

# Maize Weekly Research Report

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## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded weak during the week due to sluggish demand of bulk buyers amid expectation of arrival of imported goods. Besides, expectation of Rabi crop arrival in the coming months likely to put pressure on market sentiments.

### **RABI CROP CONDITION**

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 A.P, maize has been sown in around 1.77 lakh hectares as of 12th February'20 which is higher than 1.57 lakh hectare covered during corresponding period last year. Maize sown area is 96% to season normal and at vegetative to flowering stage. In Krishna, Vizianagaram, Srikakulam, Prakasam, East Godavari, West Godavari, Guntur districts, 26,653 hectare of maize area is affected by Faw; out of which, 25,888 hectare of maize area has treated. In Telangana, it has been sown in 1.65 lakh hectare as of 12th February'20 which is higher than 1.12 lakh hectare covered during corresponding period last year. Maize sown area is 110% to season normal and its sowing is almost completed. Maize crops are at tasselling to cob formation stage. Fall army worm reported in Kamareddy, Siddipet and Warangal districts.

### **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. 2,200 per quintal while it is being bought by local starch feed makers at Rs. 1850-1860 per quintal.

### **TENDER**

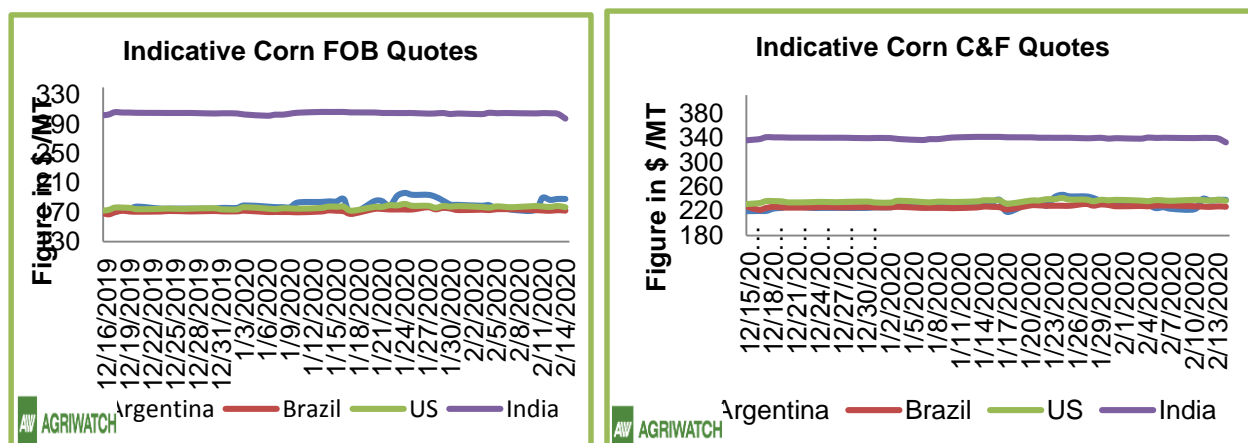
As per media report, MMTC has made no purchase in an international tender for Non- GMO yellow corn for 1,75,000 MT for the shipment latest by 10th Feb 2020. Three consignment of 50,000 MT (+/-5%) each were sought for shipment at the Visakhapatnam, Tuticorin and Mangalore port and 25,000 MT (+/-5%) at 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 2.27 USD/MT to 148.71 USD/MT for March'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn. At 0.78 MMT (for the period 31st January- 06th February, 2020) US corn exports were up 31 percent from the previous week and 41 percent from the prior 4-week average. Corn ending stock estimates for U.S kept unchanged at 48.07 MMT for 2019/20.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.33)				
As on 14.02.2020	Argentina	Brazil	US	India
FOB	188.19	172.30	176.86	297.49
C&F	238.19	227.30	236.86	332.49

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 JANUARY'20

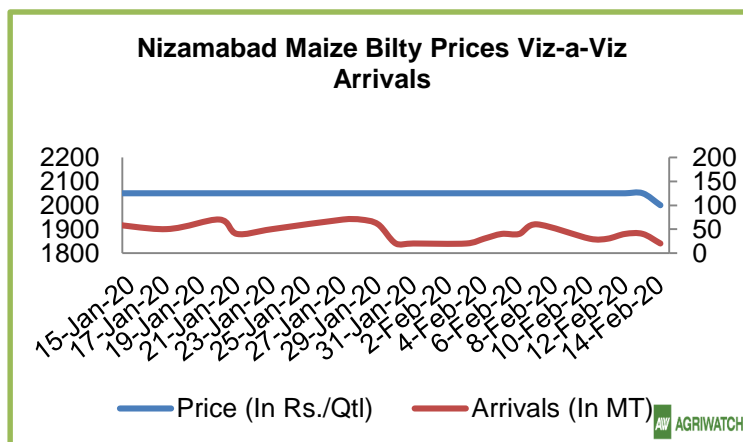
As per trade sources, India imported around 53,962 MT of maize for the month of January'20. Out of which, around 23,500 MT was imported from Ukraine for the Kandla port at an average value of \$199.31 USD/ MT while around 30,462 MT was imported from Myanmar for the Tuticorin, Kolkata, Chennai, Vizag and Mundra port at an average value of \$245.53 USD/ MT.

## CURRENT MARKET DYNAMICS:

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

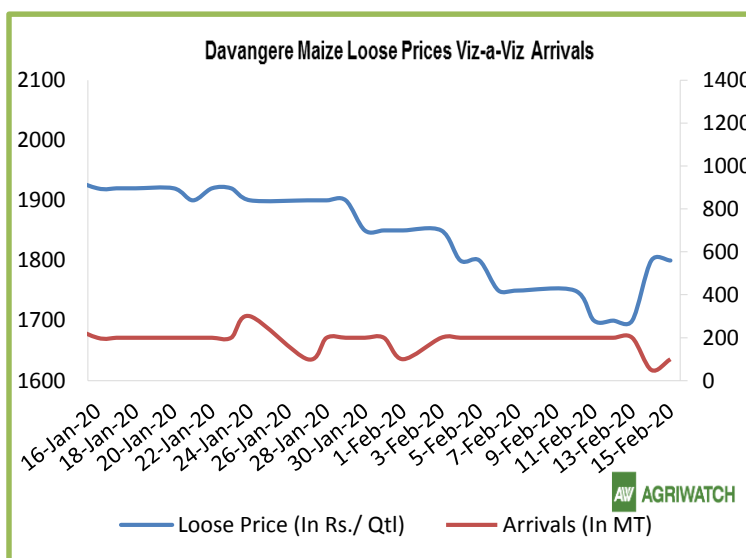
### TELANGANA:

- In Nizamabad, maize is likely to trade steady to slightly weak in near term due to sluggish demand of bulk buyers on the expectation of new crop arrival in the coming months. Maize is moving towards Hyderabad at Rs. 2,200 per quintal while it is being bought by local starch feed makers at Rs. 1850-1860 per quintal.



### KARNATAKA:

- In Davangere, prices of maize traded firm by taking cues from Tamilnadu' maize market. However, it is likely to trade steady to slightly weak on the expectation of arrival of imported goods.



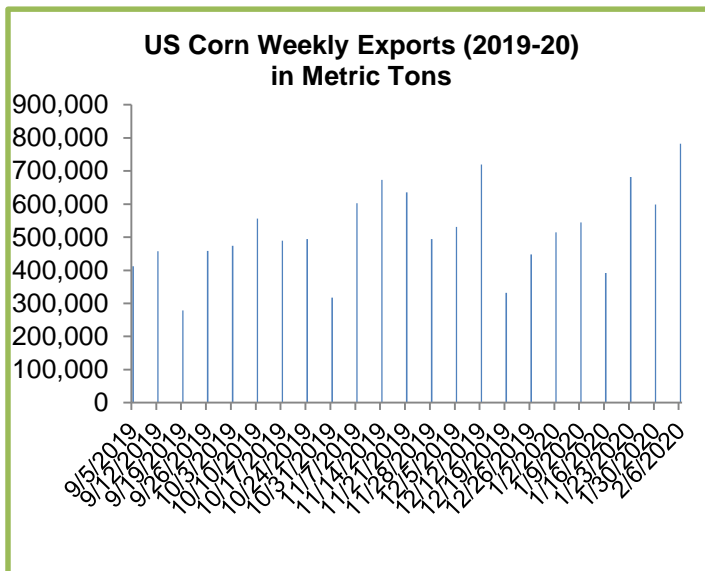
## DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to slightly weak due to sluggish demand of bulk buyers on the expectation of new crop arrival in the coming months.

### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 11.89 MMT in the 2019-20 marketing year. At 0.78 MMT (for the period 31st January-06th February, 2020) US corn exports were up 31 percent from the previous week and 41 percent from the prior 4-week average; mainly for the destinations like Mexico (228,700 MT), Japan (203,800 MT), Colombia (189,700 MT), Saudi Arabia (61,700 MT), and El Salvador (29,600 MT).

USDA decreased its world corn ending stock estimates by 0.97 MMT to 296.84 MMT for 2019/20 compared to previous month due to increase in consumption estimates for 2019/20 which could lead to global corn market. Corn ending stock estimates for U.S kept unchanged at 48.07 MMT for 2019/20 while for Ukraine, it decreased its corn ending stock estimates by 0.10 MMT to 0.76 MMT compared to previous month estimates due to increase in exports estimates for 2019/20. 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 0.3 MMT to 4.28 MMT due to increase in consumption estimates compared to previous month estimates.



### PREVIOUS UPDATES:

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

### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 2.27 USD/MT to 148.71 USD/MT for March'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn.

ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	14-Feb-20	7-Feb-20	14-Jan-20	14-Feb-19	14-Feb-18
Naugachia	Bilty	NA	NA	NA	2075	NA
Delhi	Hybrid Maize (U.P.)	1900	2000	2200	2200	1340
Davangere	Loose	1800	1750	Closed	2000	1230
Shimoga	Bilty	1750	1780	1870	2020	1360
Ranebennur	Bilty	1790	1800	1890	2060	1200
Bagalkot	Hybrid/Local	1695	1700	2050	1950	1150
Gadag	Local	1680	1730	2210	1909	NA
Nizamabad	Bilty	2000	2050	2050	2050	NA
Khanna	Bilty	1875	1920	2090	2150	1300
Sangli	Feed	1788	1862	2047	2150	NA
Ahmedabad	Feed	1750	1880	2050	2200	1270
	Starch	1700	1900	2100	2100	1320

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	14-Feb-20	07-Feb-20	Change
Corn CBOT Prices	Mar-20	148.71	150.98	-2.27
	May-20	150.39	152.95	-2.56
	July-20	151.76	154.42	-2.66
	Sep-20	151.27	153.34	-2.07
	Dec-20	153.04	155.11	-2.07

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