

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Sowing Coverage and Crop Condition
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Current Vessel Position
- ❖ Trade Scenario
- ❖ First Advance Estimate of Kharif Production
- ❖ 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 slightly weak during the week and is expected to trade steady to slightly weak ahead on the expectation of new crop arrival pressure.

In Nizamabad, new crop arrivals contains moisture 17-22%; being traded in a range of Rs. 2100-2275 per quintal (Bilty price). In Mysore and Hassan districts of Karnataka, new crop contains moisture up to 20%. After being dried to 14% 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 09th October'19 which is lower than 0.99 lakh hectare covered during corresponding period last year. Maize sown area is 98.8% 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.

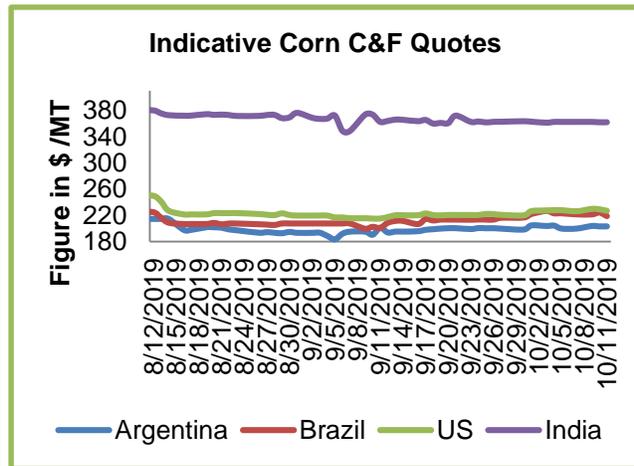
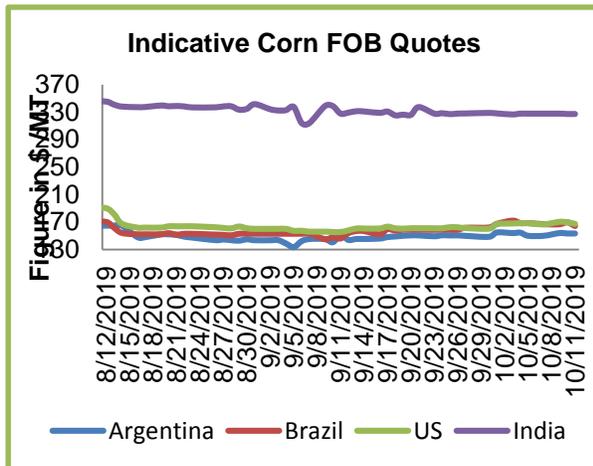
RECOMMENDATION:

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 fall by 3.34 USD/MT to 149.70 USD/MT for December'19 contract compared to previous week. Further, price direction depends on the demand for U.S corn. USDA decreased its world corn ending stock estimates by 3.72 MMT to 302.55 MMT for 2019/20 compared to previous month due to decrease in imports and production estimates for 2019/20. At 0.47 MMT (for the period 27th- 03rd October, 2019) US corn exports were up 3.51 percent from the previous week. In U.S, 56% crop of Corn is in good to excellent condition which is lower than 1% compared to last week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$s1= Rs. 71.03)				
As on 11.10.2019	Argentina	Brazil	US	India
FOB	153.25	163.90	167.00	327.19
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 has discharged at Tuticorin port on 22nd September, 2019.

TRADE SCENARIO

From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,425 per quintal. Maize is moving towards U.P at Rs. 2250 per quintal; sourced from Naugachia region of Bihar while it is moving towards Kolkata at Rs. 2250 per quintal; sourced from Gulabghat region of Bihar.

FIRST ADVANCE ESTIMATE OF KHARIF PRODUCTION

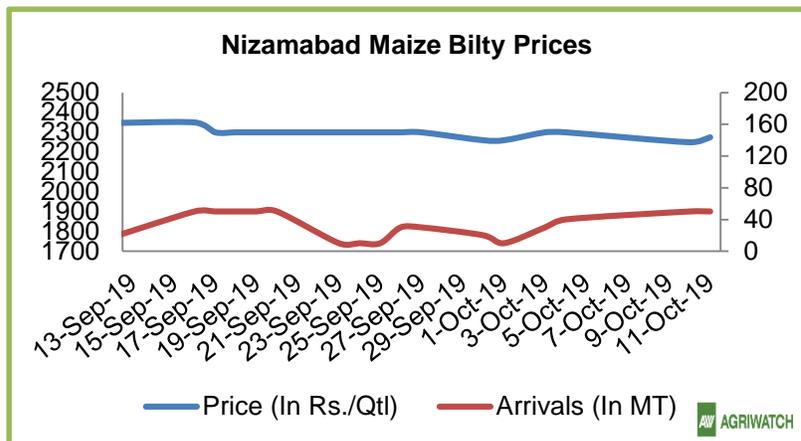
As per 1st advanced estimates for 2019-20, released by Ministry of Agriculture, production of maize for kharif season is estimated at 19.89 MMT. However, Agriwatch expects maize production for this Kharif season at 18.86 MMT with the expected yield of 2214.14 kg/ hectare.

CURRENT MARKET DYNAMICS:

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

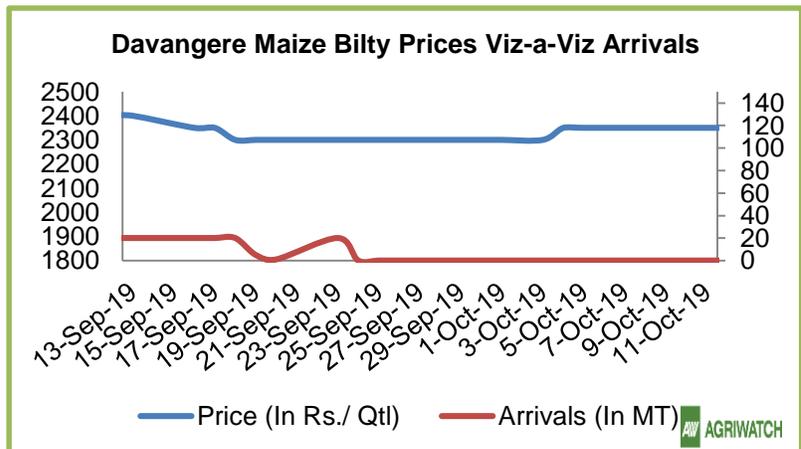
TELANGANA:

- In Nizamabad, new crop arrivals contains moisture 17-22%; being traded in a range of Rs. 2100-2275 per quintal (Bilty price). Maize is moving towards Hyderabad at Rs. 2425 per quintal; sourced from Nizamabad.



KARNATAKA:

- In Mysore and Hassan districts of Karnataka, new crop contains moisture up to 20%. After being dried to 14% 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%.



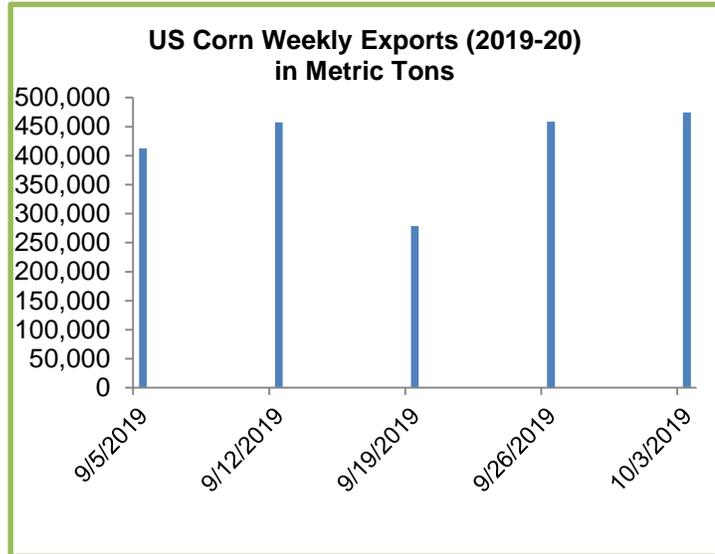
DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 2.08 MMT in the 2019-20 marketing year. At 0.47 MMT (for the period 27th- 03rd October, 2019) US corn exports were up 3.51 percent from the previous week. The destinations were primarily to Mexico (214,900 MT), China (59,300 MT), Colombia (42,300 MT), Costa Rica (32,300 MT), and Japan (27,400 MT).

In U.S, Corn has been dented by 93% as of 6th October, 2019 which is lower by 7% compared to last year and 6% from last 5 year average period. Corn has matured 58% and harvested 15% as of 6th October, 2019. However, 56% crop of Corn is in good to excellent condition which is lower than 1% compared to last week.



USDA decreased its world corn ending stock estimates by 3.72 MMT to 302.55 MMT for 2019/20 compared to previous month due to decrease in imports and production estimates for 2019/20. Corn ending stock estimates for U.S also decreased by 6.63 MMT to 48.99 MMT for 2019/20 while for Ukraine, it decreased its corn ending stock estimates by 0.4 MMT to 0.83 MMT compared to previous month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 3.34 USD/MT to 149.70 USD/MT for December'19 contract compared to previous week. 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	10-Oct-19	3-Oct-19	10-Sep-19	10-Oct-18	10-Oct-17
Gulabghagh	Bilty	NA	NA	Closed	1410	1300
Delhi	Hybrid Maize (U.P.)	2200	2250	2150	1400	1290
Davangere	Bilty Price	2350	2300	Closed	1550	1350
Shimoga	Bilty	2250	NA	NA	1460	1320
Ranebennur	Bilty	2400	2400	2400	1500	1500
Bagalkot	Hybrid/Local	1950	NA	NA	1411	1286
Gadag	Local	2010	NA	NA	1360	1341
Nizamabad	Bilty	2250	2300	Closed	1450	1410
Khanna	Bilty	2120	2025	2050	NA	1270
Sangli	Feed	2452	2490	2520	1555	1500
Ahmedabad	Feed	2300	2380	Closed	1550	1440
	Starch	2250	2300	Closed	1525	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Oct-19	03-Oct-19	Change
Corn CBOT Prices	Dec-19	149.70	153.04	-3.34
	Mar-20	154.13	157.77	-3.64
	May-20	156.49	159.84	-3.35
	July-20	158.36	160.82	-2.46
	Sep-20	157.67	158.26	-0.59

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.