

# 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 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. 1500-2100 per quintal (loose price). While, in Mysore and Hassan districts of Karnataka, new crop contains moisture up to 32% and being delivered to Tamilnadu at Rs. 1700-1800 per quintal.

### SOWING COVERAGE AND CROP CONDITION:

In India, maize has been sown in around 81.91 lakh hectares as of 27th Sep'19 which is higher than 79.94 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 12.15 lakh hectare which is slightly lower than 11.79 lakh hectare covered during corresponding period last year. However, In A.P, maize has been sown in around 0.91 lakh hectares as of 25th September'19 which is lower than 0.99 lakh hectare covered during corresponding period last year. Maize sown area is 96.6% to season normal and at flowering to cob formation stage. In Anantapuram, Krishna and Kurnool and West Godavari districts, around 5,747 hectare area is affected by Fall army worm and Stem borer; out of which 5,201 hectare area is treated. In Telangana, it has been sown in 3.92 lakh hectare as of 25th 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.

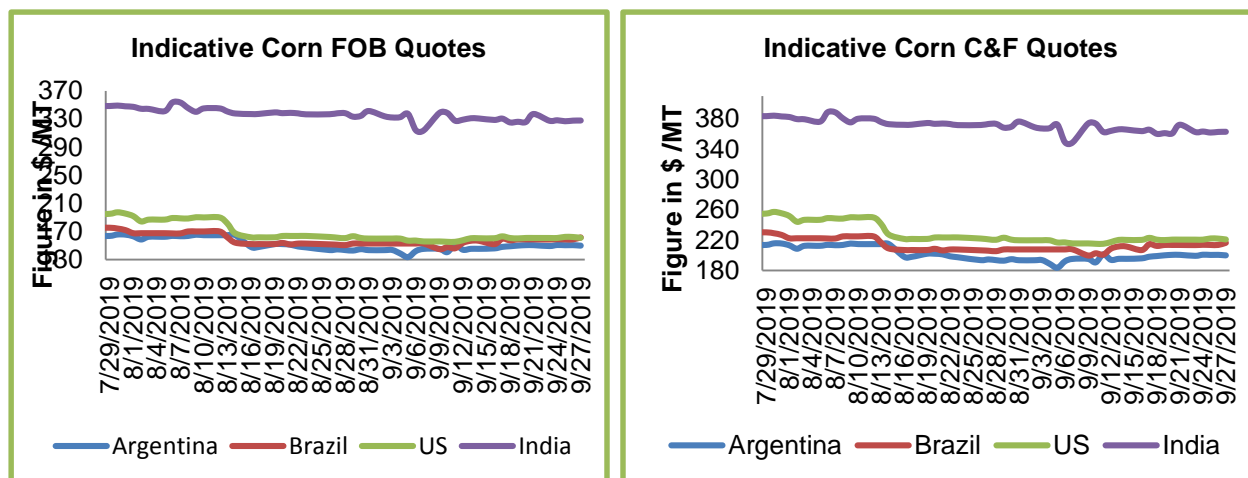
### RECOMMENDATION:

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2150-2300 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.10 USD/MT to 146.65 USD/MT for December'19 contract compared to previous week due to decrease in demand for U.S corn. Further, price direction depends on the demand for U.S corn. At 0.28 MMT (for the period 13th- 19th September, 2019) US corn exports were down 39.01 percent from the previous week. In U.S, 57% crop of Corn is in good to excellent condition which is higher than 2% compared to last week.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.86)				
As on 27.09.2019	Argentina	Brazil	US	India
FOB	149.80	161.40	160.90	327.97
C&F	199.80	216.40	220.90	362.97

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.

### VESSEL POSITION

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 22nd September, 2019.

### TRADE SCENARIO

From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,450 per quintal. In Naugachia region of Bihar, old crop is moving towards U.P at Rs. 2250-2300 per quintal, while Gujarat, Haryana and Rajasthan at Rs. 2350-2450 per quintal.

### FIRST ADVANCE ESTIMATE OF KHARIF PRODUCTION

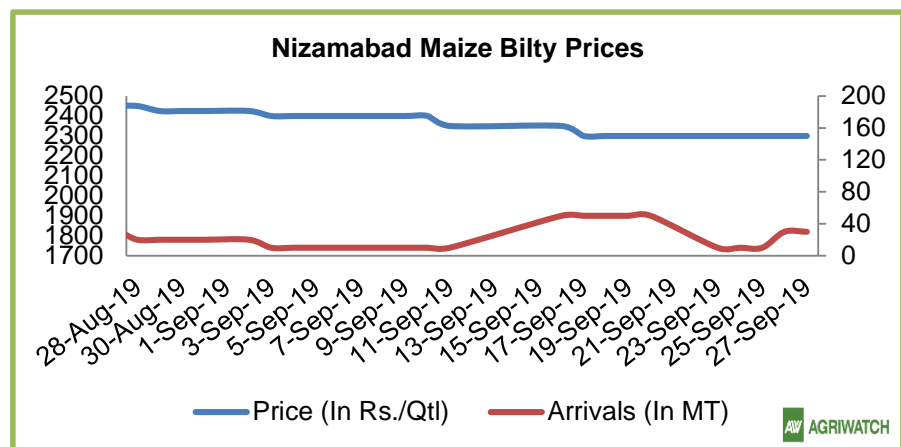
As per 1st advanced estimates for 2019-20, released by Ministry of Agriculture, production of maize for kharif season is estimated at 19.89 MMT. However, Agriwatch expects maize production for this Kharif season at 18.86 MMT with the expected yield of 2214.14 kg/ hectare.

### 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:

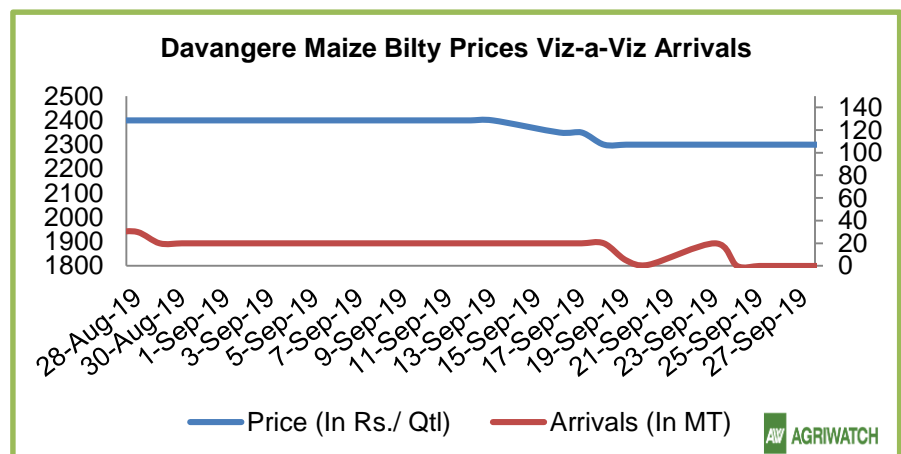
#### TELANGANA:

- In Nizamabad, new crop arrivals which are lower in quantity and contains moisture 17-22%; being traded in a range of Rs. 1500-2100 per quintal (loose price). Maize is moving towards Hyderabad at Rs. 2450 per quintal; sourced from Nizamabad.



#### KARNATAKA:

- As per trade sources, in Mysore and Hassan districts of Karnataka, new crop contains moisture up to 32% and being delivered to Tamilnadu at Rs. 1700-1800 per quintal.



- 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%.

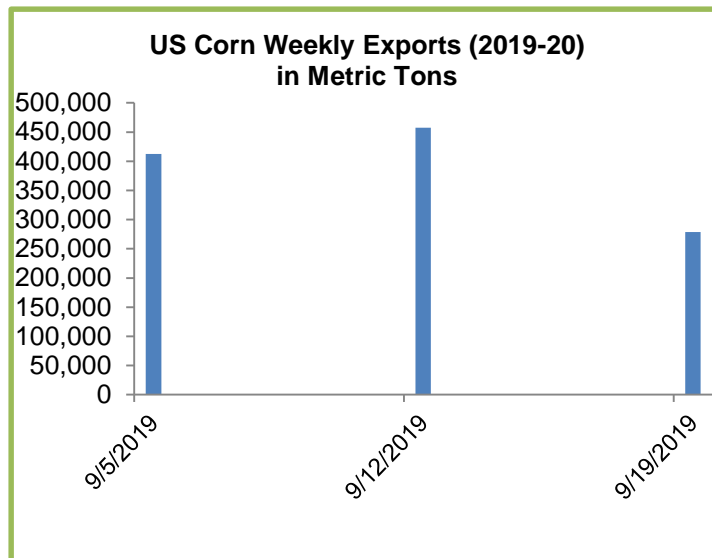
### DOMESTIC MAIZE OUTLOOK:

Prices of 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 1.14 MMT in the 2019-20 marketing year. At 0.28 MMT (for the period 13th- 19th September, 2019) US corn exports were down 39.01 percent from the previous week. The destinations were primarily to Mexico (169,700 MT), Taiwan (27,200 MT), Japan (25,900 MT), Guatemala (22,600 MT), and the Dominican Republic (14,900 MT).

In U.S, Corn has been dough 96% as of 22nd September, 2019 which is lower by 4% compared to last year and 5 year average period. It has dented 79% as of 22nd September, 2019 which is lower by 17% compared to last year and 15% from last 5 year average period. Corn has matured 29% and harvested 7% as of 22nd September, 2019. However, 57% crop of Corn is in good to excellent condition which is higher than 2% compared to last week.


**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 0.10 USD/MT to 146.65 USD/MT for December'19 contract compared to previous week due to decrease 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.2150-2300 per quintal for the week.

**ANNEXURE**
**MAIZE SPOT MARKET PRICES (RS. /QUINTAL)**

Maize(Corn)Weekly Prices:						
Market	Grade	26-Sep-19	19-Sep-19	26-Aug-19	26-Sep-18	26-Sep-17
Gulabbagh	Bilty	NA	2150	2250	1350	1300
Delhi	Hybrid Maize (U.P.)	2100	2100	2150	1400	1300
Davangere	Bilty Price	2300	2300	2400	1500	1400
Shimoga	Bilty	NA	NA	2500	NA	NA
Ranebennur	Bilty	2400	2400	2490	1530	1380
Bagalkot	Hybrid/Local	NA	2256	NA	NA	1250
Gadag	Local	1460	NA	NA	1177	1159
Nizamabad	Bilty	2300	2300	2450	1420	1430
Khanna	Bilty	2000	2100	2100	1400	1300
Sangli	Feed	2542	2550	2586	1590	1448
Ahmedabad	Feed	2350	2300	2200	1540	1390
	Starch	2310	2325	2300	1500	1430

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Sep-19	19-Sep-19	Change
Corn CBOT Prices	Dec-19	146.65	146.75	-0.10
	Mar-20	151.47	151.17	0.30
	May-20	154.42	154.23	0.19
	July-20	156.49	156.49	Unch
	Sep-20	157.28	157.37	-0.09

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