

Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

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

In Davangere region of Karnataka, new crop arrivals has just started and contains moisture around 20-28% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase after end of October month which could weigh on market sentiments.

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 0.94 lakh hectares as of 15th October'19 which is lower than 1.04 lakh hectare covered during corresponding period last year. Maize sown area is 99.5% to season normal and at cob formation stage. In Anantapuram, Krishna, Vizianagaram and Srikakulam districts, around 4,084 hectare area is affected by Fall army worm and Stem borer; out of which 3,625 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.

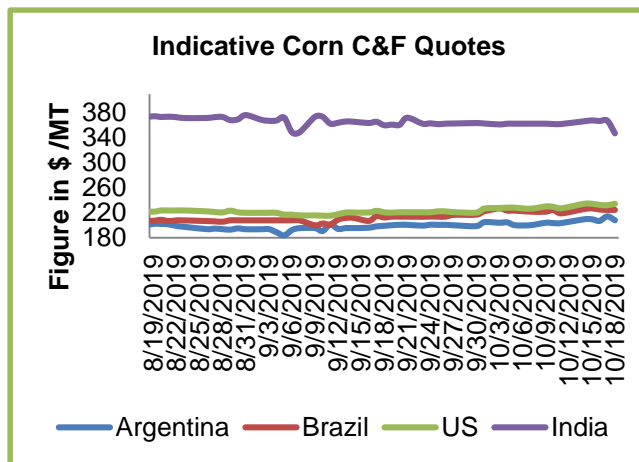
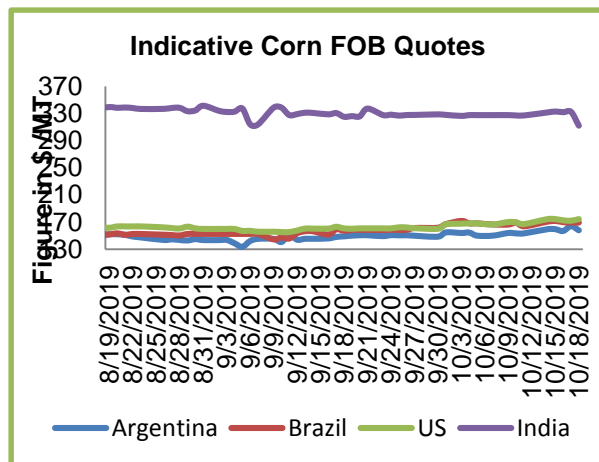
As per trade sources, in mahboobnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in janagoan district, crop yield could be affected around 5-10%. In hubli-dharwad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, 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%. 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. 2100-2300 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 5.71 USD/MT to 155.41 USD/MT for December'19 contract compared to previous week due to increase in demand for U.S corn. At 0.56 MMT (for the period 4th- 10th October, 2019) US corn exports were up 17 percent from the previous week and 33 percent from the prior 4-week average; mainly for the destinations like Mexico (255,600 MT), Japan (121,700 MT), Honduras (50,000 MT), Costa Rica (25,000 MT), and Panama (23,000 MT). In U.S, 55% 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. 71.21)				
As on 18.10.2019	Argentina	Brazil	US	India
FOB	157.78	169.40	174.30	312.18
C&F	207.78	224.40	234.30	347.18

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. 2,350 per quintal. It is being delivered to Tamilnadu at Rs. 2250-2350 per quintal; sourced from Mysore and Hassan districts of Karnataka. Meanwhile, it is moving towards U.P at Rs. 2250 per quintal; sourced from Naugachia region of Bihar; and it is moving towards Kolkata at Rs. 2250-2300 per quintal; sourced from Gulabghat region of Bihar.

FIRST ADVANCE ESTIMATE OF KHARIF PRODUCTION

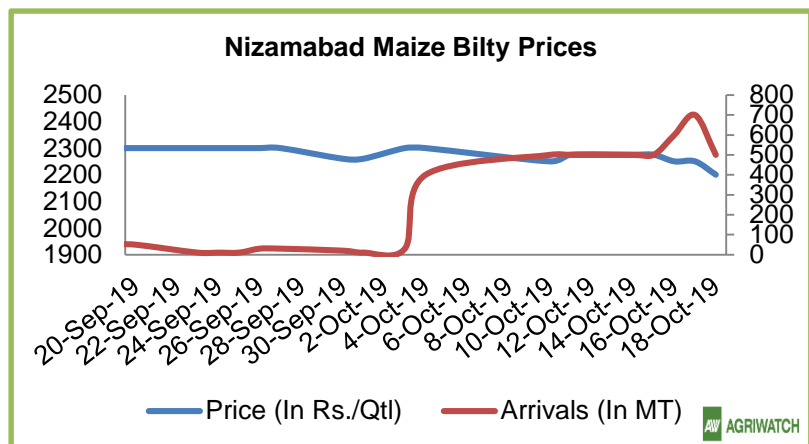
As per 1st advanced estimates for 2019-20, released by Ministry of Agriculture, production of maize for kharif season is estimated at 19.89 MMT. However, Agriwatch expects maize production for this Kharif season at 18.86 MMT with the expected yield of 2214.14 kg/ hectare.

CURRENT MARKET DYNAMICS:

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

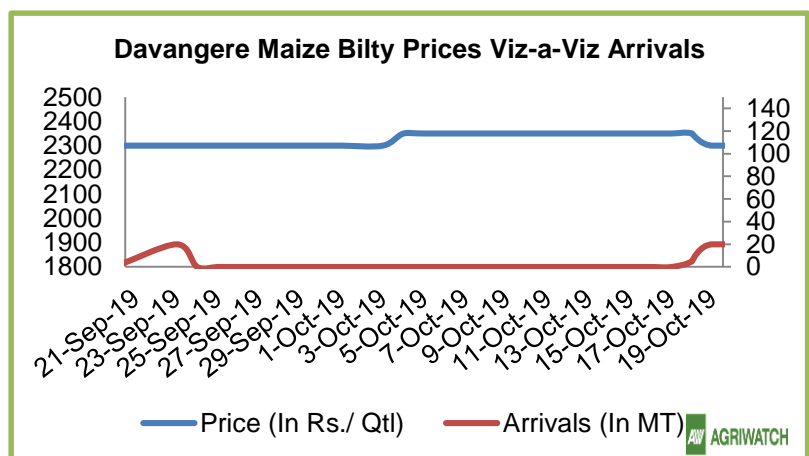
TELANGANA:

- In Nizamabad, maize is likely to trade steady to slightly weak due to arrival pressure. Maize is moving towards Hyderabad at Rs. 2350 per quintal; sourced from Nizamabad.



KARNATAKA:

- In Davangere region of Karnataka, new crop arrivals has just started and contains moisture around 20-28% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase after end of October month which could weigh on market sentiments. It is being delivered to Tamilnadu at Rs. 2250-2350 per quintal; sourced from Mysore and Hassan districts of Karnataka.



- 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%.

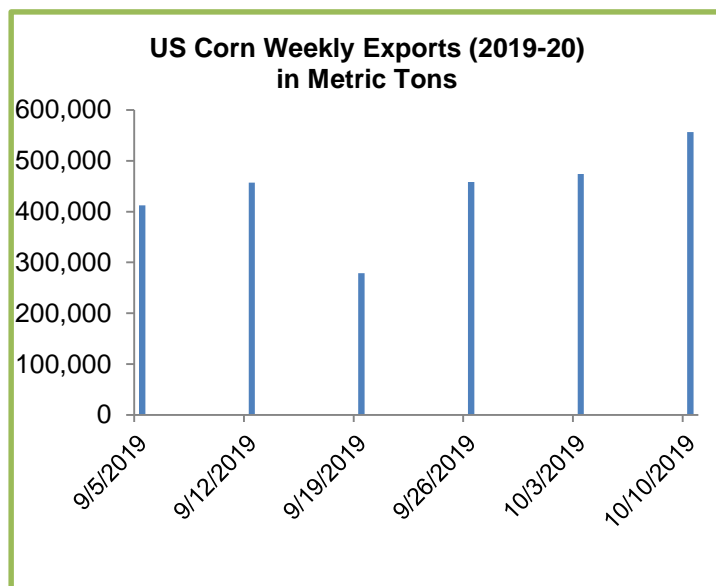
DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 2.64 MMT in the 2019-20 marketing year. At 0.56 MMT (for the period 4th- 10th October, 2019) US corn exports were up 17 percent from the previous week and 33 percent from the prior 4-week average; mainly for the destinations like Mexico (255,600 MT), Japan (121,700 MT), Honduras (50,000 MT), Costa Rica (25,000 MT), and Panama (23,000 MT).

In U.S, Corn has been dented by 96% as of 13th October, 2019 which is lower by 4% compared to last year and 5 year average period. Corn has matured 73% and harvested 22% as of 13th October, 2019. However, 55% crop of Corn is in good to excellent condition which is lower than 1% compared to last week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 5.71 USD/MT to 155.41 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.2100-2300 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	17-Oct-19	10-Oct-19	17-Sep-19	17-Oct-18	17-Oct-17
Naugachia	Bilty	2125	2150	2100	1375	1275
Delhi	Hybrid Maize (U.P.)	2125	2200	2100	1500	1300
Davangere	Bilty Price	2350	2350	2350	1450	1350
Shimoga	Bilty	2200	2250	NA	1490	NA
Ranebennur	Bilty	2400	2400	1350	1500	1400
Bagalkot	Hybrid/Local	2090	1950	2305	NA	1135
Gadag	Local	2110	2010	NA	1366	NA
Nizamabad	Bilty	2250	2250	2300	NA	NA
Khanna	Bilty	NA	2120	2050	NA	NA
Sangli	Feed	2314	2452	2539	1507	1490
Ahmedabad	Feed	2150	2300	2300	1575	Closed
	Starch	2100	2250	2275	1575	Closed

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	17-Oct-19	10-Oct-19	Change
Corn CBOT Prices	Dec-19	155.41	149.70	5.71
	Mar-20	160.03	154.13	5.90
	May-20	162.49	156.49	6.00
	July-20	164.46	158.36	6.10
	Sep-20	160.33	157.67	2.66

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