

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
- ❖ Second 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 weak during the week and is expected to trade steady to weak during coming weeks due to 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 18-32% and being traded in a range of Rs. 1500-1880 per quintal (loose price). Arrival pressure is likely to 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. 1400-1900 per quintal (loose price). In Nizamabad, maize arrivals are containing high moisture due to recent rains and being traded at lower side.

CROP CONDITION:

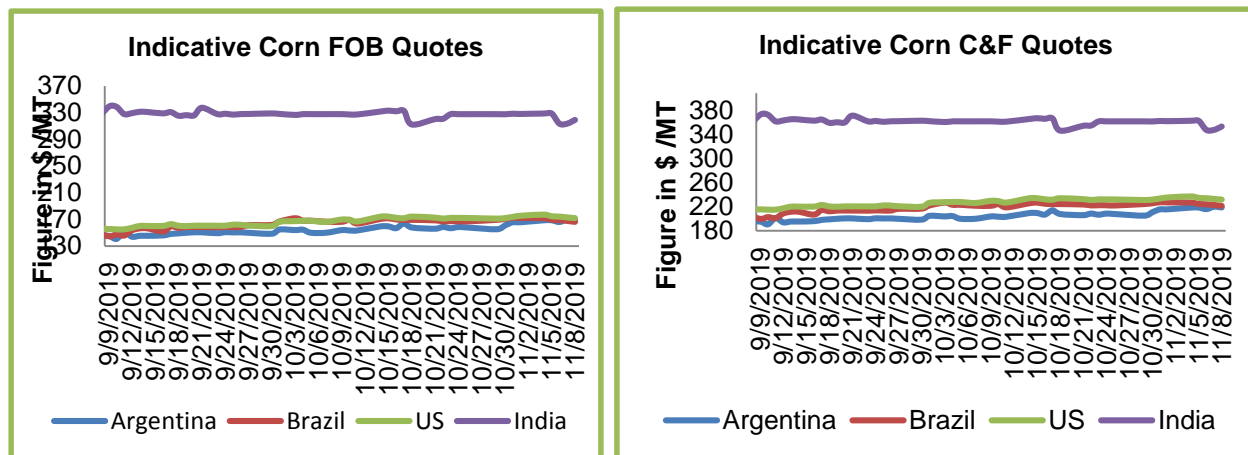
In India, maize has been sown in around 82.44 lakh hectares as of 04th Oct'19 which is higher than 80.20 lakh hectare covered during corresponding period last year. In Anantapuram, Krishna, Vizianagaram and Srikakulam districts of A.P, around 4,084 hectare area is affected by fall army worm and Stem 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 fall by 5.81 USD/MT to 147.73 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. However, decrease in world corn ending stock estimates could limit the market to fall. At 0.32 MMT (for the period 25th- 31st October, 2019) US corn exports were down 36 percent from the previous week and 37 percent from the prior 4-week average; mainly for the destinations like Mexico (226,100 MT), Colombia (26,500 MT), Japan (23,200 MT), Costa Rica (19,700 MT), and Nicaragua (7,000 MT). In U.S, 58% 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. 71.27)				
As on 08.11.2019	Argentina	Brazil	US	India
FOB	168.80	166.40	172.10	319.00
C&F	218.80	221.40	232.10	354.00

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) at berth for discharge with 27,200.00 tonnes of corn at Kandla port expected to complete on 2nd November, 2019.

TRADE SCENARIO

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2250 per quintal while it is loading for Tamil Nadu at Rs. 2150 per quintal; sourced from Nizamabad. It is being delivered to Tamilnadu at Rs. 2000-2050 per quintal; sourced from Mysore and Hassan districts of Karnataka.

SECOND ADVANCE ESTIMATE OF KHARIF PRODUCTION

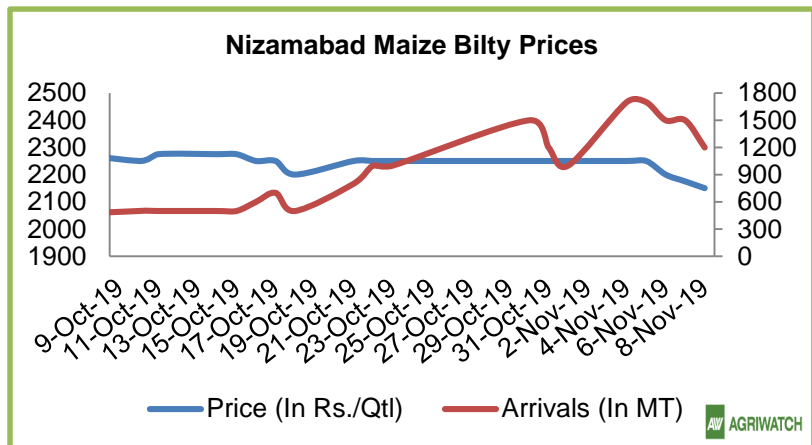
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

CURRENT MARKET DYNAMICS:

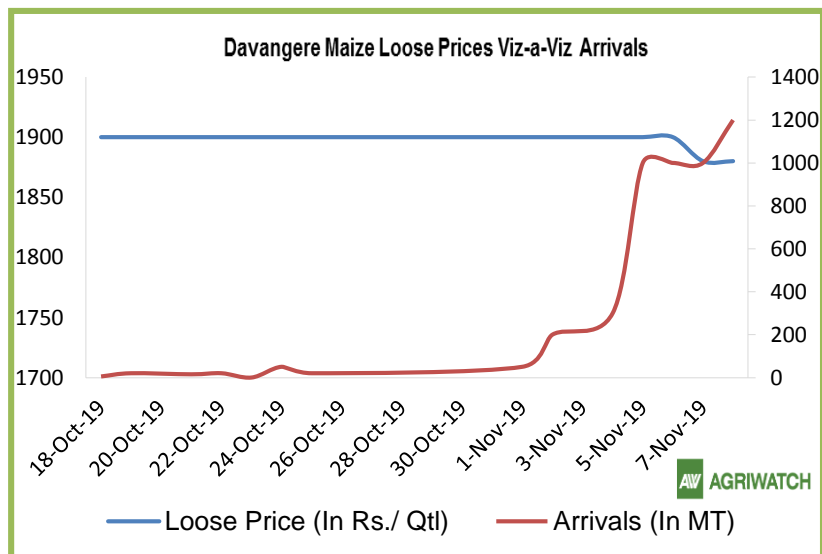
During the week under review, weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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. 2250 per quintal (Delivered price); while it is loading for Tamil Nadu at Rs. 2150 per quintal; sourced from Nizamabad.

**KARNATAKA:**

- In Davangere region of Karnataka, new crop arrivals contains moisture around 18-32% and also some quantity has been affected by fungus; being traded in a range of Rs. 1500-1880 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. 2000-2050 per quintal; sourced from Mysore and Hassan districts of Karnataka.

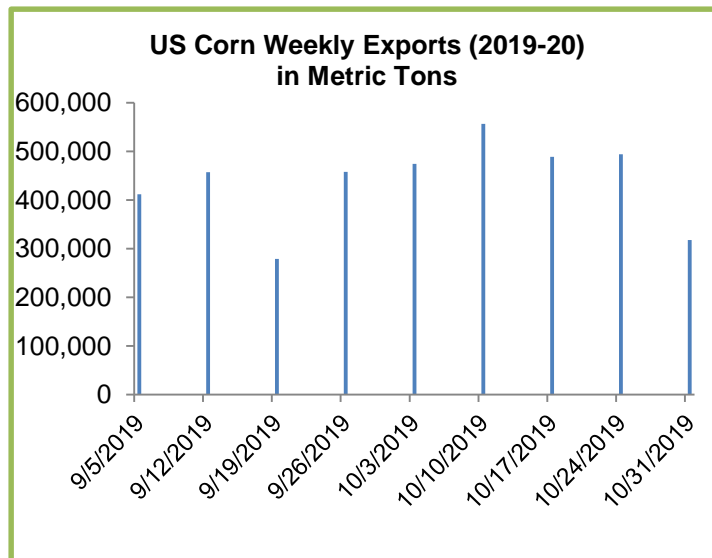
**DOMESTIC MAIZE OUTLOOK:**

Prices of maize are likely to be steady to weak ahead due to new crop arrival pressure.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 3.94 MMT in the 2019-20 marketing year. At 0.32 MMT (for the period 25th- 31st October, 2019) US corn exports were down 36 percent from the previous week and 37 percent from the prior 4-week average; mainly for the destinations like Mexico (226,100 MT), Colombia (26,500 MT), Japan (23,200 MT), Costa Rica (19,700 MT), and Nicaragua (7,000 MT).

In U.S, Corn has matured 96% as of 03rd November, 2019 which is lower by 4% compared to last year. It has harvested 52% which is also lower by 22% compared to last year. However, 58% crop of Corn is in good to excellent condition which is same compared to last week.



USDA decreased its world corn ending stock estimates by 6.59 MMT to 295.96 MMT for 2019/20 compared to previous month due to decrease in production estimates for 2019/20. Corn ending stock estimates for U.S also decreased by 0.47 MMT to 48.53 MMT for 2019/20 as cold and wet conditions late during growing season reduced the yields in key production areas such as South Dakota, Nebraska and Minnesota while for Ukraine, it kept unchanged its corn ending stock estimates at 0.83 MMT compared to previous month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 5.81 USD/MT to 147.73 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	7-Nov-19	31-Oct-19	7-Oct-19	8-Nov-18	7-Nov-17
Naugachia	Bilty	2150	Closed	Closed	Closed	1225
Delhi	Hybrid Maize (U.P.)	2100	2100	2200	Closed	1310
Davangere	Bilty Price	NA	NA	Closed	NA	1350
Shimoga	Bilty	1750	NA	NA	1410	1150
Ranebennur	Bilty	NA	NA	NA	1420	1260
Bagalkot	Hybrid/Local	1925	2125	NA	1475	1221
Gadag	Local	1760	NA	NA	NA	1120
Nizamabad	Bilty	2175	2250	Closed	NA	1400
Khanna	Bilty	NA	NA	2140	NA	1250
Sangli	Feed	1963	2265	2468	1528	1290
Ahmedabad	Feed	2200	Closed	Closed	Closed	1330
	Starch	2000	Closed	Closed	Closed	1330

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	07-Nov-19	31-Oct-19	Change
Corn CBOT Prices	Dec-19	147.73	153.54	-5.81
	Mar-20	151.08	156.98	-5.90
	May-20	153.93	159.34	-5.41
	July-20	156.59	161.41	-4.82
	Sep-20	155.41	158.26	-2.85

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.