

# 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 amid feed makers demand compared to last week and is likely to trade steady to slightly firm in near term too on the expectation of increase in demand.

**KHARIF CROP ARRIVAL QUALITY**

In Davangere region of Karnataka, maize arrivals are still containing moisture 17-19% due to cold weather. In Nizamabad, maize arrivals are containing moisture up to 14%, fungus 5% and damaged grains around 5-7%. In Kurnool and khammam districts of A.P, maize arrivals are containing black fungus 6.5-7%.

**TRADE SCENARIO:**

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,200-2300 per quintal while it is being bought by local starch feed makers at Rs. 1925 per quintal. It is moving towards Namakkal at Rs. 2160 per quintal while Bangalore at Rs. 2100 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 2050-2060 per quintal; sourced from Hassan and Mysore.

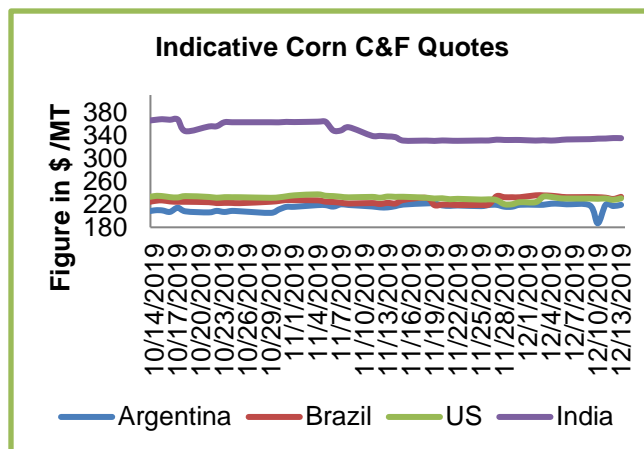
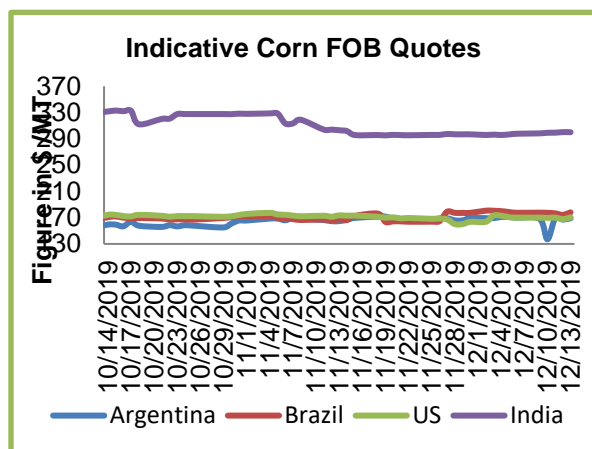
**RABI CROP SOWING COVERAGE:**

In India, maize has been sown in around 9.43 lakh hectares as of 13th Dec'19 for Rabi season 2019-20 which is lower than 10.23 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 3.39 lakh hectare which is lower than 3.76 lakh hectare while in Tamilnadu, it has been sown in around 1.40 lakh hectare which is lower than 1.85 lakh hectare during corresponding period last year.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 5.71 USD/MT to 149.99 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 0.53 MMT (for the period 29th November- 05th December, 2019) US corn exports were up 7 percent from the previous week but down 12 percent from the prior 4-week average; mainly for the destinations like Mexico (260,900 MT), Japan (81,900 MT), Colombia (76,000 MT), Panama (27,400 MT), and Honduras (23,100 MT). In U.S, Corn has harvested 92% as of 08th December, 2019 which is lower by 8% compared to last year and 5 year average period. USDA increased its world corn ending stock estimates by 4.61 MMT to 300.56 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.74)				
As on 13.12.2019	Argentina	Brazil	US	India
FOB	169.00	178.00	170.40	299.97
C&F	219.00	233.00	230.40	334.97

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 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

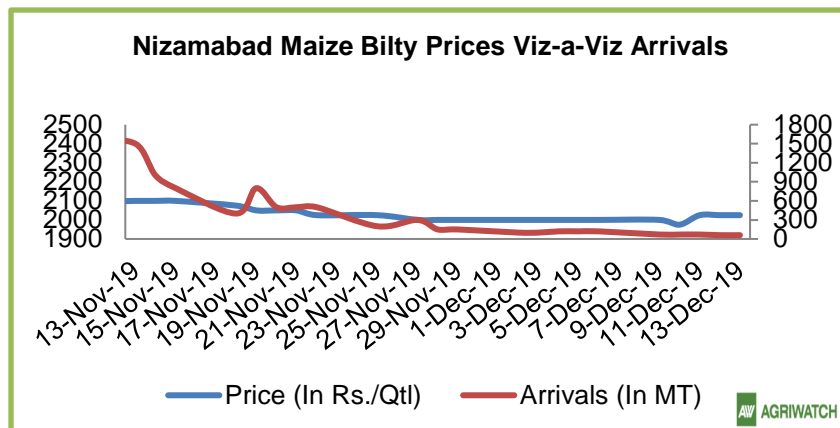
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

## 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:

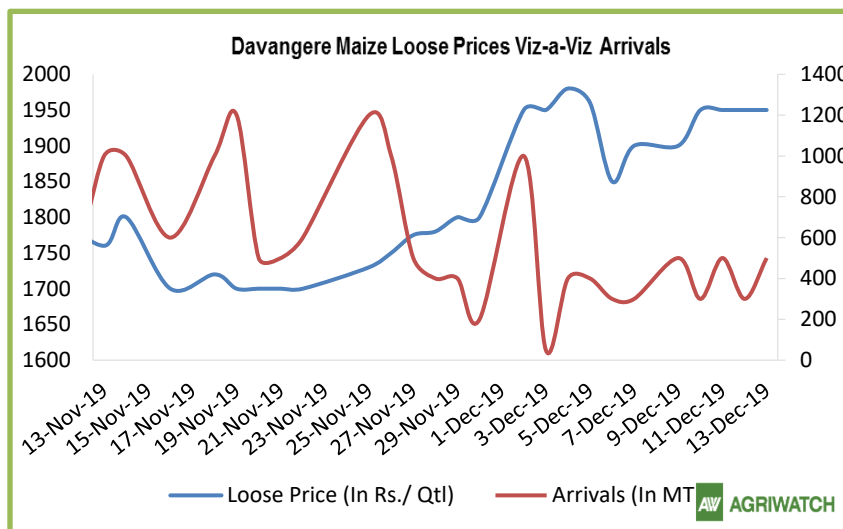
### TELANGANA:

- In Nizamabad, maize is likely to trade firm on the expectation of increase in feed makers demand. Maize arrivals are containing fungus 5% and damaged grains around 5-7%. Maize is moving towards Hyderabad at Rs. 2200-2300 per quintal while it is being bought by local starch feed makers at Rs. 1925 per quintal.



### KARNATAKA:

- In Davangere region of Karnataka, maize arrivals are still containing moisture 17-19% due to cold weather. It is moving towards Namakkal at Rs. 2160 per quintal while Bangalore at Rs. 2100 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 2050-2060 per quintal; sourced from Hassan and Mysore.



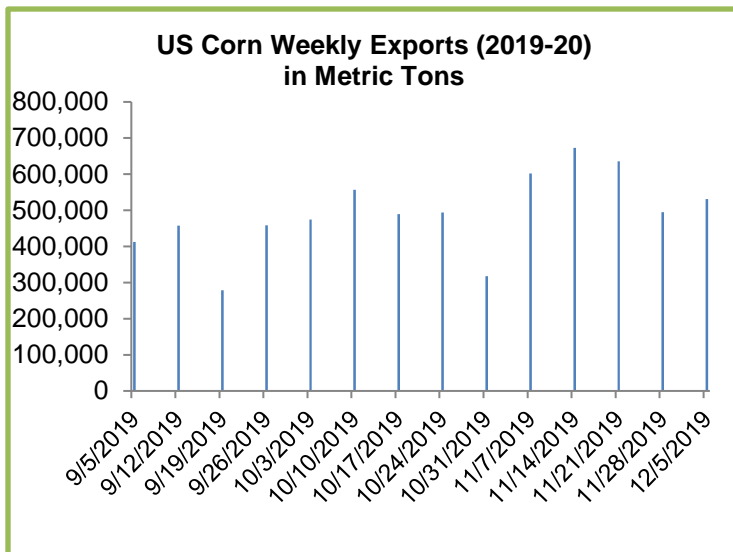
## DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to slightly firm on the expectation of increase in demand of feed makers.

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 6.88 MMT in the 2019-20 marketing year. At 0.53 MMT (for the period 29th November- 05th December, 2019) US corn exports were up 7 percent from the previous week but down 12 percent from the prior 4-week average; mainly for the destinations like Mexico (260,900 MT), Japan (81,900 MT), Colombia (76,000 MT), Panama (27,400 MT), and Honduras (23,100 MT).

In U.S, Corn has harvested 92% as of 08th December, 2019 which is lower by 8% compared to last year and 5 year average period.



USDA increased its world corn ending stock estimates by 4.61 MMT to 300.56 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20. Corn ending stock estimates for U.S kept unchanged at 48.53 MMT for 2019/20 while for Ukraine, it slightly decreased its corn ending stock estimates by 0.02 MMT to 0.81 MMT compared to previous month estimates. For Argentina and Brazil, it kept unchanged its corn ending stock estimates compared to previous month.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 5.71 USD/MT to 149.99 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)**

Market	Grade	12-Dec-19	5-Dec-19	12-Nov-19	12-Dec-18
<b>Naugachia</b>	Bilty	2125	2125	2125	1725
<b>Delhi</b>	Hybrid Maize (U.P.)	2200	2100	2100	1750
<b>Davangere</b>	Loose	1950	1960	1760	1600
<b>Shimoga</b>	Bilty	1860	1800	1750	NA
<b>Ranebennur</b>	Bilty	NA	1940	1900	1700
<b>Bagalkot</b>	Hybrid/Local	1950	1940	1760	1651
<b>Gadag</b>	Local	NA	1960	1720	1606
<b>Nizamabad</b>	Bilty	2025	2000	2100	1550
<b>Khanna</b>	Bilty	2030	1980	NA	1650
<b>Sangli</b>	Feed	2035	2000	1905	1724
<b>Ahmedabad</b>	Feed	2100	2100	2000	1800
	Starch	2100	2150	1800	1850

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Dec-19	06-Dec-19	Change
Corn CBOT Prices	Dec-19	149.99	144.28	5.71
	Mar-20	152.75	148.32	4.43
	May-20	155.01	150.58	4.43
	July-20	154.72	152.26	2.46
	Sep-20	155.6	152.26	3.34

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