



Maize Weekly Research Report

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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 18-20%; being traded in a range of Rs. 1800-2100 per quintal (loose price). While, in Mysore and Hassan districts of Karnataka, new crop contains moisture up to 25%. After being dried at 15% moisture; it is being delivered to Tamilnadu at Rs. 2350 per quintal.

SOWING COVERAGE AND CROP CONDITION:

In India, maize has been sown in around 82.44 lakh hectares as of 04th Oct'19 which is higher than 80.20 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 12.20 lakh hectare which is slightly lower than 12.03 lakh hectare covered during corresponding period last year. However, In A.P, maize has been sown in around 0.93 lakh hectares as of 02nd October'19 which is lower than 0.99 lakh hectare covered during corresponding period last year. Maize sown area is 98.7% to season normal and at cob formation stage. In Anantapuram, Krishna, Vizianagaram and Srikakulam districts, around 5,766 hectare area is affected by Fall army worm and Stem borer; out of which 5,286 hectare area is treated.

In Telangana, it has been sown in 3.92 lakh hectare as of 04th October'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.

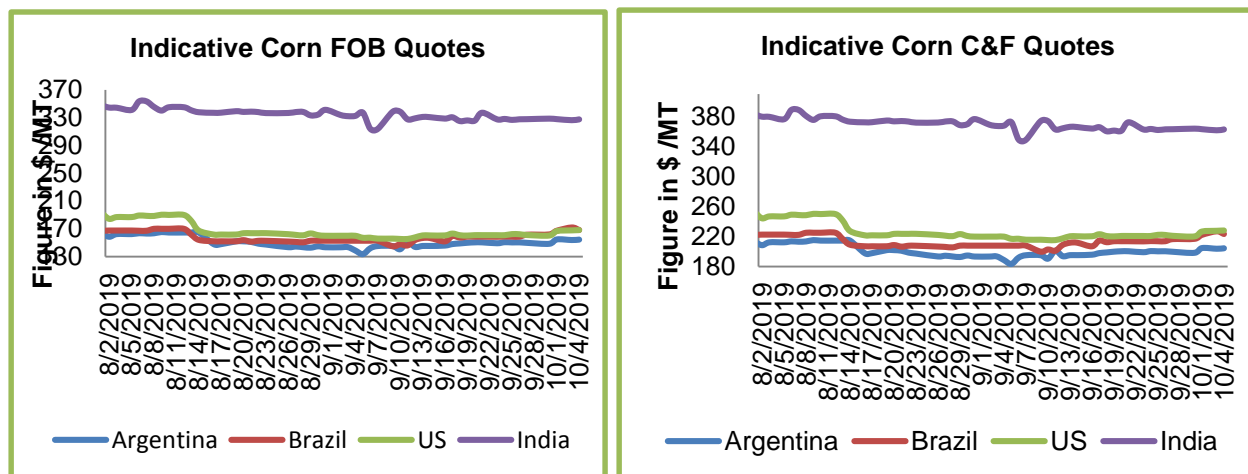
RECOMMENDATION:

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2150-2350 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 6.39 USD/MT to 153.04 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 20th- 26th September, 2019) US corn exports were up 64.32 percent from the previous week. In U.S, 57% 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 (\$s1= Rs. 70.92)				
As on 04.10.2019	Argentina	Brazil	US	India
FOB	154.43	168.20	168.00	327.69
C&F	204.43	223.20	228.00	362.69

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 AUGUST'19

As per trade sources, India exported around 11,344 MT of maize for the month of August'19 at an average FoB of \$326.43/ MT. Out of which, around 8,086 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Sonauli ICD and Bhimnagar port.

IMPORTS FOR THE MONTH OF AUGUST'19

As per trade sources, India imported around 9,731 MT of maize for the month of August'19. Out of which, around 7,136 MT was imported from Myanmar for the Chennai port at an average value of \$284.22/ MT. Meanwhile, around 1,466 MT was imported from Ukraine for the Kandla port at an average value of \$203.47/ 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, M.P at Rs. 2400-2450 per quintal while new crop is moving towards Gujarat, and Rajasthan at Rs. 2200-2250 per quintal.

FIRST ADVANCE ESTIMATE OF KHARIF PRODUCTION

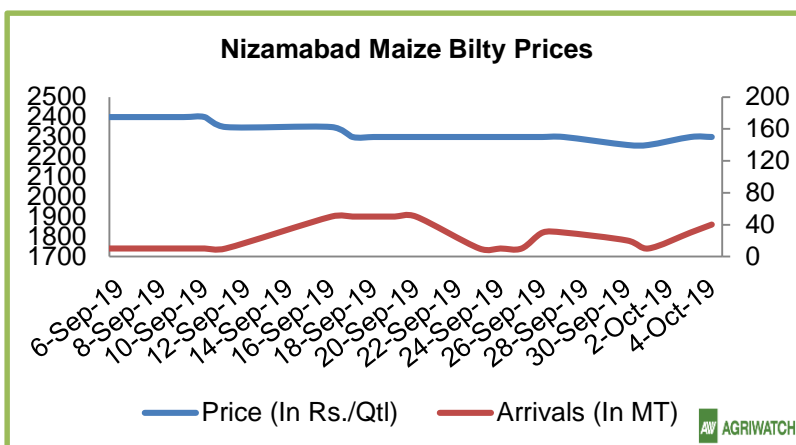
As per 1st advanced estimates for 2019-20, released by Ministry of Agriculture, production of maize for kharif season is estimated at 19.89 MMT. However, Agriwatch expects maize production for this Kharif season at 18.86 MMT with the expected yield of 2214.14 kg/ hectare.

CURRENT MARKET DYNAMICS:

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

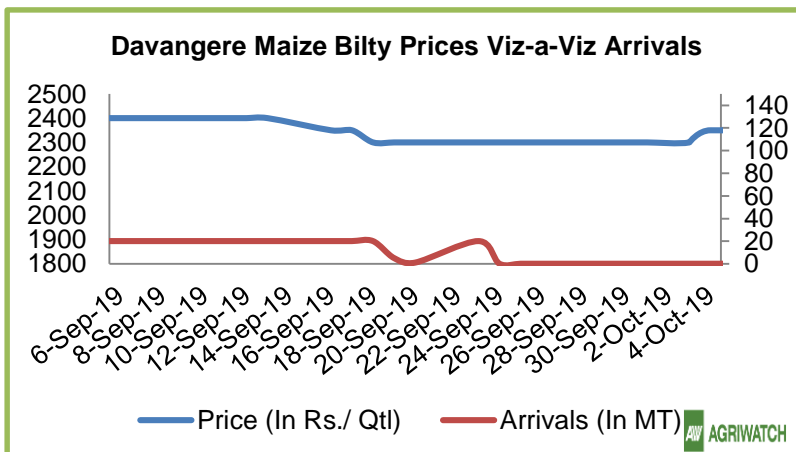
TELANGANA:

- In Nizamabad, new crop arrivals which are lower in quantity and contains moisture 18-20%; being traded in a range of Rs. 1800-2100 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 25%. After being dried at 15% moisture; it is being delivered to Tamilnadu at Rs. 2350 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%.



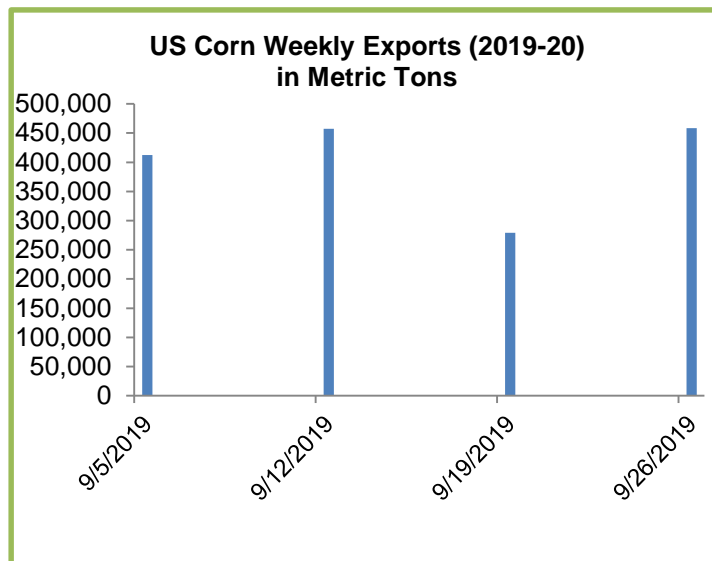
DOMESTIC MAIZE OUTLOOK:

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 1.61 MMT in the 2019-20 marketing year. At 0.46 MMT (for the period 20th- 26th September, 2019) US corn exports were up 64.32 percent from the previous week. The destinations were primarily to Mexico (275,600 MT), Japan (138,900 MT), Taiwan (14,400 MT), Canada (11,700 MT), and Colombia (9,200 MT).

In U.S, Corn has been dented by 88% as of 29th September, 2019 which is lower by 12% compared to last year and 10% from last 5 year average period. Corn has matured 43% and harvested 11% as of 29th September, 2019. However, 57% crop of Corn is in good to excellent condition which is same compared to last week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 6.39 USD/MT to 153.04 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.2150-2350 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	3-Oct-19	26-Sep-19	3-Sep-19	3-Oct-18	3-Oct-17
Gulabbagh	Bilty	NA	NA	2150	1350	Closed
Delhi	Hybrid Maize (U.P.)	2250	2100	2150	1400	1275
Davangere	Bilty Price	2300	2300	2400	1500	1350
Shimoga	Bilty	2300	2400	2500	1470	1300
Ranebennur	Bilty	2400	2400	2400	NA	1450
Bagalkot	Hybrid/Local	NA	NA	NA	NA	1271
Gadag	Local	NA	1460	2069	1124	1129
Nizamabad	Bilty	2300	2300	2400	1450	1410
Khanna	Bilty	2025	2000	2125	1410	1200
Sangli	Feed	2490	2542	2615	1582	1450
Ahmedabad	Feed	2380	2350	2300	1530	1440
	Starch	2300	2310	2350	1510	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	03-Oct-19	26-Sep-19	Change
Corn CBOT Prices	Dec-19	153.04	146.65	6.39
	Mar-20	157.77	151.47	6.30
	May-20	159.84	154.42	5.42
	July-20	160.82	156.49	4.33
	Sep-20	158.26	157.28	0.98

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