

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 and fungus 3-4%. In Nizamabad, maize arrivals are containing fungus 5% and damaged grains around 5-7%. In Kurnool and Khammam districts of A.P, grain size is small to medium and damaged grain up to 7%. Sources revealed that in Nandikotkur region of Kurnool district, around 1,20,000 MT of maize has been stocked. Out of which around 30,000 MT has been released.

VESSEL POSITION

As per trade sources, Vessel (INCE FORTUNE) with 53,120.00 tonnes of corn was expected to arrive at Kandla port on 21 December, 2019.

TENDER

As per media report, MMTC has issued an international tender to import up to 50,000 MT of Non-GMO corn for the shipment latest by 22nd Jan 2020 which would be at buyer's option. Around 25,000 MT (+/- 10%) is sought for shipment at the Vishakhapatnam port and 25,000 MT (+/- 5%) at the Kakinada port. The tender closed on 2nd January 2020 with offers having to remain valid up to 1730 hrs. IST on 9th Jan 2020.

TRADE SCENARIO

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,250-2300 per quintal while it is being bought by local starch feed makers at Rs. 1925 per quintal. It is moving towards Namakkal at Rs. 2150 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 per quintal; sourced from Hassan and Mysore.

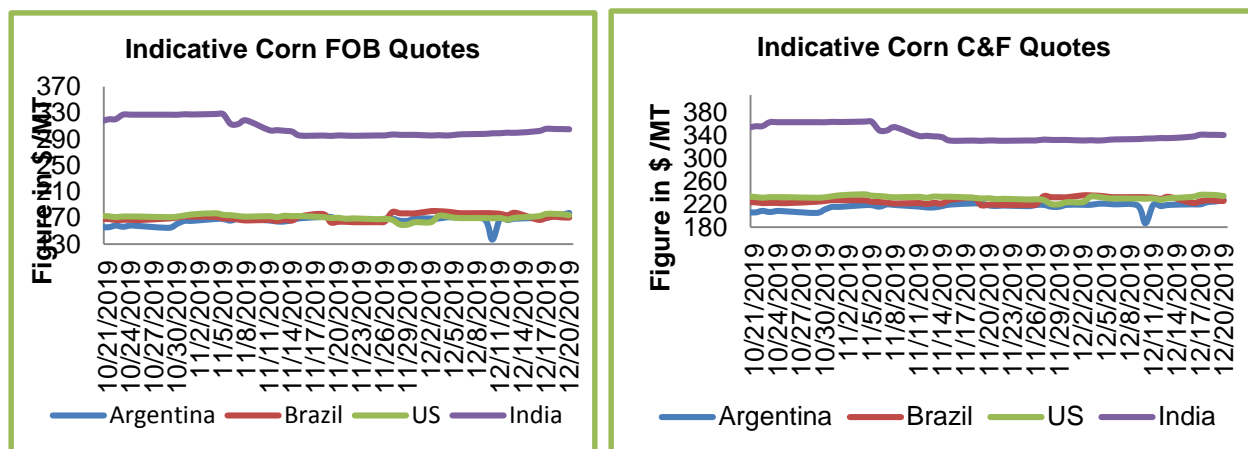
RABI CROP SOWING COVERAGE

In India, maize has been sown in around 11.06 lakh hectares as of 20th Dec'19 for Rabi season 2019-20 which is lower than 11.41 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 3.53 lakh hectare which is lower than 4.11 lakh hectare while in Tamilnadu, it has been sown in around 1.42 lakh hectare which is lower than 1.88 lakh hectare during corresponding period last year. However, in Maharashtra, it has been sown in around 1.08 lakh hectare which is higher than 0.84 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.15 lakh hectare which is higher than 0.80 lakh hectare during corresponding period last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.10 USD/MT to 152.65 USD/MT for March'20 contract compared to previous week. However, it is likely to trade firm on the expectation of increase in domestic demand in U.S. Besides, reduced area under corn in Argentina amid increased export tax from 7% to 12% likely to keep market at higher side. At 0.72 MMT (for the period 06th December- 12th December, 2019) US corn exports were up 36 percent from the previous week and 23 percent from the prior 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.15)				
As on 20.12.2019	Argentina	Brazil	US	India
FOB	177.76	170.8	174.21	305.00
C&F	227.76	225.8	234.21	340.00

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 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

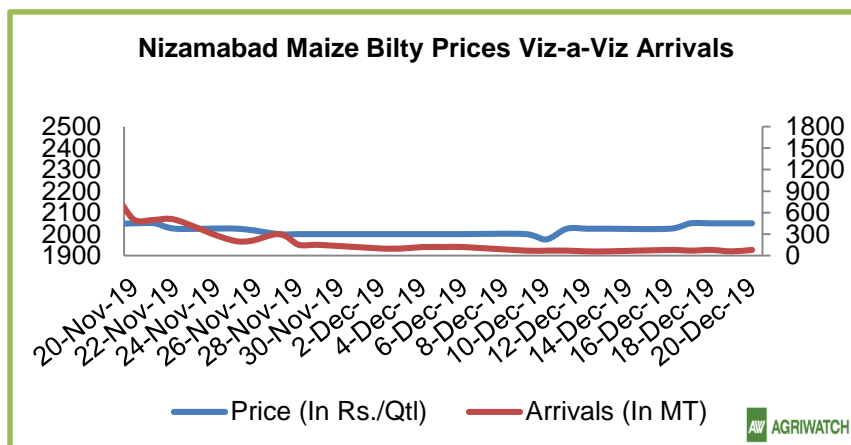
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

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:

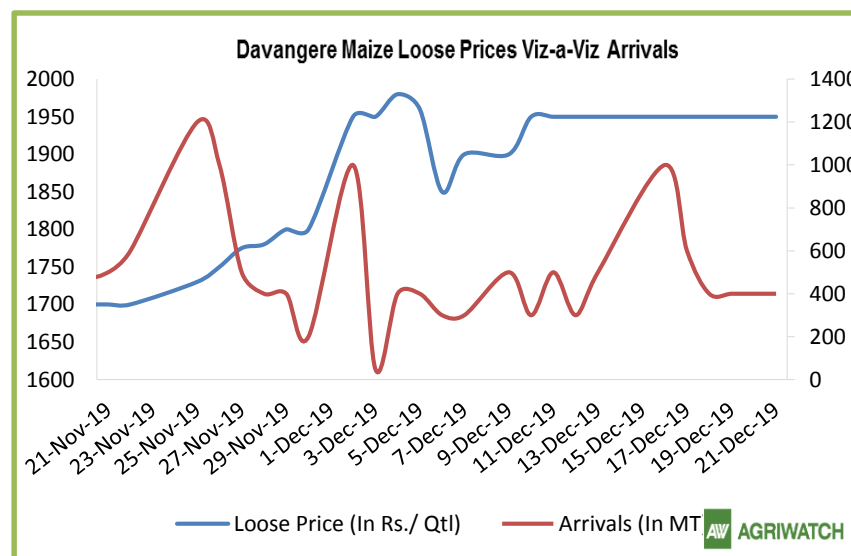
TELANGANA:

- In Nizamabad, maize is likely to trade steady to slightly firm on the expectation of increase in feed makers demand. In Nizamabad, maize arrivals are containing fungus 5% and damaged grains around 5-7%. Maize is moving towards Hyderabad at Rs. 2250-2300 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 and fungus 3-4%. It is moving towards Namakkal at Rs. 2150 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 per quintal; sourced from Hassan and Mysore.



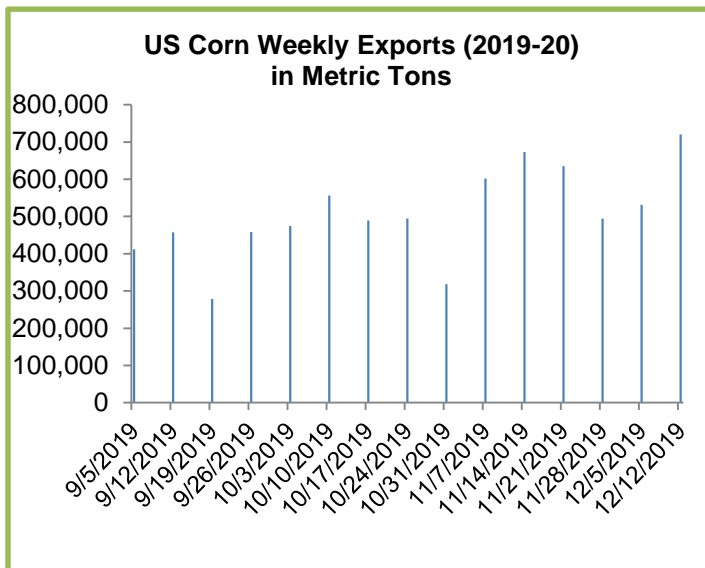
DOMESTIC MAIZE OUTLOOK:

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 7.60 MMT in the 2019-20 marketing year. At 0.72 MMT (for the period 06th December-12th December, 2019) US corn exports were up 36 percent from the previous week and 23 percent from the prior 4-week average; mainly for the destinations like Mexico (295,700 MT), Japan (179,600 MT), Saudi Arabia (72,600 MT), Colombia (55,400 MT), and Costa Rica (31,300 MT).

Brazil is likely to import 1.1 MMT of corn for its domestic use and in addition; corn to ethanol production is also likely to increase.



PREVIOUS UPDATES:

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 fall by 0.10 USD/MT to 152.65 USD/MT for March'20 contract compared to previous week. However, it is likely to trade firm on the expectation of increase in domestic demand in U.S. Besides, reduced area under corn in Argentina amid increased export tax from 7% to 12% likely to keep market at higher side.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	20-Dec-19	13-Dec-19	20-Nov-19	20-Dec-18	20-Dec-17
Naugachia	Bilty	2500	2125	2075	1825	1225
Delhi	Hybrid Maize (U.P.)	2250	2200	2025	1850	1325
Davangere	Loose	1950	1950	1700	1725	1270
Shimoga	Bilty	1870	1860	1700	1650	1260
Ranebennur	Bilty	NA	2000	4500	1600	1220
Bagalkot	Hybrid/Local	2066	1980	1700	1725	1196
Gadag	Local	1926	1950	1615	1700	1182
Nizamabad	Bilty	2050	2025	2050	1570	1360

23rd December, 2019

Khanna	Bilty	2125	2030	NA	1800	1360
Sangli	Feed	2115	2052	1829	1841	1300
Ahmedabad	Feed	NR	2100	2000	1900	1350
	Starch	NR	2100	1800	1925	1360

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Dec-19	13-Dec-19	Change
Corn CBOT Prices	Mar-20	152.65	152.75	-0.10
	May-20	155.11	155.01	0.10
	July-20	157.28	154.72	2.56
	Sep-20	157.28	155.6	1.68
	Dec-20	158.16	-	-

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