

# Maize Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Kharif Crop Arrival Quality
- ❖ Vessel Position
- ❖ Maize Tender
- ❖ Trade Scenario
- ❖ Rabi Crop Sowing Coverage
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of November'19
- ❖ Imports for the Month of November'19
- ❖ Second Advance Estimate of Kharif Production
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook

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

Overall maize cash markets traded steady to range bound during the week compared to last week and is likely to trade steady to range bound in near term too amid regular 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 due to local 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 has discharged at Kandla port on 23 December, 2019.

**TENDER**

As per media report, MMTC has revised its import tender volume for Non- GMO yellow corn from 50,000 MT to 1,75,000 MT for the shipment latest by 10th Feb 2020. Three consignment of 50,000 MT (+/-5%) each is sought for shipment at the Visakhapatnam, Tuticorin and Mangalore port and 25,000 MT (+/-5%) at the Mumbai port. MMTC has also postponed the deadline for offer submissions in the tender to 14th Jan 2020 from 7th Jan 2020. Offer will remain valid up to 20th Jan 2020.

**TRADE SCENARIO**

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,250 per quintal while it is being bought by local starch feed makers at Rs. 1900 per quintal. In Davangere, Local stockists are buying maize at Rs. 2000 per quintal (Godown Delivery).

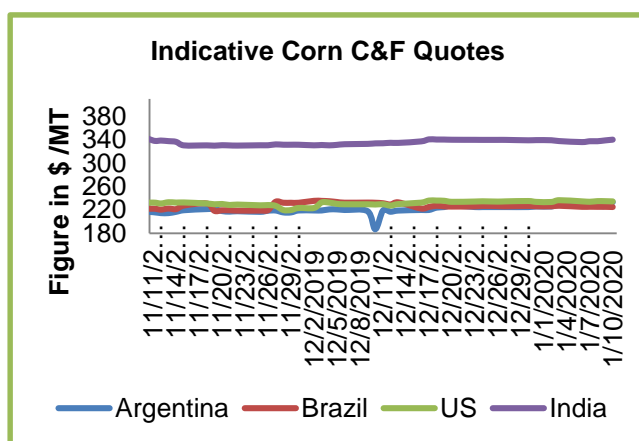
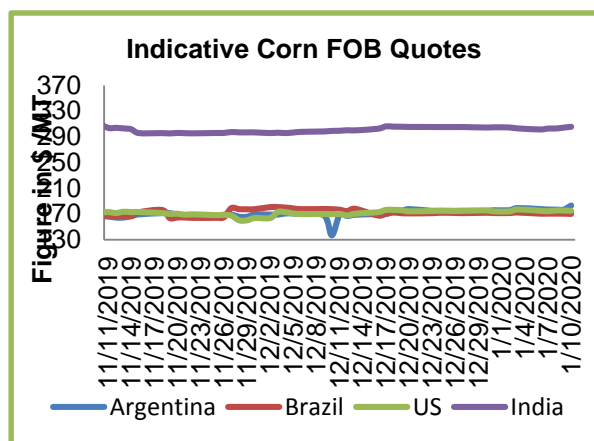
**RABI CROP SOWING COVERAGE**

In India, maize has been sown in around 14.52 lakh hectares as of 10th Jan'19 for Rabi season 2019-20 which is higher than 13.54 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 1.79 lakh hectare which is higher than 1.01 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.30 lakh hectare which is higher than 0.96 lakh hectare during corresponding period last year. In Bihar, it has been sown in around 4.57 lakh hectare which is same than corresponding period last year. However, in Tamilnadu, it has been sown in around 1.42 lakh hectare which is lower than 1.97 lakh hectare during corresponding period last year.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 0.30 USD/MT to 151.86 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. At 0.51 MMT (for the period 27th December- 02nd January, 2020) US corn exports were up 15 percent from the previous week and 1 percent from the prior 4-week average. Corn ending stock estimates for U.S also decreased by 0.46 MMT to 48.07 MMT for 2019/20 due to increase in consumption estimates which could also lead to corn prices at CBOT market.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.11)				
As on 10.01.2020	Argentina	Brazil	US	India
FOB	183.37	170.00	174.90	305.51
C&F	233.37	225.00	234.90	340.51

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

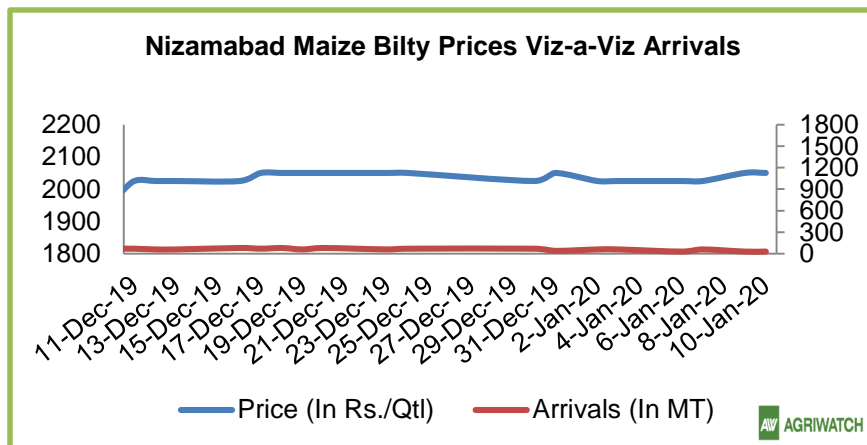
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

## CURRENT MARKET DYNAMICS:

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

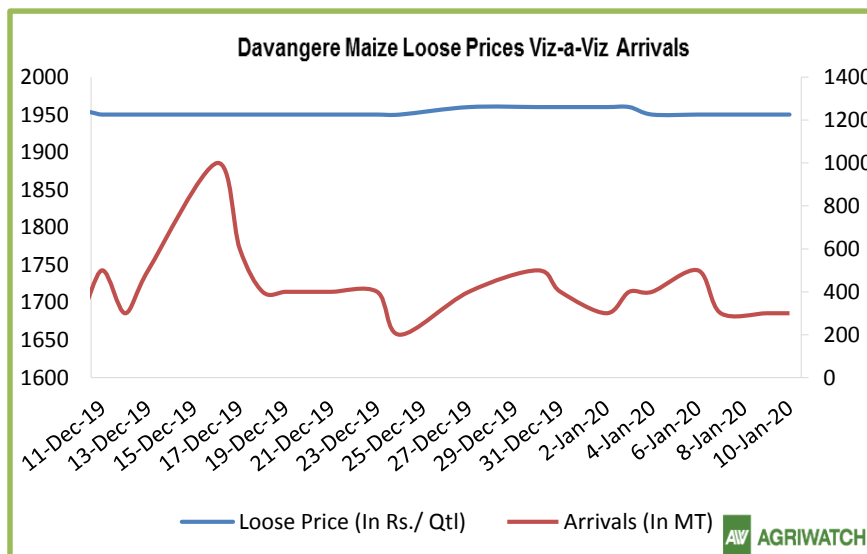
### TELANGANA:

- 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. From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,250 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 18% due to cold weather and fungus 3-4%. Despite the arrival in Tamilnadu, maize is likely to trade steady due to local stockists demand. Local stockists are buying maize at Rs. 2000 per quintal (Godown Delivery).



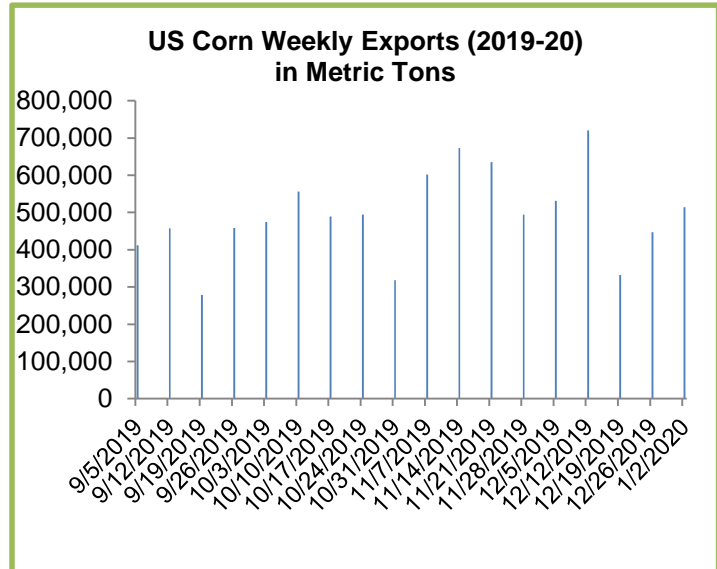
## DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to range bound amid regular feed maker's demand.

### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 8.89 MMT in the 2019-20 marketing year. At 0.51 MMT (for the period 27th December-02nd January, 2020) US corn exports were up 15 percent from the previous week and 1 percent from the prior 4-week average; mainly for the destinations like Mexico (265,400 MT), Japan (89,800 MT), Colombia (82,400 MT), Canada (25,100 MT), and Honduras (23,700 MT).

USDA decreased its world corn ending stock estimates by 2.75 MMT to 297.81 MMT for 2019/20 compared to previous month due to increase in consumption estimates for 2019/20. Corn ending stock estimates for U.S also decreased by 0.46 MMT to 48.07 MMT for 2019/20 due to increase in consumption estimates which could lead to corn prices at CBOT market while for Ukraine, it slightly increased its corn ending stock estimates by 0.05 MMT to 0.86 MMT compared to previous month estimates. For Argentina, it kept unchanged its corn ending stock estimates compared to previous month while for Brazil, it decreased its corn ending stock estimates by 0.5 MMT to 4.58 MMT due to increase in exports estimates compared to previous month estimates.



### PREVIOUS UPDATES:

In Brazil, corn demand for livestock likely to be less due to Asian Swine Fever (ASF), but may be compensated by the demand from corn ethanol. Earlier, Brazil was expected to import 1.1 MMT of corn for its domestic use and ethanol production.

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

### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.30 USD/MT to 151.86 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.



### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	10-Jan-20	3-Jan-20	10-Dec-19	10-Jan-19	10-Jan-18
Naugachia	Bilty	NA	NA	2125	1825	1225
Delhi	Hybrid Maize (U.P.)	2200	2250	2150	1750	1325
Davangere	Loose	1950	1960	1950	1550	1230
Shimoga	Bilty	1900	1900	1850	1780	1300
Ranebennur	Bilty	NA	1950	1885	NA	1240
Bagalkot	Hybrid/Local	1939	1945	1920	NA	1137
Gadag	Local	1890	1890	1910	NA	1140
Nizamabad	Bilty	2050	2025	1975	1800	1340
Khanna	Bilty	2120	2140	2080	1875	1320
Sangli	Feed	2065	2011	2012	1717	1273
Ahmedabad	Feed	NR	NR	NR	2000	1310
	Starch	NR	NR	NR	2000	1340

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Jan-20	03-Jan-20	Change
Corn CBOT Prices	Mar-20	151.86	152.16	-0.30
	May-20	154.62	154.72	-0.10
	July-20	157.28	157.18	0.10
	Sep-20	157.67	156.78	0.89
	Dec-20	158.56	157.77	0.79

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