

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Rabi Crop Sowing Coverage
- ❖ First Advance Estimate For Rabi Season 2019-20
- ❖ Trade Scenario
- ❖ Maize Tender
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of December'19
- ❖ Imports for the Month of December'19
- ❖ 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 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 containing moisture up to 15% due to cold weather and fungus-damage around 8%. In Karnataka, maize is likely to trade steady to slightly weak on the expectation of arrival of imported goods amid increase in arrival of local crop. Besides, sluggish demand of Tamilnadu feed makers could also weigh on maize prices.

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.

FIRST ADVANCE ESTIMATE FOR RABI SEASON 2019-20

As per 1st advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 6.55 MMT with the expected yield of 3.71 MT/ hectare.

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

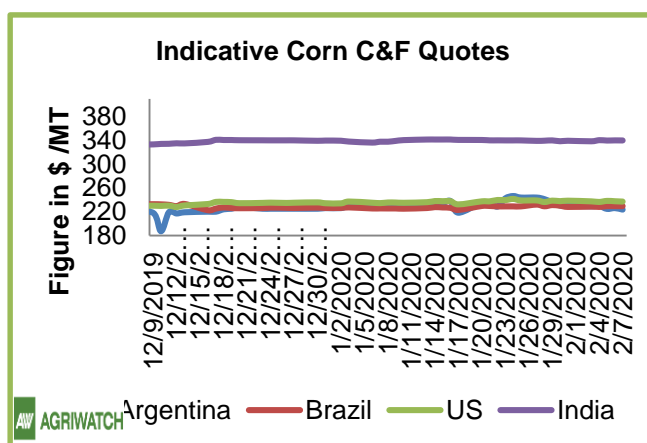
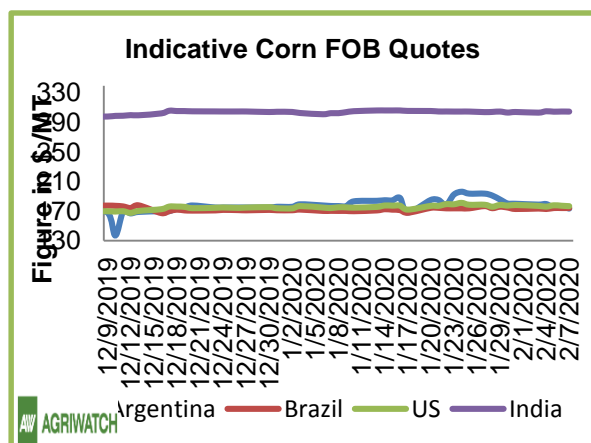
As per media report, MMTTC has made no purchase in an international tender for Non- GMO yellow corn for 1,75,000 MT for the shipment latest by 10th Feb 2020. Three consignment of 50,000 MT (+/-5%) each were sought for shipment at the Visakhapatnam, Tuticorin and Mangalore port and 25,000 MT (+/-5%) at 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 rose by 0.89 USD/MT to 150.98 USD/MT for March'20 contract compared to previous week with optimism about prospects for U.S. agricultural export sales to China. Further, price direction depends on the demand for U.S corn.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.24)				
As on 07.02.2020	Argentina	Brazil	US	India
FOB	173.52	174.30	176.90	304.96
C&F	223.52	229.30	236.90	339.96

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

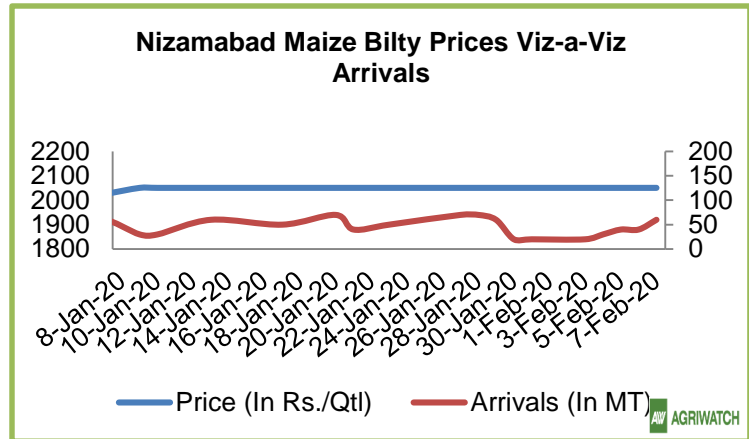
As per trade sources, India imported around 58,941 MT of maize for the month of December'19. Out of which, around 53,120 MT was imported from Ukraine for the Kandla port at an average value of \$200 USD/ MT while around 4,416 MT was imported from Myanmar for the Tuticorin, Chennai and Kolkata port at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

CURRENT MARKET DYNAMICS:

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

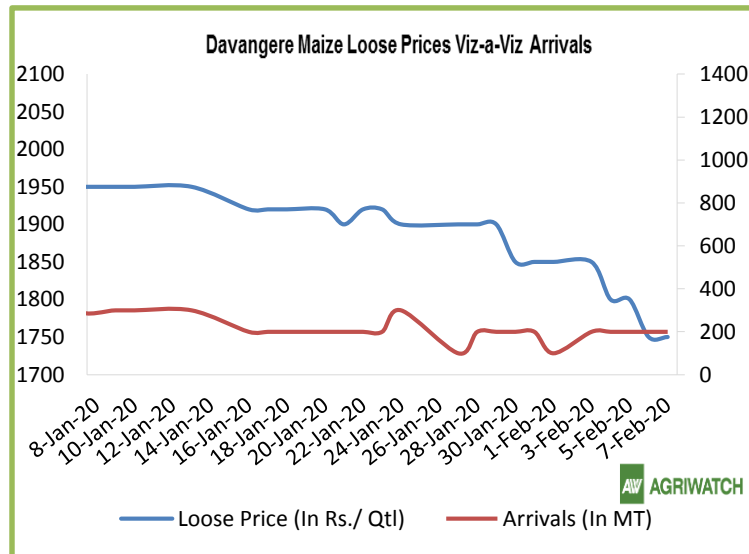
TELANGANA:

- 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 containing moisture up to 15% due to cold weather and fungus-damage around 8%. In Karnataka, maize is likely to trade steady to slightly weak on the expectation of arrival of imported goods amid increase in arrival of local crop. Besides, sluggish demand of Tamilnadu feed makers could also weigh on maize prices.

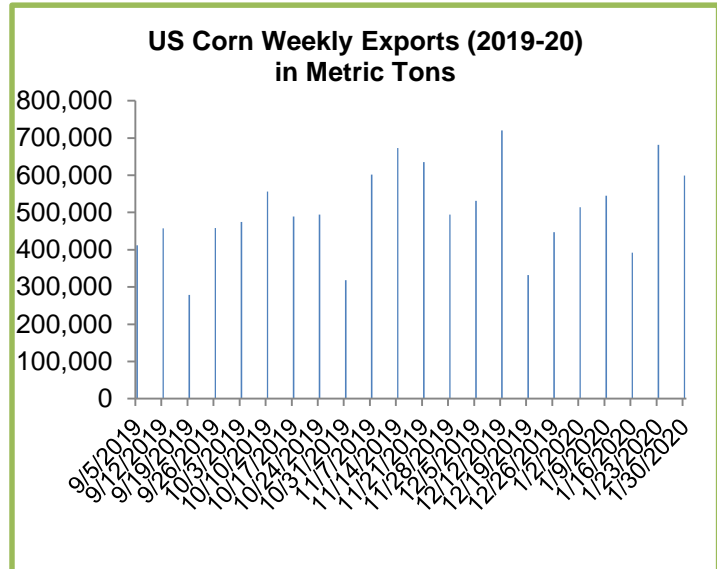


DOMESTIC MAIZE OUTLOOK:

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 11.11 MMT in the 2019-20 marketing year. At 0.60 MMT (for the period 23rd January-30th January, 2020) US corn exports were down 12 percent from the previous week but up 12 percent from the prior 4-week average; mainly for the destinations like Mexico (278,400 MT), Japan (88,100 MT), Guatemala (55,700 MT), Costa Rica (54,900 MT), and Colombia (38,100 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.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.89 USD/MT to 150.98 USD/MT for March'20 contract compared to previous week with optimism about prospects for U.S. agricultural export sales to China. Further, price direction depends on the demand for U.S corn.

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	7-Feb-20	31-Jan-20	7-Jan-20	7-Feb-19	7-Feb-18
Naugachia	Bilty	NA	NA	NA	2125	NA
Delhi	Hybrid Maize (U.P.)	2000	2000	2200	2200	1325
Davangere	Loose	1750	1850	1950	1950	1230
Shimoga	Bilty	1780	1850	1900	1990	1360
Ranebennur	Bilty	1790	1820	2000	1925	1160
Bagalkot	Hybrid/Local	1700	1800	1970	1946	1149
Gadag	Local	1730	1800	1890	1950	1129
Nizamabad	Bilty	2050	2050	2025	2050	1320
Khanna	Bilty	1920	1910	2140	2100	1295
Sangli	Feed	1862	1946	2073	2145	NA
Ahmedabad	Feed	1880	1900	2100	2275	1270
	Starch	1900	1925	2100	2250	1300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	07-Feb-20	31-Jan-20	Change
Corn CBOT Prices	Mar-20	150.98	150.09	0.89
	May-20	152.95	152.16	0.79
	July-20	154.42	153.93	0.49
	Sep-20	153.34	152.65	0.69
	Dec-20	155.11	153.83	1.28

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