

Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to slightly firm during the week compared to last week and is likely to trade steady to slightly firm in near term too amid feed makers demand.

KHARIF CROP ARRIVAL QUALITY

In Davangere region of Karnataka, maize arrivals are still containing moisture 18% due to cold weather and fungus 3-4%. Despite the fresh arrival in Tamilnadu, maize is likely to trade steady on the expectation of fresh stockists demand. In Nizamabad, maize arrivals are containing fungus 5% and damaged grains around 5-7%. Maize is likely to trade steady to range bound in the near term. 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) at berth with 53,120.00 tonnes of corn was expected to discharge at Kandla port on 23 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. 1900 per quintal. It is moving towards Namakkal at Rs. 2100 per quintal while Bangalore at Rs. 2050 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 1950 per quintal; sourced from Hassan and Mysore.

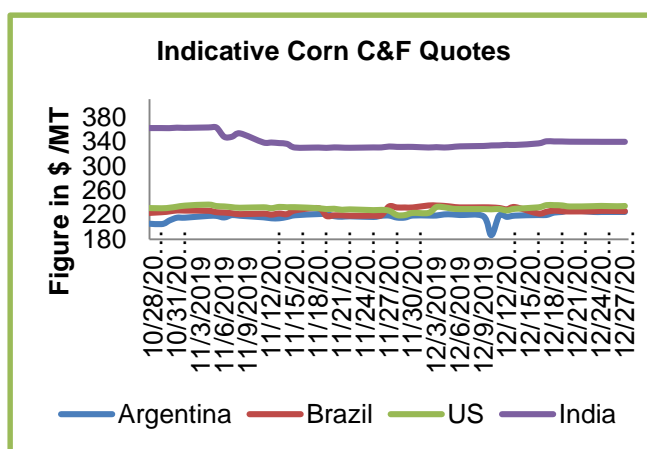
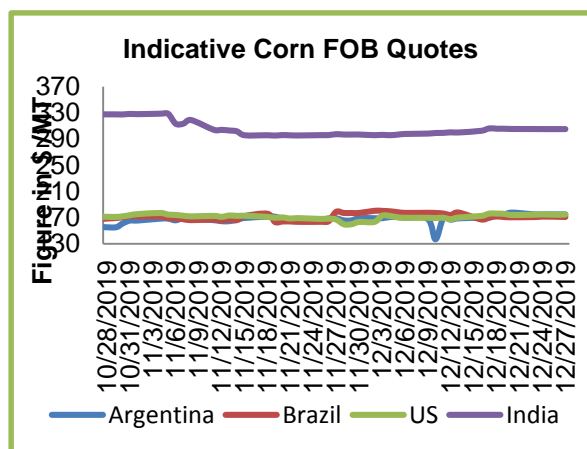
RABI CROP SOWING COVERAGE

In India, maize has been sown in around 12.43 lakh hectares as of 27th Dec'19 for Rabi season 2019-20 which is higher than 12.09 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 1.33 lakh hectare which is higher than 0.90 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.21 lakh hectare which is higher than 0.82 lakh hectare during corresponding period last year. However, In Bihar, it has been sown in around 4.15 lakh hectare which is lower than 4.27 lakh hectare while in Tamilnadu, it has been sown in around 1.42 lakh hectare which is lower than 1.90 lakh hectare during corresponding period last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.89 USD/MT to 153.54 USD/MT for March'20 contract compared to previous week and is likely to trade firm on the expectation of increase in domestic demand in U.S. However, at 0.33 MMT (for the period 13th December- 19th December, 2019) US corn exports were down 54 percent from the previous week and 44 percent from the prior 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.23)				
As on 27.12.2019	Argentina	Brazil	US	India
FOB	175.00	171.20	175.00	305.13
C&F	225.00	226.20	235.00	340.13

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 NOVEMBER'19

As per trade sources, India exported around 40,720 MT of maize for the month of November'19 at an average FoB of \$319.80/ MT. Out of which, around 35,062 MT Indian maize was exported mainly to Nepal at an average FoB of \$316.88/MT; mainly through Jogbani ICD followed by Raxaul and Nepalgunj road port.

IMPORTS FOR THE MONTH OF NOVEMBER'19

As per trade sources, India imported around 6,393 MT of maize for the month of November'19. Out of which, around 4,675 MT was imported from Myanmar for the Tuticorin port at an average value of \$268.15 USD/ MT and for the Chennai sea port at an average value of \$216.04 USD/ MT.

SECOND ADVANCE ESTIMATE OF KHARIF PRODUCTION

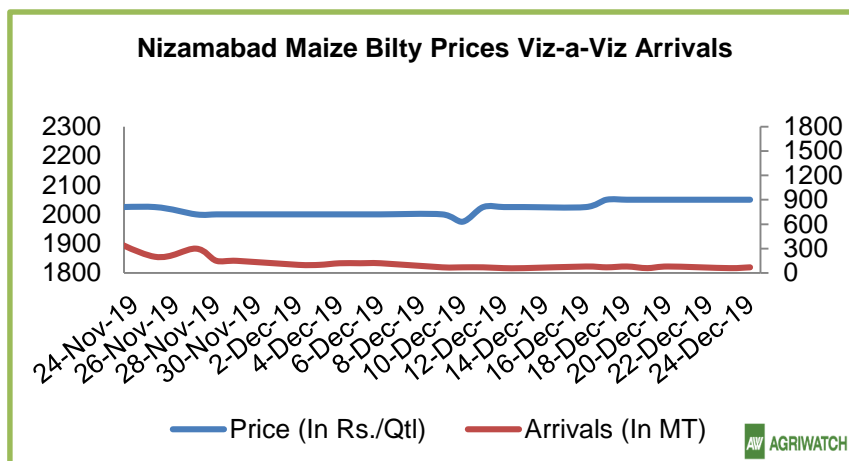
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

CURRENT MARKET DYNAMICS:

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

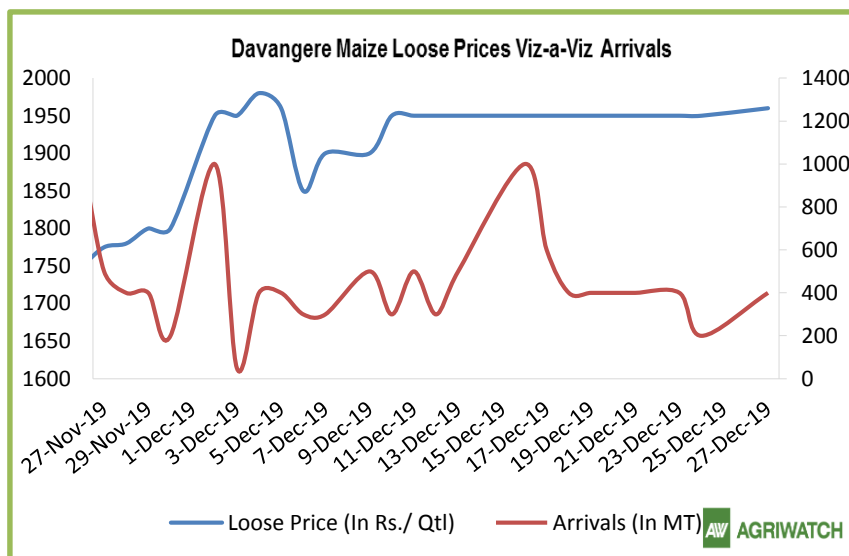
TELANGANA:

- In Nizamabad, maize is likely to trade steady to range bound in near term. 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. 1900 per quintal.



KARNATAKA:

- In Davangere region of Karnataka, maize arrivals are still containing moisture up to 18% due to cold weather and fungus 3-4%. Despite the fresh arrival in Tamilnadu, maize is likely to trade steady on the expectation of fresh stockists demand. It is moving towards Namakkal at Rs. 2100 per quintal while Bangalore at Rs. 2050 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 1950 per quintal; sourced from Hassan and Mysore.



DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to slightly firm amid feed maker's demand.

INTERNATIONAL MARKET HIGHLIGHT:

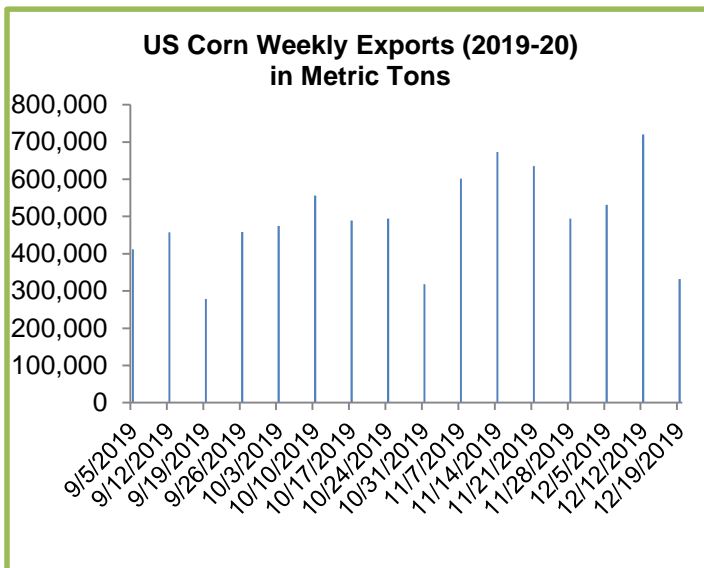
As per USDA, U.S corn exports reached 7.93 MMT in the 2019-20 marketing year. At 0.33 MMT (for the period 13th December-19th December, 2019) US corn exports were down 54 percent from the previous week and 44 percent from the prior 4-week average; mainly for the destinations like Mexico (154,600 MT), Japan (82,500 MT), Canada (21,800 MT), Panama (19,700 MT), and Colombia (16,300 MT).

PREVIOUS UPDATES:

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.

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.

Reduced area under corn in Argentina amid increased export tax from 7% to 12% likely to keep market at higher side.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.89 USD/MT to 153.54 USD/MT for March'20 contract compared to previous week and is likely to trade firm on the expectation of increase in domestic demand in U.S.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	26-Dec-19	19-Dec-19	26-Nov-19	26-Dec-18	26-Dec-17
Naugachia	Bilty	NA	2300	2075	1875	1225
Delhi	Hybrid Maize (U.P.)	2250	2250	2100	1850	1320
Davangere	Loose	Closed	1950	1750	1650	1250
Shimoga	Bilty	1900	1870	1690	1650	1300
Ranebennur	Bilty	NA	2050	NA	1715	1200
Bagalkot	Hybrid/Local	2020	2070	1740	1710	NA
Gadag	Local	1920	1910	1690	1683	1176
Nizamabad	Bilty	Closed	2050	2000	1800	1360
Khanna	Bilty	2150	2100	NA	1800	1360

30th December, 2019

Sangli	Feed	2098	2096	1842	1849	1295
Ahmedabad	Feed	NR	NR	2050	1870	1320
	Starch	NR	NR	2000	1900	1335

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Dec-19	20-Dec-19	Change
Corn CBOT Prices	Mar-20	153.54	152.65	0.89
	May-20	156.19	155.11	1.08
	July-20	158.56	157.28	1.28
	Sep-20	158.36	157.28	1.08
	Dec-20	158.85	158.16	0.69

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