

# Maize Weekly Research Report

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**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded weak during the week due to crop arrival pressure and is expected to trade steady to weak in near term too as new crop contains high moisture. However, standard quality maize could trade around MSP.

**KHARIF ARRIVAL SCENARIO & CROP QUALITY:**

In Kurnool region, maize arrivals are containing moisture up to 18%, fungus 4% and having small grain size. In Davangere region of Karnataka, due to recent rains, new crop arrivals are containing moisture up to 22% while fungus up to 5%; being traded in a range of Rs. 1580-1800 per quintal (loose price). In Nizamabad, due to recent rains, maize arrivals are containing moisture up to 18%, fungus 5% and damaged grains around 10-15% which is being bought by starch feed makers at Rs. 1800 per quintal while good quality material is being traded at Rs. 2100 per quintal..

**RABI CROP SOWING COVERAGE:**

In India, maize has been sown in around 2.55 lakh hectares as of 15th Nov'19 for Rabi season 2019-20 which is lower than 3.49 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 0.30 lakh hectare which is lower than 0.41 lakh hectare while in Tamilnadu, it has been sown in around 1.08 lakh hectare which is lower than 1.33 lakh hectare during corresponding period last year.

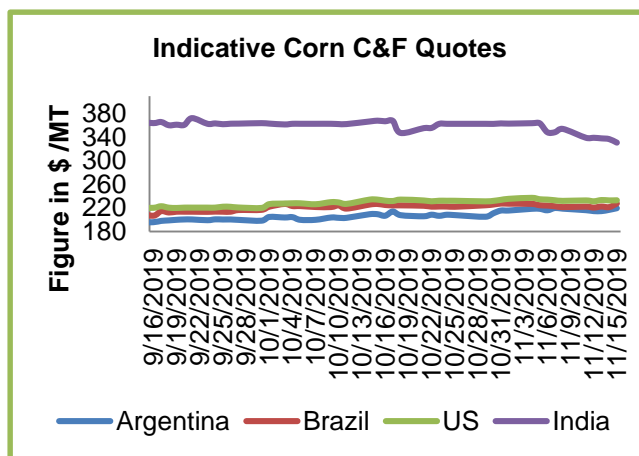
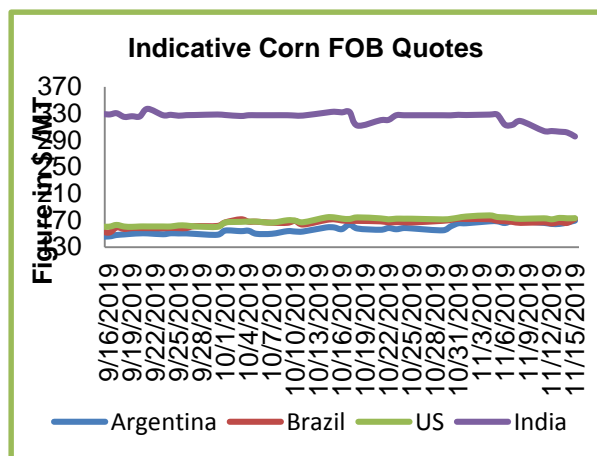
**KHARIF CROP LOSS SCENARIO:**

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-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.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 0.20 USD/MT to 147.93 USD/MT for December'19 contract compared to previous week as China lifted a nearly 5 year ban on imports of U.S. poultry meat, raising expectation for increase in demand for animal feed. At 0.60 MMT (for the period 01st- 07th November, 2019) US corn exports were up 90 percent from the previous week and 30 percent from the prior 4-week average; mainly for the destinations like Mexico (304,400 MT), Colombia (96,900 MT), Japan (82,100 MT), Guatemala (39,300 MT), and Panama (22,600 MT). In U.S, Corn has harvested 66% as of 10th November. 2019 which is lower by 17% compared to last year.

## EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$s1= Rs. 71.75)				
As on 15.11.2019	Argentina	Brazil	US	India
FOB	169.59	172.50	173.10	295.75
C&F	219.59	227.50	233.10	330.75

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 completed 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. 2100 per quintal; sourced from Nizamabad. Maharashtra starch feed makers are buying low quality maize at Rs. 2100-2150 per quintal (Delivered Price); sourced from Nizamabad.

**SECOND ADVANCE ESTIMATE OF KHARIF PRODUCTION**

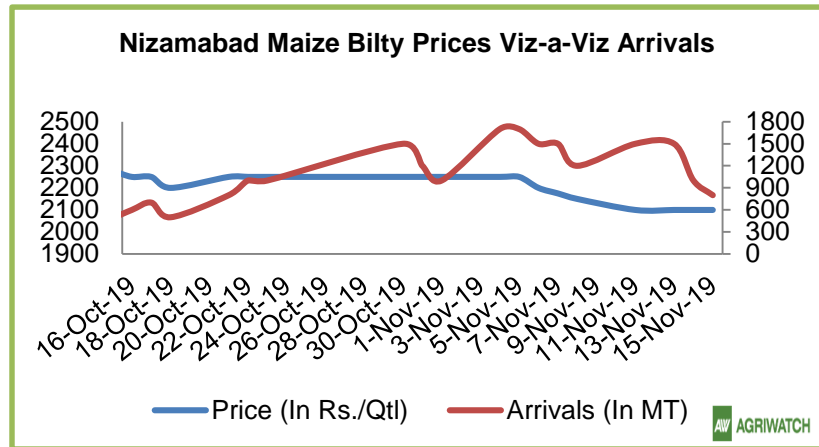
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

**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:**

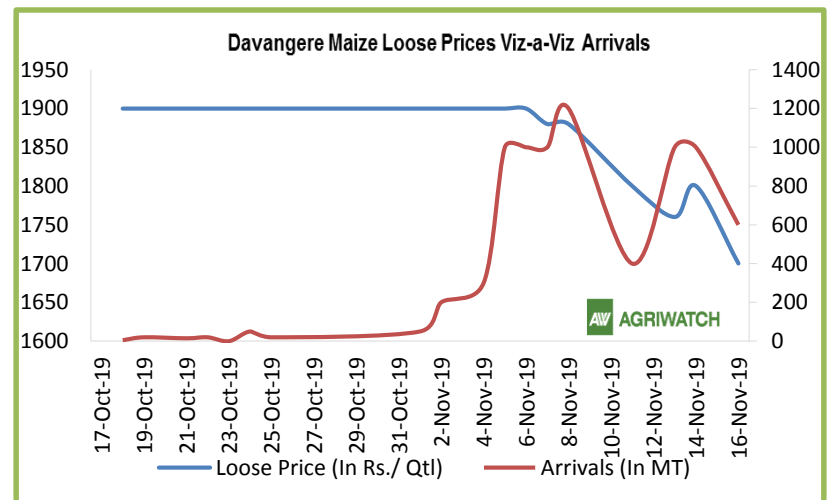
- In Nizamabad, maize is likely to trade steady to slightly weak due to arrival pressure. However, Tamil Nadu feed makers demand could support the market at lower level. Due to recent rains, maize arrivals are containing moisture up to 18%, fungus 5% and damaged grains



around 10-15% which is being bought by starch feed makers at Rs. 1800 per quintal while good quality material is being traded at Rs. 2100 per quintal. Maize is moving towards Hyderabad at Rs. 2250 per quintal while it is loading for Tamil Nadu at Rs. 2100 per quintal; sourced from Nizamabad.

**KARNATAKA:**

- In Davangere region of Karnataka, due to recent rains, new crop arrivals are containing moisture up to 22% while fungus up to 5%; being traded in a range of Rs. 1580-1800 per quintal (loose price). Arrival pressure is likely to weigh on market sentiments.

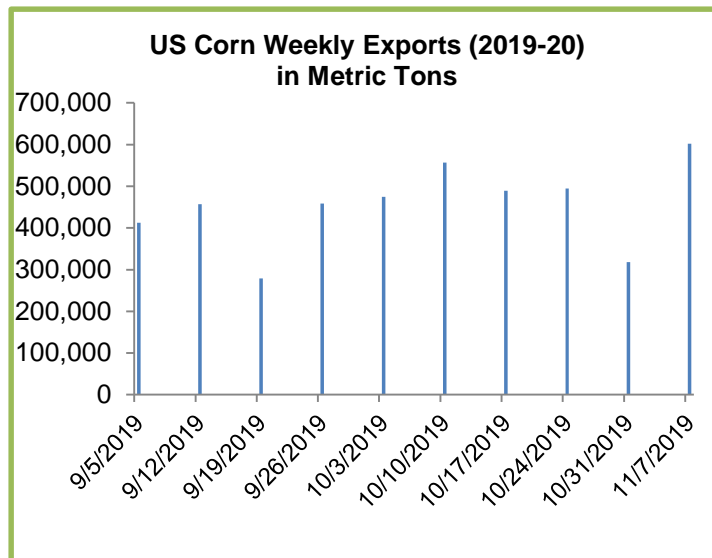
**DOMESTIC MAIZE OUTLOOK:**

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 4.54 MMT in the 2019-20 marketing year. At 0.60 MMT (for the period 01st- 07th November, 2019) US corn exports were up 90 percent from the previous week and 30 percent from the prior 4-week average; mainly for the destinations like Mexico (304,400 MT), Colombia (96,900 MT), Japan (82,100 MT), Guatemala (39,300 MT), and Panama (22,600 MT).

In U.S, Corn has harvested 66% as of 10th November, 2019 which is lower by 17% compared to last year.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.20 USD/MT to 147.93 USD/MT for December'19 contract compared to previous week as China lifted a nearly 5 year ban on imports of U.S. poultry meat, raising expectation for increase in demand for animal feed.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	14-Nov-19	7-Nov-19	14-Oct-19	14-Nov-18	14-Nov-17
Naugachia	Bilty	2125	2150	2150	1525	1200
Delhi	Hybrid Maize (U.P.)	2075	2100	2150	1550	1310
Davangere	Loose	1800	1880	NA	1450	1300
Shimoga	Bilty	1730	1750	2250	1410	1150
Ranebennur	Bilty	NA	NA	NA	1460	1200
Bagalkot	Hybrid/Local	1730	1925	2060	1496	1209
Gadag	Local	1730	1760	NA	1396	1140
Nizamabad	Bilty	2100	2175	2275	1500	1400
Khanna	Bilty	NA	NA	2175	NA	1360
Sangli	Feed	1811	1963	2392	1531	1251
Ahmedabad	Feed	2000	2200	2225	1520	1300
	Starch	1800	2000	2150	1550	1310

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	14-Nov-19	07-Nov-19	Change
Corn CBOT Prices	Dec-19	147.93	147.73	0.20
	Mar-20	151.47	151.08	0.39
	May-20	153.83	153.93	-0.10
	July-20	156.1	156.59	-0.49
	Sep-20	155.11	155.41	-0.30

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