to range bound on the expectation of arrival of imported goods amid limited demand.

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 48.54 MMT in the 2018-19 marketing year. At 0.61 MMT (for the period 16th-22nd August, 2019) US corn exports were up 13 percent from the previous week but down 8 percent from the prior 4-week average. The destinations were primarily to Mexico (201,600 MT), Japan (150,900 MT), Costa Rica (88,700 MT), Guatemala (57,200 MT), and El Salvador (27,200 MT).

IGC increased its global corn production forecast for 2019/20 by 8 MMT to 1100 MMT compared to previous month forecast; driven by upward projection for U.S. Forecast for global corn ending stock was also increased by 11 MMT to 284 MMT for 2019/20.



In U.S, Corn has been down 71% as of 25th August, 2019 which is lower by 20% compared to last year and 16% from last 5 year average period. It has dented 27% as of 25th August, 2019 which is lower by 32% compared to last year and 19% from last 5 year average period. However, 57% crop of Corn is in good to excellent condition which is 1% higher than previous week.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fell by 1.38 USD/MT to 141.63 USD/MT for September'19 contract compared to previous week as IGC increased its global corn production forecast for 2019/20 by 8 MMT to 1100 MMT compared to previous month forecast; driven by upward projection for U.S.

**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	29-Aug-19	22-Aug-19	29-Jul-19	29-Aug-18	29-Aug-17
Gulabbagh	Bilty	2150	2200	2150	1300	1310
Delhi	Hybrid Maize (U.P.)	2180	2150	2125	1350	1325
Davangere	Bilty	2400	2400	2350	1500	1650
Shimoga	Bilty	NA	NA	2500	1480	1620
Ranebennur	Bilty	2555	2450	2350	1450	1620
Bagalkot	Hybrid/Local	NA	NA	NA	NA	1461
Gadag	Local	NA	NA	NA	1080	NA
Nizamabad	Bilty	2425	2450	Closed	1350	NA
Khanna	Bilty	2100	2070	2040	1370	1300
Sangli	Feed	2611	2580	2538	1590	1650
Ahmedabad	Feed	2250	2350	2300	NR	1470
	Starch	2320	2325	2300	NR	1480

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	29-Aug-19	22-Aug-19	Change
Corn CBOT Prices	Sep-19	141.63	143.01	-1.38
	Dec-19	146.15	146.06	0.09
	Mar-20	150.88	150.78	0.10
	May-20	153.83	153.83	Unch
	July-20	156.39	156.39	Unch

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