

# Maize Weekly Research Report

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

Overall maize cash markets traded steady to firm during the week due to improvement in arrival quality compared to last week. Despite the arrival pressure, it is likely to trade steady to range bound in near term amid feed makers demand.

**KHARIF CROP ARRIVAL QUALITY**

In Davangere region of Karnataka, maize arrivals are still containing moisture up to 19. In Nizamabad, maize arrivals are containing moisture up to 14%, fungus 5% and damaged grains around 5-7%. In A.P, arrivals are minimal in quantity. Vijayanagaram poultrys are getting maize from Orissa while Krishna district and Prakasham district's poultrys and distilleries are being supported by arrival from Khammam and Kurnool district. In Kurnool and khammam districts of A.P, maize arrivals are containing black fungus 6-6.5% and green fungus slightly exist.

**TRADE SCENARIO:**

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,200 per quintal while it is being bought by local starch feed makers at Rs. 1820 per quintal. It is moving towards Namakkal at Rs. 2100 per quintal while Bangalore at Rs. 2000-2100 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 2000 per quintal; sourced from Hassan and Mysore.

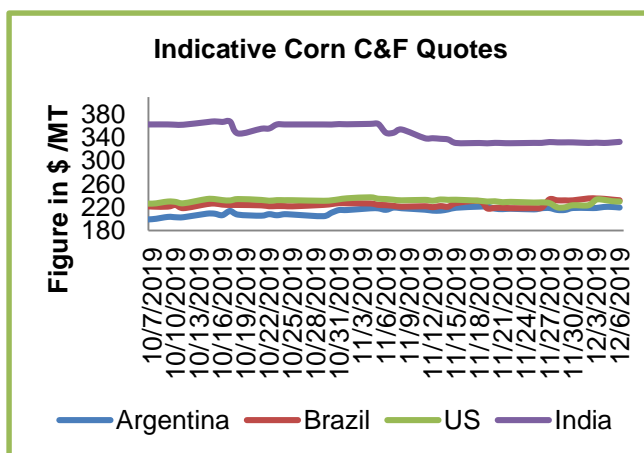
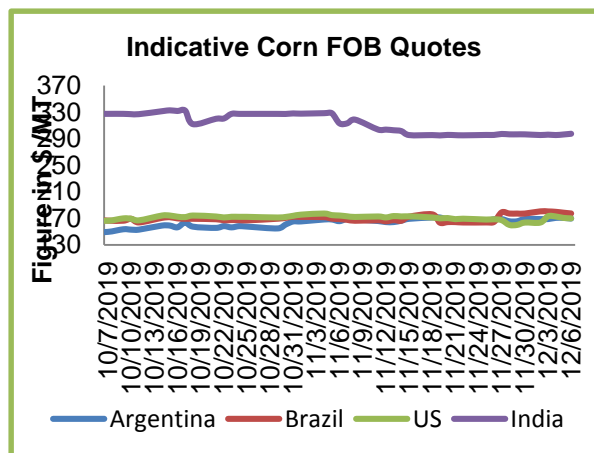
**RABI CROP SOWING COVERAGE:**

In India, maize has been sown in around 7.88 lakh hectares as of 4th Dec'19 for Rabi season 2019-20 which is lower than 8.71 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 2.43 lakh hectare which is lower than 3.12 lakh hectare while in Tamilnadu, it has been sown in around 1.35 lakh hectare which is lower than 1.61 lakh hectare during corresponding period last year.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 1.47 USD/MT to 144.28 USD/MT for December'19 contract compared to previous week and is likely to trade firm on the expectation of increase in demand for U.S corn. At 0.49 MMT (for the period 22nd November- 28th November, 2019) US corn exports were down 22 percent from the previous week and 11 percent from the prior 4-week average; mainly for the destinations like Mexico (288,100 MT), Japan (61,400 MT), Honduras (44,600 MT), El Salvador (27,600 MT), and Colombia (25,600 MT). In U.S, Corn has harvested 89% as of 01st November, 2019 which is lower by 8% compared to last year.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$s1= Rs. 71.28)				
As on 06.12.2019	Argentina	Brazil	US	India
FOB	170.00	177.40	170.00	297.70
C&F	220.00	232.40	230.00	332.70

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 OCTOBER'19

As per trade sources, India exported around 11,782 MT of maize for the month of October'19 at an average FoB of \$326.06/ MT. Out of which, around 9,820 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Nepalgunj road 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

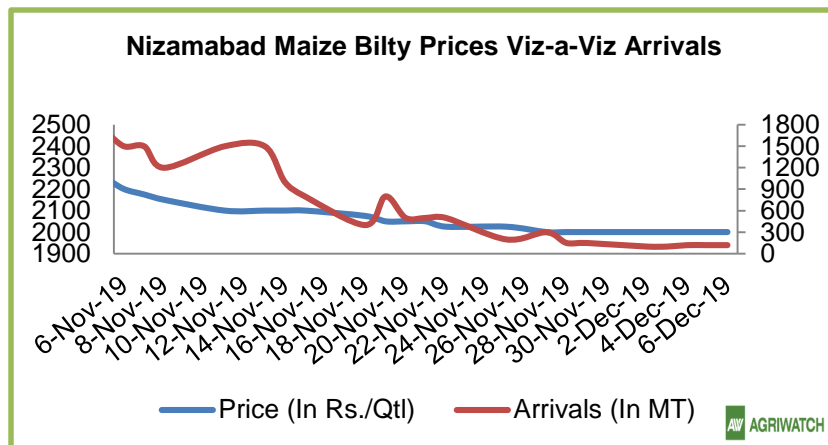
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

## CURRENT MARKET DYNAMICS:

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

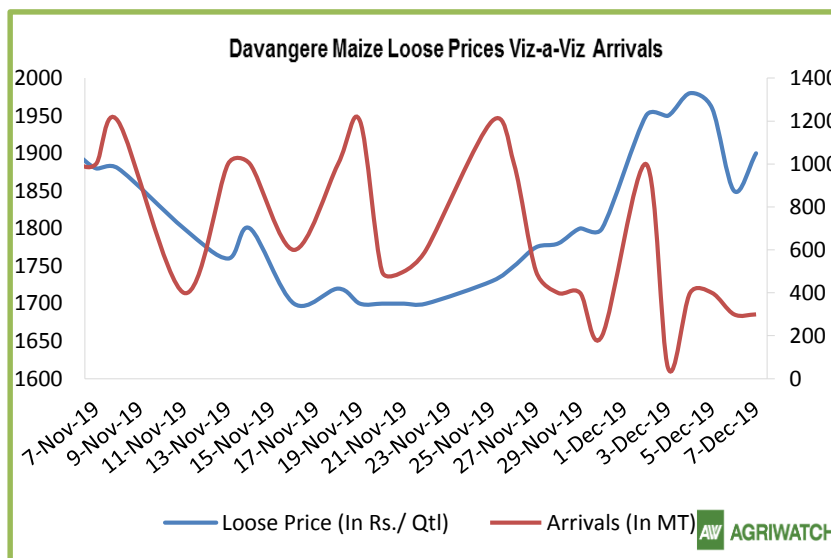
### TELANGANA:

- In Nizamabad, maize is trading weak due to arrival pressure. However, feed makers demand could support the market at lower level. Maize arrivals are containing moisture up to 14%, fungus 5% and damaged grains around 5-7%. Maize is moving towards Hyderabad at Rs. 2200 per quintal while it is being bought by local starch feed makers at Rs. 1820 per quintal.



### KARNATAKA:

- In Davangere region of Karnataka, maize arrivals are still containing moisture up to 19. It is moving towards Namakkal at Rs. 2100 per quintal while Bangalore at Rs. 2000-2100 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 2000 per quintal; sourced from Hassan and Mysore.



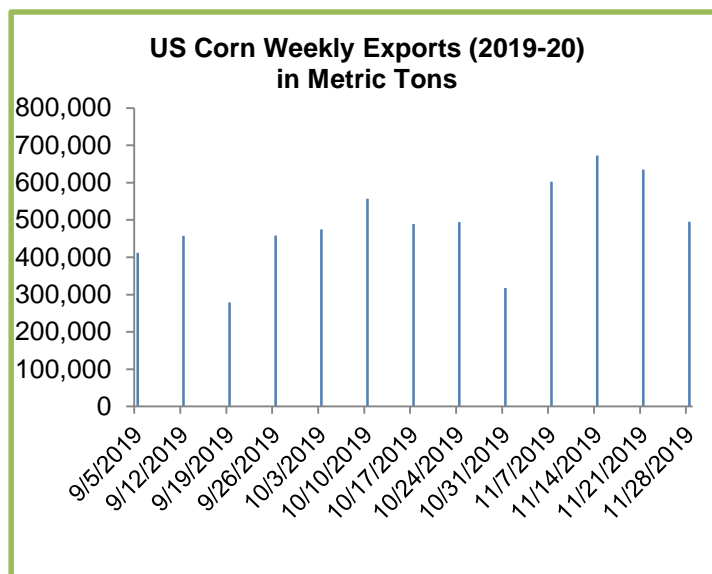
## DOMESTIC MAIZE OUTLOOK:

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

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 6.34 MMT in the 2019-20 marketing year. At 0.49 MMT (for the period 22nd November-28th November, 2019) US corn exports were down 22 percent from the previous week and 11 percent from the prior 4-week average; mainly for the destinations like Mexico (288,100 MT), Japan (61,400 MT), Honduras (44,600 MT), El Salvador (27,600 MT), and Colombia (25,600 MT).

In U.S, Corn has harvested 89% as of 01st November, 2019 which is lower by 8% compared to last year.


**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 1.47 USD/MT to 144.28 USD/MT for December'19 contract compared to previous week and is likely to 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	5-Dec-19	28-Nov-19	5-Nov-19	5-Dec-18	5-Dec-17
Naugachia	Bilty	2125	2075	2150	1675	1225
Delhi	Hybrid Maize (U.P.)	2100	2100	2150	1750	1300
Davangere	Loose	1960	1780	1900	1550	1300
Shimoga	Bilty	1800	1710	1900	1580	1200
Ranebennur	Bilty	NA	NA	2020	1620	1250
Bagalkot	Hybrid/Local	1940	1750	1980	1620	1209
Gadag	Local	1960	1720	1830	1600	1149
Nizamabad	Bilty	2000	2000	2250	1550	1400
Khanna	Bilty	2100	NA	NA	1620	1375
Sangli	Feed	2000	1871	2042	1714	1270
Ahmedabad	Feed	2100	2060	2200	1700	1340
	Starch	2150	2100	2000	1750	1360

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	06-Dec-19	28-Nov-19	Change
Corn CBOT Prices	Dec-19	144.28	142.81	1.47
	Mar-20	148.32	146.94	1.38
	May-20	150.58	149.21	1.37
	July-20	152.26	151.27	0.99
	Sep-20	152.26	151.17	1.09

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