



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 arrival of imported good amid new crop arrival pressure.

In Davangere region of Karnataka, new crop arrivals contains moisture around 25-30% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase in coming weeks 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.

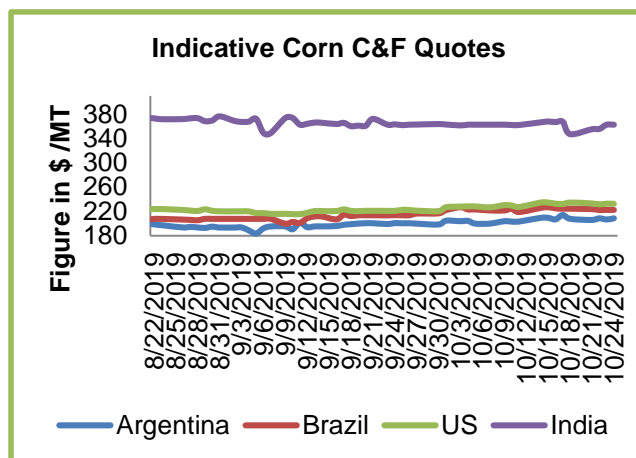
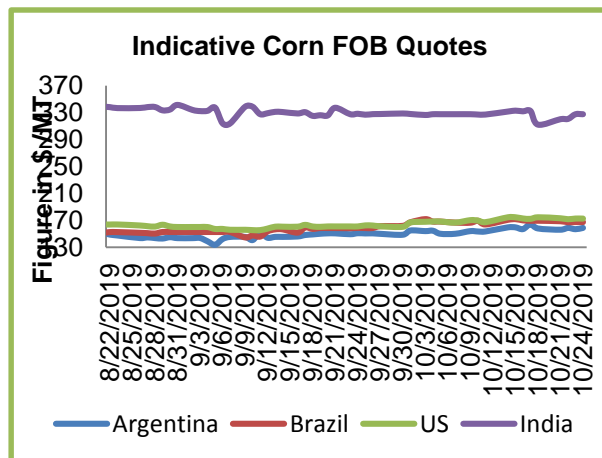
RECOMMENDATION:

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 fall by 3.15 USD/MT to 152.26 USD/MT for December'19 contract compared to previous week due to decrease in demand for U.S corn. At 0.49 MMT (for the period 11th- 17th October, 2019) US corn exports were down 12 percent from the previous week but up 11 percent from the prior 4-week average; mainly for the destinations like Mexico (209,400 MT), Colombia (175,500 MT), Japan (39,100 MT), Costa Rica (33,200 MT), and Honduras (14,800 MT). In U.S, 56% crop of Corn is in good to excellent condition which is higher than 1% compared to last week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$s1= Rs. 70.99)				
As on 24.10.2019	Argentina	Brazil	US	India
FOB	158.56	167.40	172.3	327.65
C&F	208.56	222.40	232.30	362.65

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 SEPTEMBER'19

As per trade sources, India exported around 11,343 MT of maize for the month of September'19 at an average FoB of \$326.99/ MT. Out of which, around 8,040 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Sonauli ICD and Bhimnagar port.

IMPORTS FOR THE MONTH OF SEPTEMBER'19

As per trade sources, India imported around 60,384.79 MT of maize for the month of September'19 at an average value of \$283.35/ MT. Out of which, around 52,711 MT was imported from Ukraine mainly for the Tuticorin port followed by Kandla port at an average value of \$247.73/ MT and \$198.48/ MT respectively.

VESSEL POSITION

As per trade sources, Vessel (ABK TIGER) with 27,200.00 tonnes of corn expected to arrive at Kandla port on 24th October, 2019.

TRADE SCENARIO

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,350-2400 per quintal while it is loading for Tamil Nadu at Rs. 2200-2215 per quintal; sourced from Nizamabad. It is being delivered to Tamilnadu at Rs. 2350-2400 per quintal; sourced from Mysore and Hassan districts of Karnataka. Meanwhile, it is moving towards U.P at Rs. 2200-2250 per quintal and M.P at Rs. 2300-2350 per quintal; sourced from Naugachia region of Bihar.

FIRST ADVANCE ESTIMATE OF KHARIF PRODUCTION

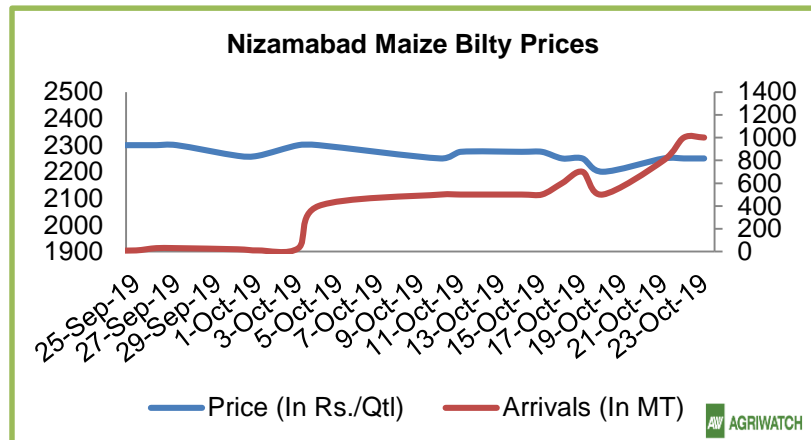
As per 1st advanced estimates for 2019-20, released by Ministry of Agriculture, production of maize for kharif season is estimated at 19.89 MMT. However, Agriwatch expects maize production for this Kharif season at 18.86 MMT with the expected yield of 2214.14 kg/ hectare.

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:

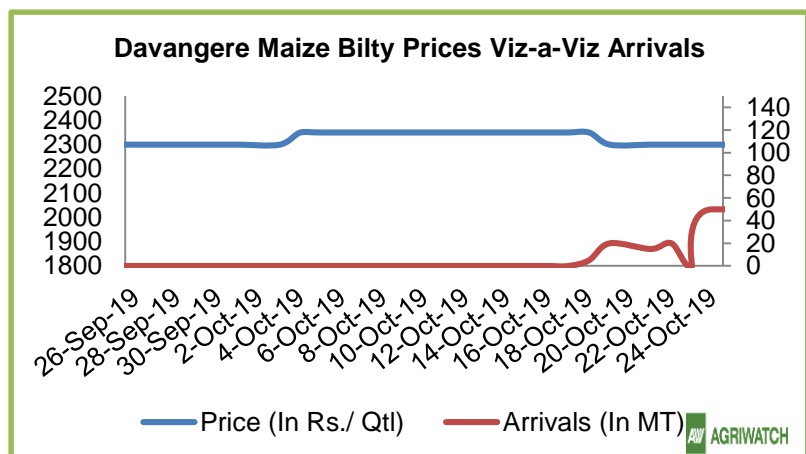
TELANGANA:

- In Nizamabad, maize is likely to trade steady to slightly weak due to arrival pressure. However, Tamil Nadu feed makers demand is supporting the market at lower level.
- Maize is moving towards Hyderabad at Rs. 2350-2400 per quintal (Delivered price); while it is loading for Tamil Nadu at Rs. 2200-2215 per quintal; sourced from Nizamabad.



KARNATAKA:

- In Davangere region of Karnataka, new crop arrivals contains moisture around 25-30% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase in coming weeks which could weigh on market sentiments. It is being delivered to Tamilnadu at Rs. 2350-2400 per quintal; sourced from Mysore and Hassan districts of Karnataka.



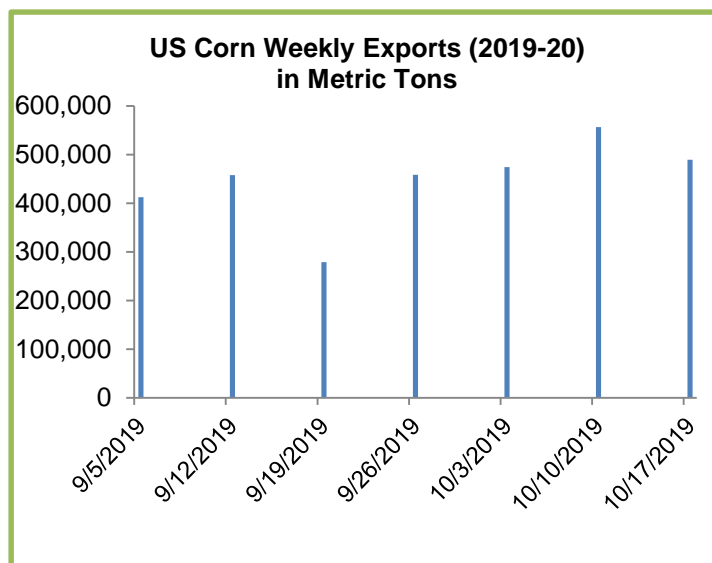
DOMESTIC MAIZE OUTLOOK:

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 3.13 MMT in the 2019-20 marketing year. At 0.49 MMT (for the period 11th- 17th October, 2019) US corn exports were down 12 percent from the previous week but up 11 percent from the prior 4-week average; mainly for the destinations like Mexico (209,400 MT), Colombia (175,500 MT), Japan (39,100 MT), Costa Rica (33,200 MT), and Honduras (14,800 MT).

In U.S, Corn has matured 86% as of 20th October, 2019 which is lower by 13% compared to last year. It has harvested 30% which is also lower by 18% compared to last year. However, 56% crop of Corn is in good to excellent condition which is higher than 1% compared to last week.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 3.15 USD/MT to 152.26 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.2100-2300 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	24-Oct-19	17-Oct-19	24-Sep-19	24-Oct-18	24-Oct-17
Naugachia	Bilty	2100	2125	2100	1450	1250
Delhi	Hybrid Maize (U.P.)	2100	2125	2100	1500	1300
Davangere	Bilty Price	2300	2350	2300	1450	1350
Shimoga	Bilty	NA	2200	NA	NA	1320
Ranebennur	Bilty	2400	2400	2100	NA	1350
Bagalkot	Hybrid/Local	NA	2090	NA	1420	1240
Gadag	Local	2032	2110	NA	NA	1250
Nizamabad	Bilty	Closed	2250	2300	1480	1400
Khanna	Bilty	NA	NA	2000	NA	1270
Sangli	Feed	2385	2314	2550	1520	1380
Ahmedabad	Feed	Closed	2150	2350	1550	Closed
	Starch	Closed	2100	2300	1570	Closed

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-Oct-19	17-Oct-19	Change
Corn CBOT Prices	Dec-19	152.26	155.41	-3.15
	Mar-20	156.69	160.03	-3.34
	May-20	159.24	162.49	-3.25
	July-20	161.51	164.46	-2.95
	Sep-20	158.95	160.33	-1.38

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