

Maize Weekly Research Report

Contents

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

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly weak during the week compared to last week. However, it is likely to trade steady to range bound in near term amid regular feed makers demand.

In Davangere region of Karnataka, maize arrivals are still containing moisture up to 16% due to cold weather and fungus 3-4%. Expectation of increase in arrival in Tamilnadu, could keep pressure on market sentiments. Sources revealed that stock of maize in Telangana could be around 15,000 MT which was around 50,000 MT during corresponding period last year while in Nandikotkur region of Kurnool district, stock of maize could be around 1,000 MT.

RABI CROP SOWING COVERAGE

In India, maize has been sown in around 15.31 lakh hectares as of 16th Jan'19 for Rabi season 2019-20 which is higher than 14.11 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 1.98 lakh hectare which is higher than 1.16 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.31 lakh hectare which is higher than 0.97 lakh hectare during corresponding period last year. In Bihar, it has been sown in around 4.82 lakh hectare which is higher than 4.58 lakh hectare during corresponding period last year. However, in Tamilnadu, it has been sown in around 1.48 lakh hectare which is lower than 1.99 lakh hectare during corresponding period last year.

TRADE SCENARIO

From the trade point of view, in Nizamabad, maize is moving towards Hyderabad at Rs. 2,250-2300 per quintal while it is being bought by local starch feed makers at Rs. 1920 per quintal. In Davangere, Local stockists are buying maize at Rs. 2000-2020 per quintal (Godown Delivery).

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.

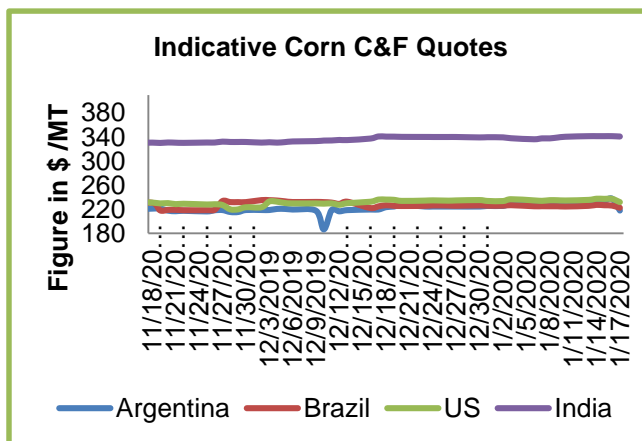
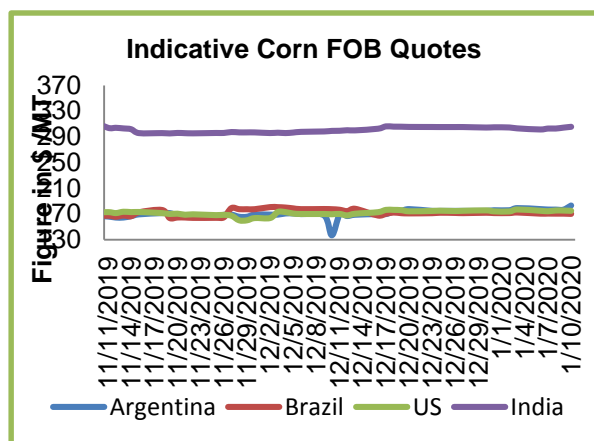
TENDER

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.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 1.38 USD/MT to 153.24 USD/MT for March'20 contract compared to previous week due to increase in export demand for U.S corn. Further, price direction depends on the export demand for U.S corn. At 0.54 MMT (for the period 3rd January- 09th January, 2020) US corn exports were up 6 percent from the previous week and 8 percent from the prior 4-week average; mainly for the destinations like Mexico (192,200 MT), Colombia (180,700 MT), Japan (56,200 MT), Costa Rica (29,200 MT), and Honduras (25,000 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.02)				
As on 17.01.2020	Argentina	Brazil	US	India
FOB	168.31	167.90	172.20	305.90
C&F	218.31	222.90	232.20	340.90

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. Current FOB of Ukraine is \$181 USD/ MT.

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 DECEMBER'19

As per trade sources, India imported around 58,941 MT of maize for the month of December'19. Out of which, around 53,120 MT was imported from Ukraine for the Kandla port at an average value of \$200 USD/ MT while around 4,416 MT was imported from Myanmar for the Tuticorin, Chennai and Kolkata port at an average value of \$263.95 USD/ MT.

SECOND ADVANCE ESTIMATE OF KHARIF PRODUCTION

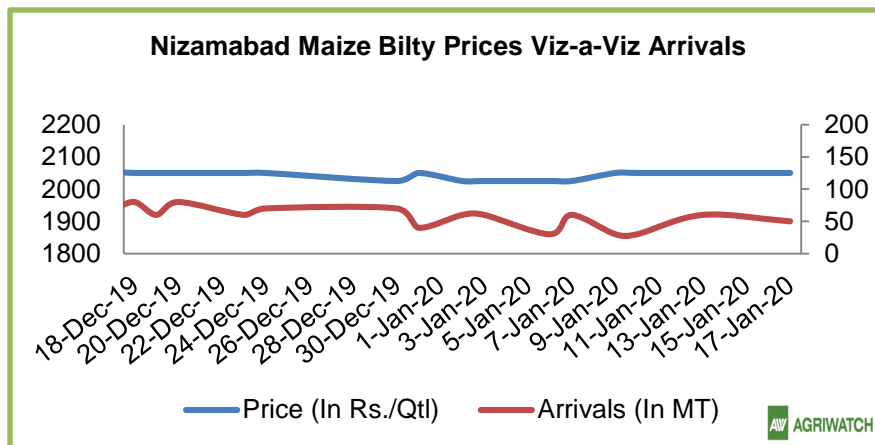
As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Kharif season at 18.34 MMT with the expected yield of 2209.37 kg/ hectare.

CURRENT MARKET DYNAMICS:

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

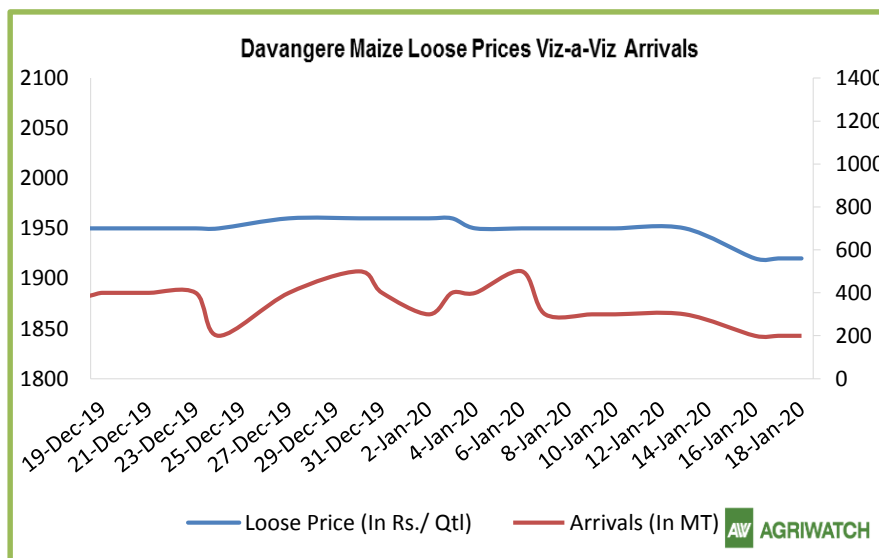
TELANGANA:

- In Nizamabad, maize is moving towards Hyderabad at Rs. 2,250-2300 per quintal while it is being bought by local starch feed makers at Rs. 1920 per quintal. Sources revealed that stock of maize in Telangana could be around 15,000 MT which was around 50,000 MT during corresponding period last year.



KARNATAKA:

- In Davangere region of Karnataka, maize arrivals are still containing moisture up to 16% due to cold weather and fungus 3-4%. Expectation of increase in arrival in Tamilnadu, could keep pressure on market sentiments. However, local stockists demand who are buying maize at Rs. 2000-2020 per quintal (Godown Delivery) could support the market at lower level.



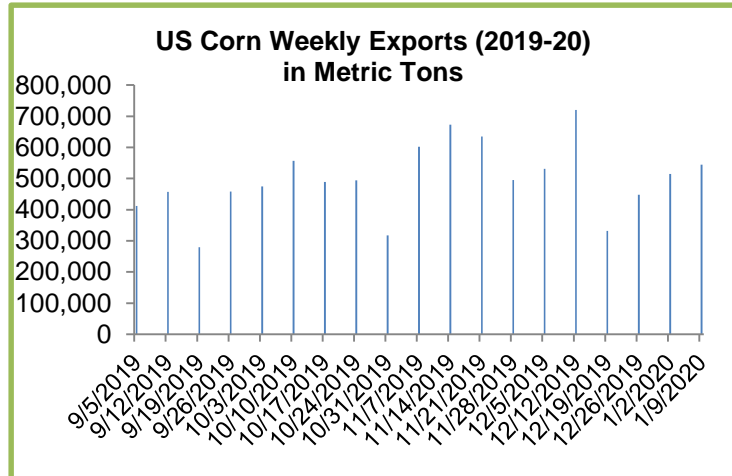
DOMESTIC MAIZE OUTLOOK:

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 9.43 MMT in the 2019-20 marketing year. At 0.54 MMT (for the period 3rd January-09th January, 2020) US corn exports were up 6 percent from the previous week and 8 percent from the prior 4-week average; mainly for the destinations like Mexico (192,200 MT), Colombia (180,700 MT), Japan (56,200 MT), Costa Rica (29,200 MT), and Honduras (25,000 MT).



PREVIOUS UPDATES:

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.

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 rose by 1.38 USD/MT to 153.24 USD/MT for March'20 contract compared to previous week due to increase in export demand for U.S corn. Further, price direction depends on the export demand for U.S corn.

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	17-Jan-20	10-Jan-20	17-Dec-19	17-Jan-19	17-Jan-18
Naugachia	Bilty	NA	NA	2300	1875	NA
Delhi	Hybrid Maize (U.P.)	2200	2200	2250	2000	1325
Davangere	Loose	1920	1950	1950	1850	1230
Shimoga	Bilty	1900	1900	1860	1810	1250
Ranebennur	Bilty	NA	1940	1950	1890	1200
Bagalkot	Hybrid/Local	1925	1930	1990	1825	1149
Gadag	Local	1835	1890	1900	1470	1073
Nizamabad	Bilty	2050	2050	2050	1825	1340
Khanna	Bilty	2000	2120	2090	1910	1320
Sangli	Feed	2020	2065	2062	1948	NA
Ahmedabad	Feed	2000	NR	NR	2000	1300
	Starch	2040	NR	NR	1980	1330

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	17-Jan-20	10-Jan-20	Change
Corn CBOT Prices	Mar-20	153.24	151.86	1.38
	May-20	155.6	154.62	0.98
	July-20	157.87	157.28	0.59
	Sep-20	157.57	157.67	-0.10
	Dec-20	158.56	158.56	Unch

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