

# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall 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.

As per media report, NAFED has issued an international tender to import up to 100,000 MT of Non-GMO corn; to be sourced from Ukraine for the shipment between 10th Jan'20 to 31st Jan'20. Around 50,000 MT is sought for shipment to the Mangalore port and rest to the Tuticorin port. Offers are sought on c&f free out terms which include some ship unloading costs. The tender closes on Dec. 3 with offers having to remain valid up to Dec. 24.

### KHARIF CROP ARRIVAL QUALITY & TRADE SCENARIO:

In Davangere region of Karnataka, due to cloudy weather, maize arrivals are still containing moisture up to 30%. Also size of grain is medium; being traded in a range of Rs. 1450-1700 per quintal (loose price). Sources revealed that maize which is small in size and fungus affected, being delivered to Tamilnadu at Rs. 1800-1850 per quintal for cattle feed; sourced from Hassan and Mysore. In Nizamabad, maize is trading weak due to arrival pressure. However, 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%. Maize is moving towards Hyderabad at Rs. 2150-2200 per quintal while it is being bought by local starch feed makers at Rs. 1800 per quintal. Also, maize which contains 6% fungus and 2% maize dust, being loaded for Vijayawada region of Andhra Pradesh at Rs. 1850-1870 per quintal; sourced from Telangana. In Chhindwara region of M.P, arrival of maize contains moisture up to 15%; being traded at Rs. 1900 per quintal (Bilty Price). Sources revealed that maize which is medium in size and contains 15% moisture; being loaded for Nandikotkur region of Kurnool at Rs. 1830 per quintal. In Kurnool region, maize arrivals are containing moisture up to 18%, fungus 4% and having small grain size. Sources revealed that in Nandikotkur region of Kurnool district, around 1,20,000 MT of maize has been stocked.

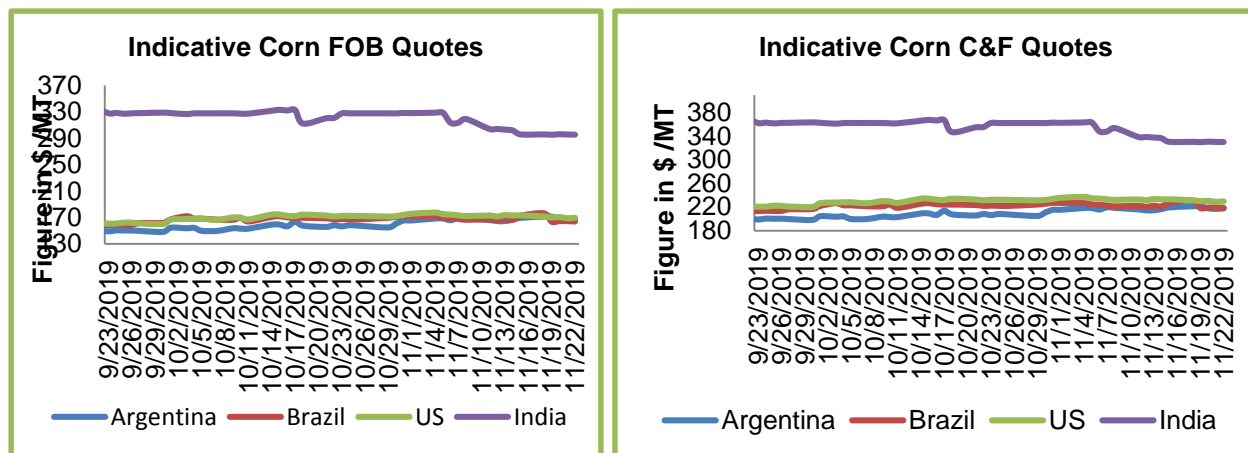
### RABI CROP SOWING COVERAGE:

In India, maize has been sown in around 3.49 lakh hectares as of 22nd Nov'19 for Rabi season 2019-20 which is lower than 5.28 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 0.64 lakh hectare which is lower than 1.23 lakh hectare while in Tamilnadu, it has been sown in around 1.14 lakh hectare which is lower than 1.34 lakh hectare during corresponding period last year.

### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 2.86 USD/MT to 145.07 USD/MT for December'19 contract compared to previous week. However, it could trade firm on the expectation of increase in demand for U.S corn. At 0.67 MMT (for the period 08th November- 14th November, 2019) US corn exports were up 12 percent from the previous week and 41 percent from the prior 4-week average; mainly for the destinations like Mexico (375,000 MT), Colombia (134,900 MT), Japan (71,400 MT), Costa Rica (32,800 MT), and Panama (22,900 MT). In U.S, Corn has harvested 76% as of 17th November, 2019 which is lower by 13% compared to last year.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$s1= Rs. 71.84)				
As on 22.11.2019	Argentina	Brazil	US	India
FOB	167.91	163.80	169.50	295.38
C&F	217.91	218.80	229.50	330.38

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 OCTOBER'19

As per trade sources, India imported around 36,982 MT of maize for the month of October'19. Out of which, around 27,200 MT was imported from Ukraine for the Kandla port at an average value of \$197.50 USD/ MT. Meanwhile, around 9,782 MT was imported from Myanmar for the Chennai and Tuticorin port at an average value of \$263.18/ MT.

### SECOND ADVANCE ESTIMATE OF KHARIF PRODUCTION

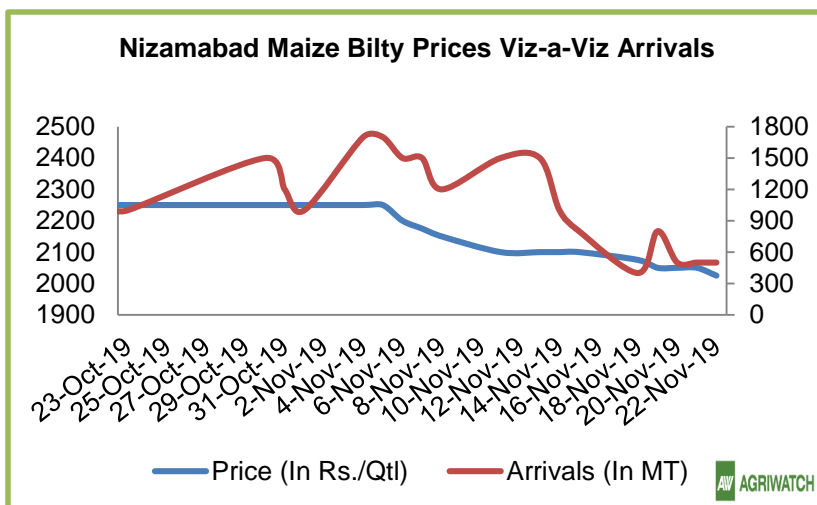
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

## 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:

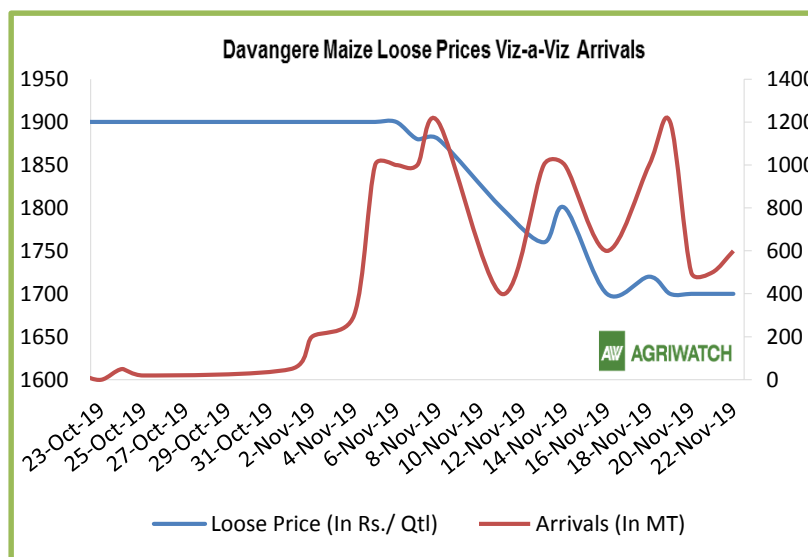
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### KARNATAKA:

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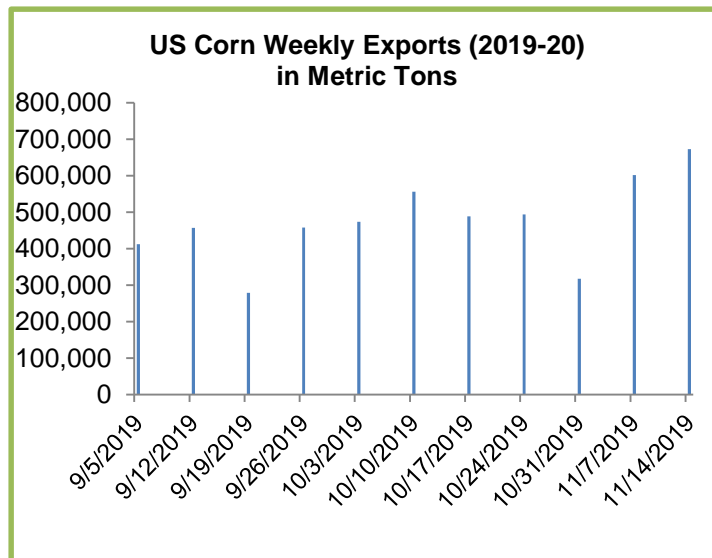
## DOMESTIC MAIZE OUTLOOK:

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 5.21 MMT in the 2019-20 marketing year. At 0.67 MMT (for the period 08th November-14th November, 2019) US corn exports were up 12 percent from the previous week and 41 percent from the prior 4-week average; mainly for the destinations like Mexico (375,000 MT), Colombia (134,900 MT), Japan (71,400 MT), Costa Rica (32,800 MT), and Panama (22,900 MT).

In U.S, Corn has harvested 76% as of 17th November, 2019 which is lower by 13% compared to last year.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 2.86 USD/MT to 145.07 USD/MT for December'19 contract compared to previous week. However, it could trade firm on the expectation of increase in demand for U.S corn.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	21-Nov-19	14-Nov-19	21-Oct-19	21-Nov-18	21-Nov-17
Naugachia	Bilty	2075	2125	2100	1550	1225
Delhi	Hybrid Maize (U.P.)	2025	2075	2100	1550	1325
Davangere	Loose	1700	1800	1900	Closed	1300
Shimoga	Bilty	1700	1730	2250	NA	1200
Ranebennur	Bilty	NA	1850	2100	1500	1240
Bagalkot	Hybrid/Local	1860	1730	1890	1518	1161
Gadag	Local	1620	1730	1926	1472	1176
Nizamabad	Bilty	2050	2100	2250	1510	1400
Khanna	Bilty	NA	NA	NA	NA	1350
Sangli	Feed	1831	1811	2324	1554	1240
Ahmedabad	Feed	2080	2000	2150	1650	1270
	Starch	1850	1800	1950	1700	1300



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Nov-19	14-Nov-19	Change
Corn CBOT Prices	Dec-19	145.07	147.93	-2.86
	Mar-20	149.21	151.47	-2.26
	May-20	151.27	153.83	-2.56
	July-20	153.54	156.1	-2.56
	Sep-20	153.44	155.11	-1.67

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