

# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded weak during the week as poultry farmers cut down animal feed purchases on the rumour on social media that chickens are a cause of the spread of coronavirus. Besides, expectation of Rabi crop arrival in the coming months amid arrival of imported goods is putting pressure on market sentiments. In M.P, maize market traded down due to supply pressure of low quality material on the concern over low feed makers demand on the fear of coronavirus.

### RABI CROP CONDITION

In A.P, maize has been sown in around 1.85 lakh hectares as of 19th February'20 which is higher than 1.59 lakh hectare covered during corresponding period last year. Maize sown area is 101% to season normal and at vegetative to cob formation stage. In Krishna, Vizianagaram, Srikakulam, Prakasam, East Godavari, West Godavari, Guntur districts, 25,574 hectare of maize area is affected by Fall armyworm, stem borer, and Root rot; out of which, 25,025 hectare of maize area has treated. In Telangana, it has been sown in 1.86 lakh hectare as of 19th February'20 which is higher than 1.12 lakh hectare covered during corresponding period last year. Maize sown area is 124% to season normal and its sowing has completed. Maize crops are at tasselling to cob formation stage. Pest and Disease reported nil.

### 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. 2,100 per quintal while it is being bought by local starch feed makers at Rs. 1740 per quintal.

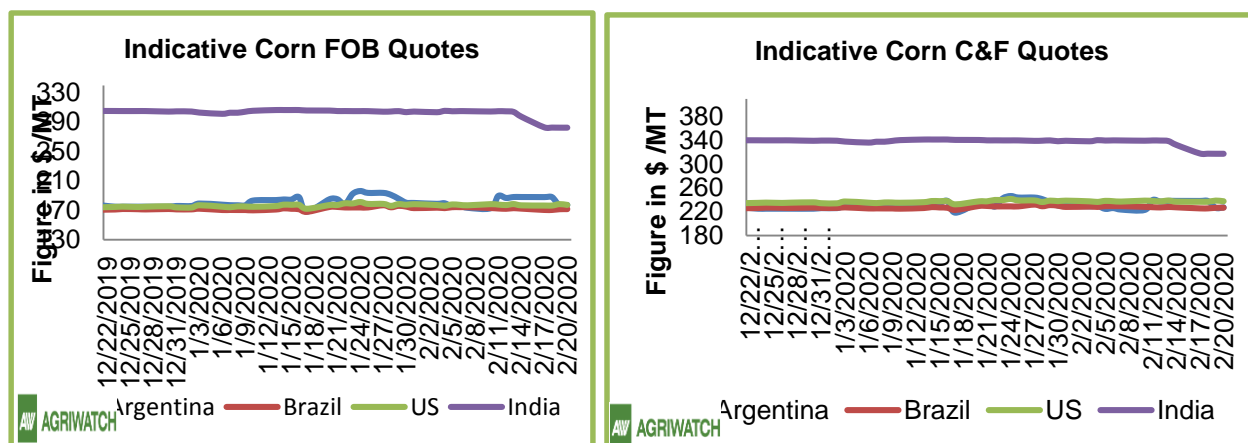
### TENDER

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 0.29 USD/MT to 148.42 USD/MT for March'20 contract compared to previous week on the expectation for robust U.S. plantings. Further, price direction depends on the demand for U.S corn. At 0.76 MMT (for the period 07th January- 13th February, 2020) US corn exports were down 3 percent from the previous week but up 24 percent from the prior 4-week average; mainly for the destinations like Mexico (247,200 MT), Japan (232,800 MT), Colombia (81,500 MT), South Korea (66,200 MT), and Panama (41,900 MT).

**EXPORT PARITY TREND**


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.63)				
As on 20.02.2020	Argentina	Brazil	US	India
FOB	177.26	171.60	177.44	282.54
C&F	227.26	226.60	237.44	317.54

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 \$180 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**

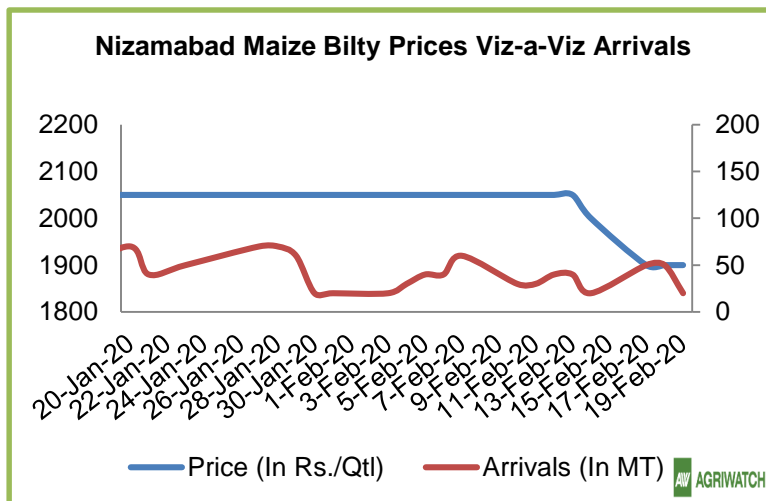
As per trade sources, India imported around 53,962 MT of maize for the month of January'20. Out of which, around 23,500 MT was imported from Ukraine for the Kandla port at an average value of \$199.31 USD/ MT while around 30,462 MT was imported from Myanmar for the Tuticorin, Kolkata, Chennai, Vizag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

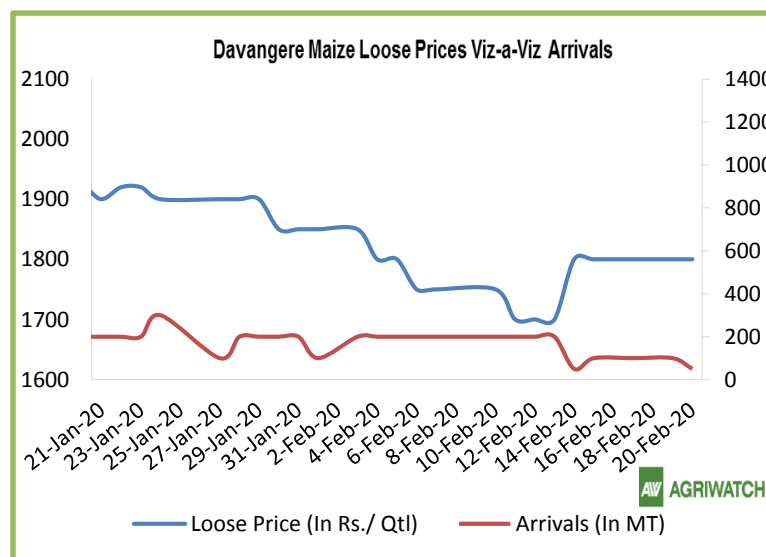
### TELANGANA:

- In Nizamabad, maize is likely to trade 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. 2,100 per quintal while it is being bought by local starch feed makers at Rs. 1740 per quintal. Sources revealed that in Telangana, stock of maize could be around 5000 MT which was 10,000 MT during corresponding period last year.



### KARNATAKA:

- In Davangere region of Karnataka, maize arrivals contains fungus up to 8%. Maize is likely to trade steady to slightly weak due to sluggish feed makers demand amid arrival of imported goods.



## DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to 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 12.65 MMT in the 2019-20 marketing year. At 0.76 MMT (for the period 07th January-13th February, 2020) US corn exports were down 3 percent from the previous week but up 24 percent from the prior 4-week average; mainly for the destinations like Mexico (247,200 MT), Japan (232,800 MT), Colombia (81,500 MT), South Korea (66,200 MT), and Panama (41,900 MT).

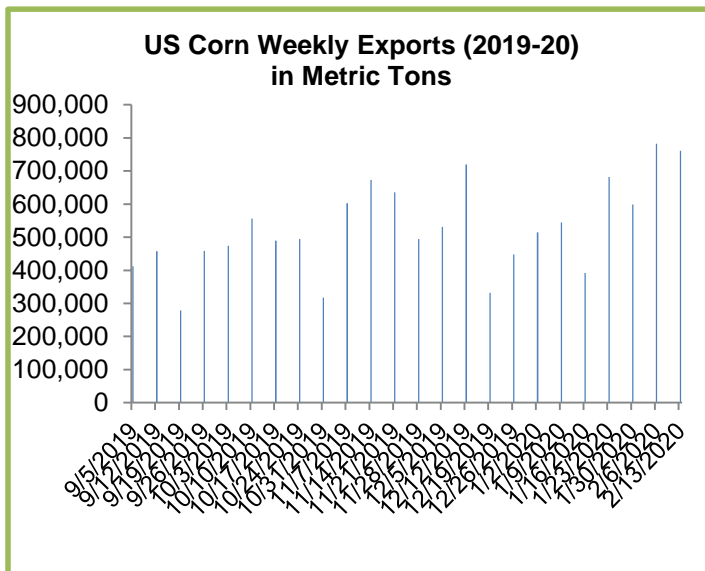
**PREVIOUS UPDATES:**

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.

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 0.29 USD/MT to 148.42 USD/MT for March'20 contract compared to previous week on the expectation for robust U.S. plantings. Further, price direction depends on the demand for U.S corn.



ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	20-Feb-20	13-Feb-20	20-Jan-20	20-Feb-19	20-Feb-18
Naugachia	Bilty	NA	NA	NA	2030	NA
Delhi	Hybrid Maize (U.P.)	1800	1950	2150	2150	1310
Davangere	Loose	1800	1700	1920	2050	1230
Shimoga	Bilty	1700	1750	1900	2000	1330
Ranebennur	Bilty	1760	1775	1950	2100	1200
Bagalkot	Hybrid/Local	1675	1690	1845	1911	1146
Gadag	Local	1670	1650	1865	1707	1092
Nizamabad	Bilty	Closed	2050	2050	2025	1320
Khanna	Bilty	1820	1875	2100	2125	1300
Sangli	Feed	1730	1803	1973	2162	NA
Ahmedabad	Feed	1650	1800	2000	2200	1320
	Starch	1590	1700	2040	2200	1350

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Feb-20	14-Feb-20	Change
Corn CBOT Prices	Mar-20	148.42	148.71	-0.29
	May-20	149.89	150.39	-0.50
	July-20	150.98	151.76	-0.78
	Sep-20	150.39	151.27	-0.88
	Dec-20	151.96	153.04	-1.08

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