

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Sowing Coverage and Crop Condition
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Trade Scenario
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week and is expected to trade steady to slightly weak on the expectation of new crop arrival.

In Nizamabad, new crop arrivals which are lower in quantity and contains moisture 17-22%; being traded in a range of Rs. 1500-2000 per quintal (loose price). While, in Mysore and Hassan districts of Karnataka, new crop contains moisture up to 25% and being delivered to Tamilnadu at Rs. 1800-1900 per quintal.

As per trade sources, Vessel (OCEAN CROWN) at berth with 49,999.00 tonnes of corn for discharge at Tuticorin port; expected to complete on 25th September, 2019.

SOWING COVERAGE AND CROP CONDITION:

In India, maize has been sown in around 80.72 lakh hectares as of 20th Sep'19 which is higher than 78.61 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.42 lakh hectares which is higher than 13.61 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. In Karnataka, it has been sown in 11.94 lakh hectare which is slightly lower than 11.60 lakh hectare covered during corresponding period last year. However, In A.P, maize has been sown in around 0.89 lakh hectares as of 18th September'19 which is lower than 0.98 lakh hectare covered during corresponding period last year. Maize sown area is 93.8% to season normal and at flowering to cob formation stage. In Anantapuram, Krishna and Kurnool and West Godavari districts, around 0.13 lakh hectare area is affected by Fall army worm and Stem borer; out of which 0.09 lakh hectare area is treated. In Telangana, it has been sown in 3.92 lakh hectare as of 18th September'19 which is lower than 4.62 lakh hectare covered during corresponding period last year. Maize sown area is 78% to season normal and its sowing is almost completed. Maize crops are at tasselling to cob formation stage. Fall army worm and Locust is below ETL level in Mahboobnagar, Gadwal, Janagoan, Siddipet, Medak and Khammam districts.

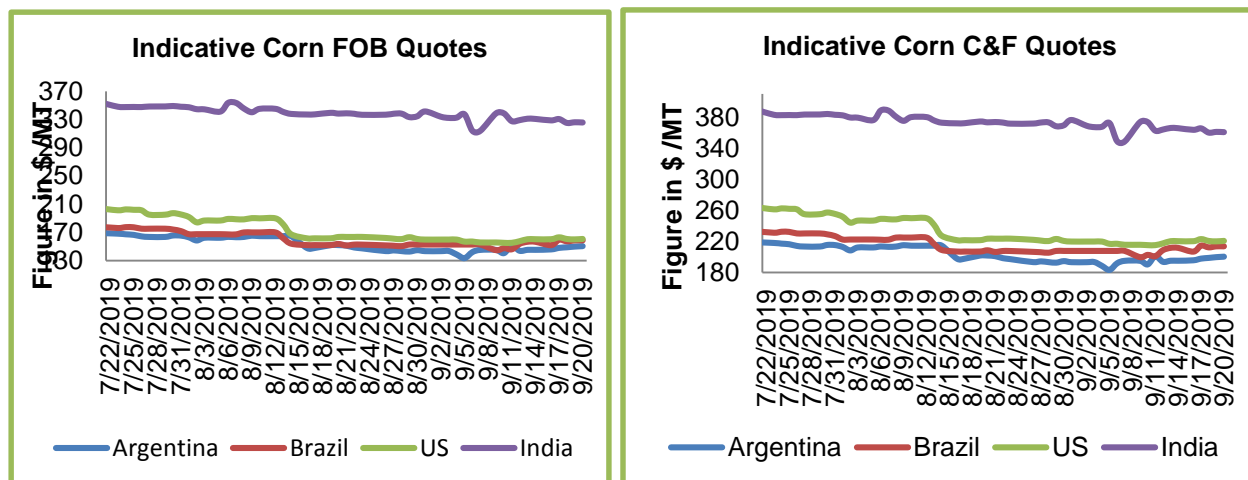
As per trade sources, in mahboobnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in janagoan district, crop yield could be affected around 5-10%. In hubli-dharbad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, 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. 2200-2300 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 2.17 USD/MT to 146.75 USD/MT for December'19 contract compared to previous week due to increase in demand for U.S corn. Further, price direction depends on the demand for U.S corn. At 0.46 MMT (for the period 6th- 12th September, 2019) US corn exports were up 10.93 percent from the previous week. In U.S, 55% crop of Corn is in good to excellent condition which is same compared to last week.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.33)				
As on 20.09.2019	Argentina	Brazil	US	India
FOB	150.49	158.60	160.68	325.81
C&F	200.49	213.60	220.68	360.81

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 JULY'19

As per trade sources, India exported around 21,443 MT of maize for the month of July'19 at an average FoB of \$330.05/ MT. Out of which, around 18,273 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Raxaul and Sonauli ICD port.

IMPORTS FOR THE MONTH OF JULY'19

As per trade sources, India imported around 13,752 MT of maize for the month of July'19. Out of which, around 11,958 MT was imported from Ukraine for the Kandla port at an average value of \$207.31/ MT.

TRADE SCENARIO

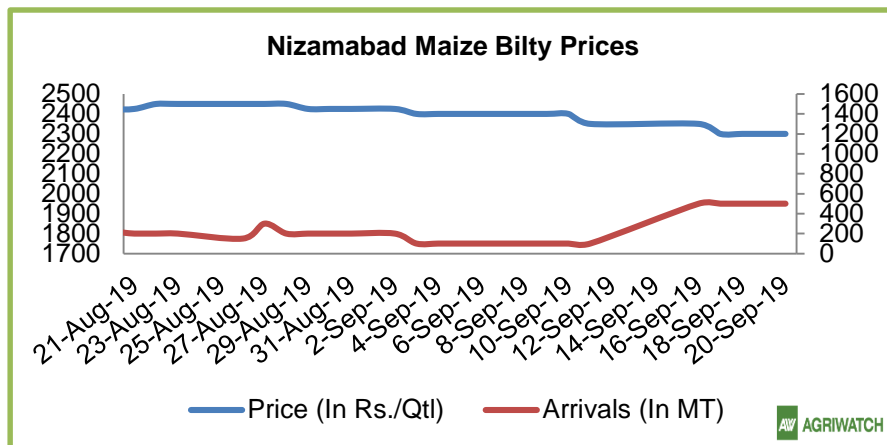
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,450 per quintal. In Gulabgh, maize (bilty) is trading at Rs. 2100 per quintal. In Naugachia region of Bihar, new crop contains moisture up to 16% and is small in size and being delivered for the cattle feed purpose to Rajasthan at Rs.2250 per quintal, Varanasi (U.P) at Rs. 2150 per quintal and Gujarat at Rs. 2250 per quintal. While, old crop is moving towards U.P at Rs. 2250-2300 per quintal, Haryana and Rajasthan at Rs. 2350-2400 per quintal.

CURRENT MARKET DYNAMICS:

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

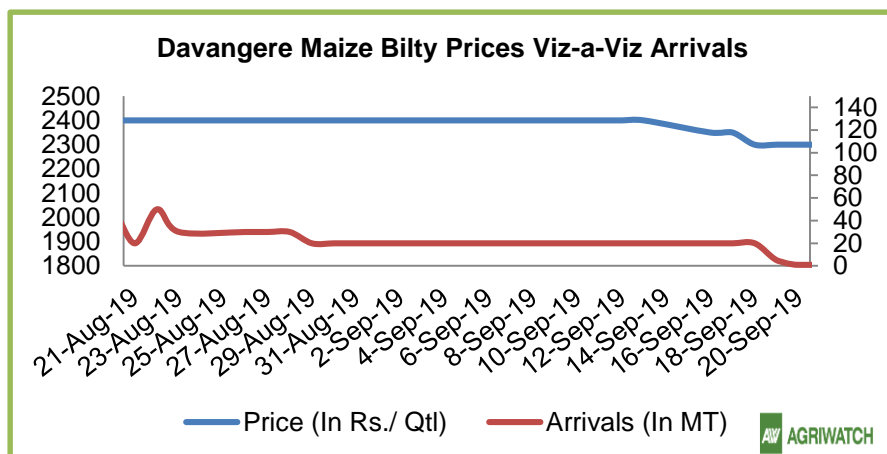
TELANGANA:

- In Nizamabad, new crop arrivals which are lower in quantity and contains 17-22%; being traded in a range of Rs. 1500-2000 per quintal (loose price).. Maize is moving towards Hyderabad at Rs. 2450 per quintal; soured from Nizamabad.



KARNATAKA:

- As per trade sources, in Mysore and Hassan districts of Karnataka, new crop contains moisture up to 25% and being delivered to Tamilnadu at Rs. 1800-1900 per quintal.



- 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%.

DOMESTIC MAIZE OUTLOOK:

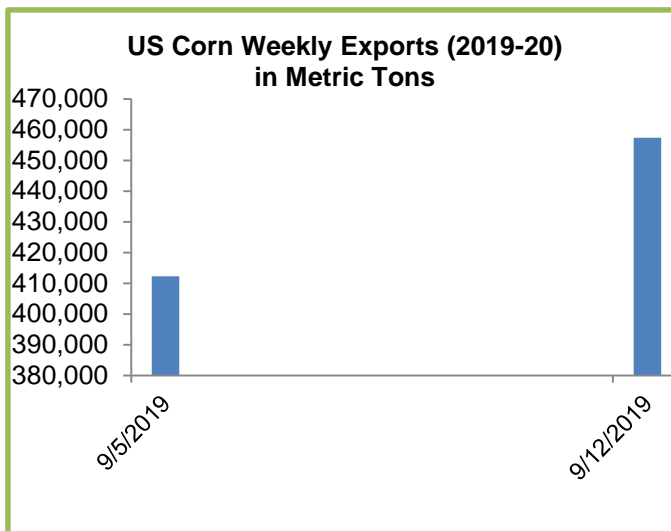
Prices of maize are likely to be steady to slightly weak ahead amid limited demand and expected new crop arrival.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 0.87 MMT in the 2019-20 marketing year. At 0.46 MMT (for the period 6th- 12th September, 2019) US corn exports were up 10.93 percent from the previous week. The destinations were primarily to Mexico (237,200 MT), Japan (142,200 MT), Canada (26,100 MT), Guatemala (15,000 MT), and Honduras (13,100 MT).

In U.S, Corn has been dough 93% as of 15th September, 2019 which is lower by 6% compared to last year and 5% from last 5 year average period. It has dented 68% as of 15th September, 2019 which is lower by 24% compared to last year and 19% from last 5 year average period. Corn has matured 18% and harvested 4% as of 15th September, 2019.

55% crop of Corn is in good to excellent condition which is same compared to last week.


INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 2.17 USD/MT to 146.75 USD/MT for December'19 contract compared to previous week due to increase in demand for U.S corn. Further, price direction depends on the demand for U.S corn.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2200-2300 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	19-Sep-19	12-Sep-19	19-Aug-19	19-Sep-18	19-Sep-17
Gulabghagh	Bilty	2150	2100	2200	1350	1300
Delhi	Hybrid Maize (U.P.)	2100	2125	2150	1400	1300
Davangere	Bilty Price	2300	2400	2400	1500	1450
Shimoga	Bilty	NA	2500	2470	1460	1350
Ranebennur	Bilty	2400	2400	2450	1500	1300
Bagalkot	Hybrid/Local	NA	NA	NA	NA	NA
Gadag	Local	NA	2011	NA	NA	NA
Nizamabad	Bilty	2300	Closed	2450	1400	NA
Khanna	Bilty	2100	2070	2060	1400	1280
Sangli	Feed	2550	2515	2547	1579	1400
Ahmedabad	Feed	2300	2270	2300	1600	1430
	Starch	2325	2275	2300	1550	1380

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-Sep-19	12-Sep-19	Change
Corn CBOT Prices	Dec-19	146.75	144.58	2.17
	Mar-20	151.17	149.5	1.67
	May-20	154.23	153.14	1.09
	July-20	156.49	155.9	0.59
	Sep-20	157.37	-	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.