

# Maize Weekly Research Report

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

Overall maize cash markets traded steady to slightly weak during the week on the expectation of arrival of imported goods during the month of February. 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 18% due to cold weather and fungus 3-4%. Maize is likely to trade steady to slightly weak amid sluggish demand of Tamilnadu feed makers as arrival of local produce has increased.

**RABI CROP SOWING COVERAGE**

In India, maize has been sown in around 16.98 lakh hectares as of 31st Jan'20 for Rabi season 2019-20 which is higher than 14.78 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.28 lakh hectare which is higher than 1.16 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.33 lakh hectare which is higher than 0.97 lakh hectare during corresponding period last year. In Bihar, it has been sown in around 5.05 lakh hectare which is higher than 4.75 lakh hectare during corresponding period last year. However, in Tamil Nadu, 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, 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.

**TENDER**

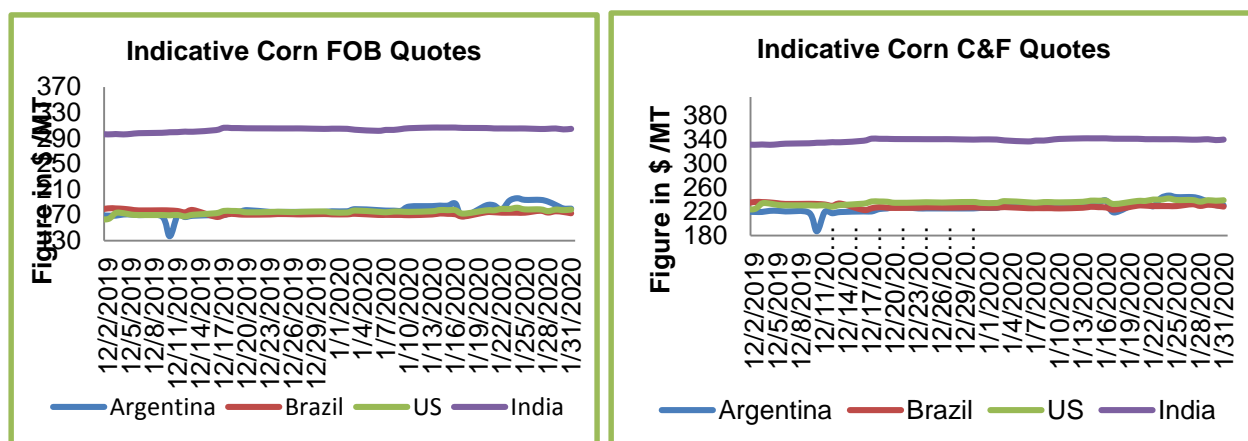
As per media report, MMTC has made no purchase in an international tender for Non- GMO yellow corn for 1,75,000 MT for the shipment latest by 10th Feb 2020. Three consignment of 50,000 MT (+/-5%) each were sought for shipment at the Visakhapatnam, Tuticorin and Mangalore port and 25,000 MT (+/-5%) at the Mumbai port. The lowest price offered was \$226.80 /MT c&f. The tender had closed on Jan. 14 and offers must remain valid up to Jan. 20.

As per trade sources, NAFED has issued an international tender to import up to 100,000 MT of Non-GMO corn; to be sourced from Ukraine for the shipment between 1st Feb'20 to 10th Feb'20. Around 50,000 MT is sought for shipment to the Mangalore port and rest to the Tuticorin port at around \$227/MT.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 3.05 USD/MT to 149.40 USD/MT for March'20 contract compared to previous week. However, it is likely to trade firm on the expectation of increase in demand for U.S corn. At 0.68 MMT (for the period 17th January- 23rd January, 2020) US corn exports were up 74 percent from the previous week and 44 percent from the prior 4-week average; mainly for the destinations like Mexico (277,600 MT), Colombia (242,300 MT), Japan (88,400 MT), Taiwan (21,300 MT), and Nicaragua (20,900 MT).

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.36)				
As on 31.01.2020	Argentina	Brazil	US	India
FOB	180.12	173.00	178.46	304.44
C&F	230.12	228.00	238.46	339.44

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 \$185 USD/ MT.

### EXPORTS FOR THE MONTH OF DECEMBER'19

As per trade sources, India exported around 85,730 MT of maize for the month of December'19 at an average FoB of \$323.64/ MT. Out of which, around 80,202 MT Indian maize was exported mainly to Nepal at an average FoB of \$322.32/MT; mainly through Raxaul followed by Sonauli ICD port.

### IMPORTS FOR THE MONTH OF DECEMBER'19

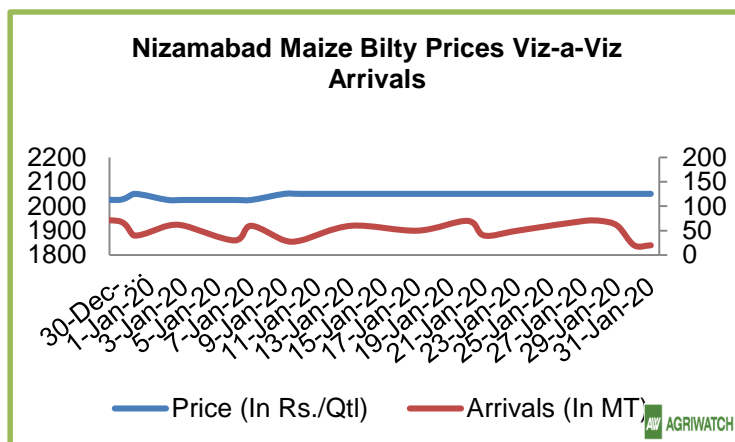
As per trade sources, India imported around 58,941 MT of maize for the month of December'19. Out of which, around 53,120 MT was imported from Ukraine for the Kandla port at an average value of \$200 USD/ MT while around 4,416 MT was imported from Myanmar for the Tuticorin, Chennai and Kolkata port at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

## 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:

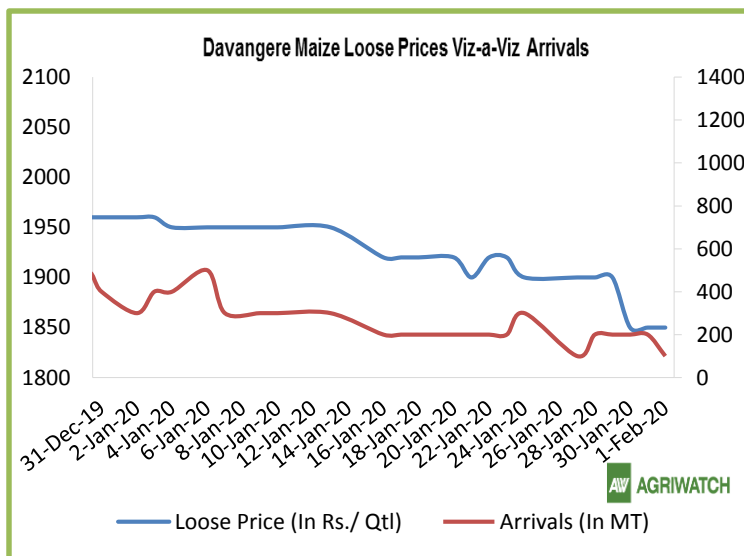
### TELANGANA:

- In Nizamabad, maize is moving towards Hyderabad at Rs. 2,250 per quintal while it is being bought by local starch feed makers at Rs. 1900 per quintal. Maize is likely to trade steady to range bound in near term..



### KARNATAKA:

- In Davangere region of Karnataka, maize arrivals are still containing moisture up to 18% due to cold weather and fungus 3-4%. Maize is likely to trade steady to slightly weak amid sluggish demand of Tamilnadu feed makers as arrival of local produce has increased.



## 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 10.51 MMT in the 2019-20 marketing year. At 0.68 MMT (for the period 17th January-23rd January, 2020) US corn exports were up 74 percent from the previous week and 44 percent from the prior 4-week average; mainly for the destinations like Mexico (277,600 MT), Colombia (242,300 MT), Japan (88,400 MT), Taiwan (21,300 MT), and Nicaragua (20,900 MT).

### PREVIOUS UPDATES:

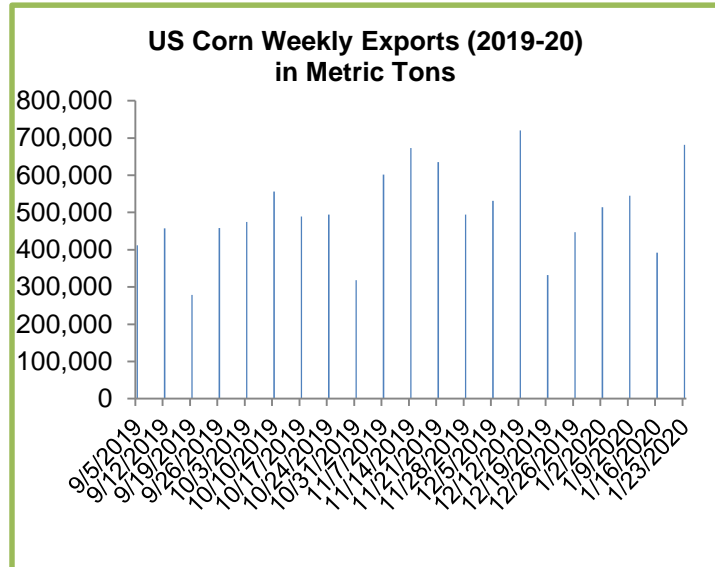
IGC increased its forecast for 2019/20 global corn production by 8 MMT to 1111 MMT compared to previous forecast; driven by upward revision for U.S and China. Forecast for global corn ending stock was also up by 4 MMT to 283 MMT compared to last forecast for 2019/20 which could weigh on international corn market.

As per media report, China, S. Korea, Bangladesh are buying corn from Ukraine for the month of February; could lead to Ukrainian corn prices.

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 fall by 3.05 USD/MT to 149.40 USD/MT for March'20 contract compared to previous week. However, it is likely to trade firm on the expectation of increase in demand for U.S corn.

ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	31-Jan-20	24-Jan-20	31-Dec-19	31-Jan-19	31-Jan-18
Naugachia	Bilty	NA	NA	NA	2125	NA
Delhi	Hybrid Maize (U.P.)	2000	2100	2250	2100	1325
Davangere	Loose	1850	1900	1960	1950	1230
Shimoga	Bilty	1850	1880	1885	1910	1330
Ranebennur	Bilty	1820	1835	NA	2050	1185
Bagalkot	Hybrid/Local	1800	1800	2000	1906	1159
Gadag	Local	1800	1795	1935	1913	1120
Nizamabad	Bilty	2050	2050	2050	2000	1320
Khanna	Bilty	1910	2020	2110	1960	1340
Sangli	Feed	1946	1931	2004	2038	NA
Ahmedabad	Feed	1900	1900	2200	2100	1290
	Starch	1925	1900	2250	2150	1310

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	31-Jan-20	24-Jan-20	Change
Corn CBOT Prices	Mar-20	149.40	152.45	-3.05
	May-20	151.47	154.62	-3.15
	July-20	153.34	156.59	-3.25
	Sep-20	152.45	155.8	-3.35
	Dec-20	153.73	156.78	-3.05

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