

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Arrival Scenario and Crop Quality
- ❖ Crop Condition
- ❖ 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
- ❖ Annexure

EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady during the week as most of the days markets were closed due to Diwali festival. For the coming weeks, it could trade steady to slightly weak on the expectation of arrival of imported good amid new crop arrival pressure.

ARRIVAL SCENARIO & CROP QUALITY:

In Davangere region of Karnataka, due to recent rains, new crop arrivals are containing high moisture around 20-30% 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. In Chhindwara region of M.P, new crop arrivals of maize contains moisture around 14% to 22%; being traded in a range of Rs. 1600-1900 per quintal (loose price). In Nizamabad, maize arrivals are containing high moisture due to recent rains and being traded at Rs. 1500 per quintal (loose price) at lower side.

CROP CONDITION:

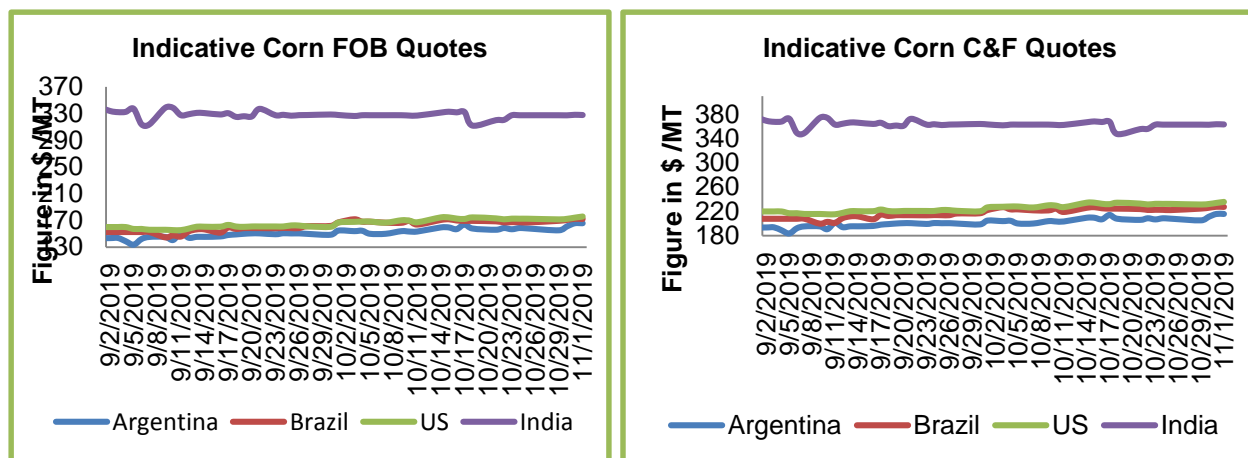
In India, maize has been sown in around 82.44 lakh hectares as of 04th Oct'19 which is higher than 80.20 lakh hectare covered during corresponding period last year. In Anantapuram, Krishna, Vizianagaram and Srikakulam districts of A.P, around 4,084 hectare area is affected by fall army worm and Stem borer; out of which 3,625 hectare area is treated. In Telangana, 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.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 1.28 USD/MT to 153.54 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 18th- 24th October, 2019) US corn exports were up 1 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (204,600 MT), Japan (112,800 MT), Saudi Arabia (73,300 MT), Honduras (37,800 MT), and Colombia (24,400 MT). In U.S, 58% 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 (\$s1= Rs. 70.86)				
As on 01.11.2019	Argentina	Brazil	US	India
FOB	165.65	172.20	175.60	327.97
C&F	215.65	227.20	235.60	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 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 per quintal while it is loading for Tamil Nadu at Rs. 2250 per quintal; sourced from Nizamabad. It is being delivered to Tamilnadu at Rs. 2200 per quintal; sourced from Mysore and Hassan districts of Karnataka.

FIRST ADVANCE ESTIMATE OF KHARIF PRODUCTION

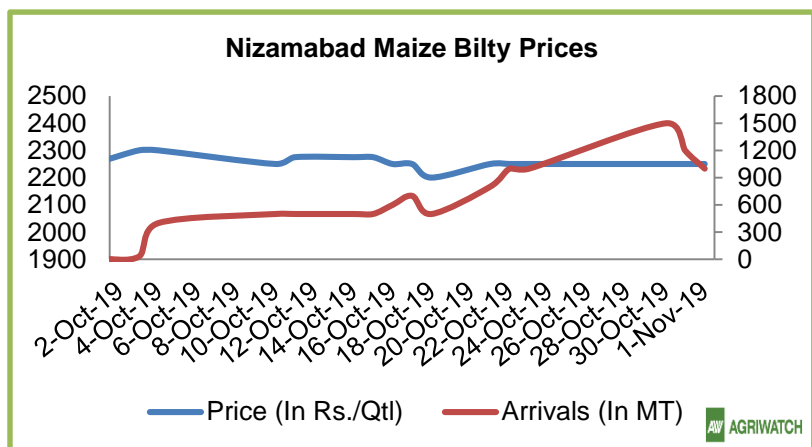
As per 1st advanced estimates for 2019-20, released by Ministry of Agriculture, production of maize for kharif season is estimated at 19.89 MMT. However, Agriwatch expects maize production for this Kharif season at 18.86 MMT with the expected yield of 2214.14 kg/ hectare.

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:

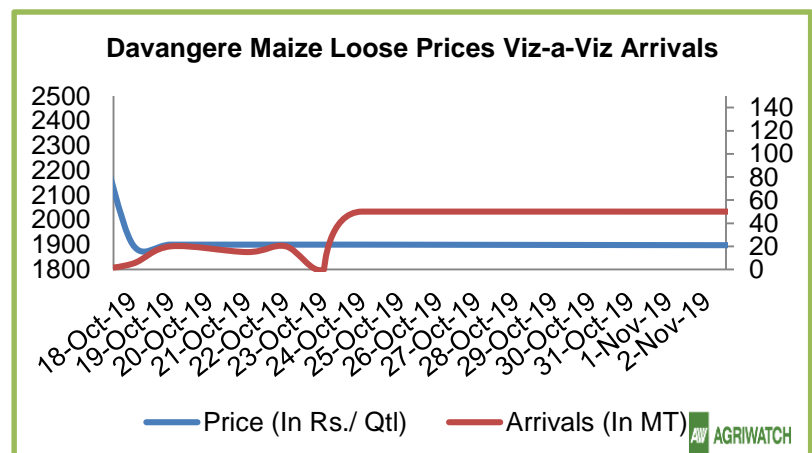
TELANGANA:

- In Nizamabad, 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 per quintal (Delivered price); while it is loading for Tamil Nadu at Rs. 2250 per quintal; sourced from Nizamabad.



KARNATAKA:

- In Davangere region of Karnataka, new crop arrivals contains moisture around 20-30% 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. 2200 per quintal; sourced from Mysore and Hassan districts of Karnataka.



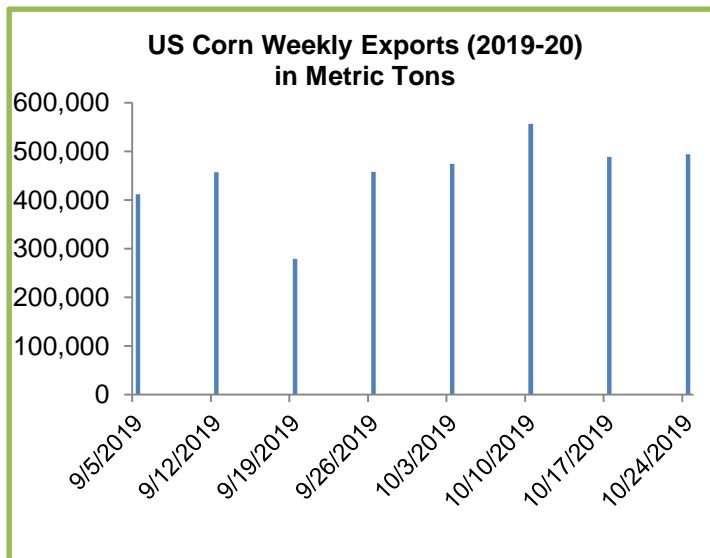
DOMESTIC MAIZE OUTLOOK:

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 3.62 MMT in the 2019-20 marketing year. At 0.49 MMT (for the period 18th- 24th October, 2019) US corn exports were up 1 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (204,600 MT), Japan (112,800 MT), Saudi Arabia (73,300 MT), Honduras (37,800 MT), and Colombia (24,400 MT).

In U.S, Corn has matured 93% as of 27th October, 2019 which is lower by 7% compared to last year. It has harvested 41% which is also lower by 20% compared to last year. However, 58% crop of Corn is in good to excellent condition which is higher than 2% compared to last week.


INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 1.28 USD/MT to 153.54 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.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	31-Oct-19	24-Oct-19	30-Sep-19	31-Oct-18	31-Oct-17
Naugachia	Bilty	Closed	2100	2100	1450	1250
Delhi	Hybrid Maize (U.P.)	2100	2100	2100	1525	1310
Davangere	Bilty Price	NA	2300	2300	NA	1350
Shimoga	Bilty	NA	NA	NA	NA	1310
Ranebennur	Bilty	NA	2500	2400	NA	NA
Bagalkot	Hybrid/Local	2125	NA	NA	NA	1241
Gadag	Local	NA	2032	1870	1425	1109
Nizamabad	Bilty	2250	Closed	2260	1480	1400
Khanna	Bilty	NA	NA	2010	NA	1280
Sangli	Feed	2265	2385	2515	1537	1340
Ahmedabad	Feed	2225	Closed	2400	1530	1375
	Starch	2000	Closed	2300	1600	1350

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	31-Oct-19	24-Oct-19	Change
Corn CBOT Prices	Dec-19	153.54	152.26	1.28
	Mar-20	156.98	156.69	0.29
	May-20	159.34	159.24	0.10
	July-20	161.41	161.51	-0.10
	Sep-20	158.26	158.95	-0.69

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