



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Maize traded weak in last few days 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 during the month of March 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.

SECOND ADVANCE ESTIMATE FOR RABI SEASON 2019-20

As per 2nd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 6.81 MMT with the expected yield of 4.01 MT/ hectare.

TRADE SCENARIO

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,000 per quintal while it is being bought by local starch feed makers at Rs. 1675 per quintal.

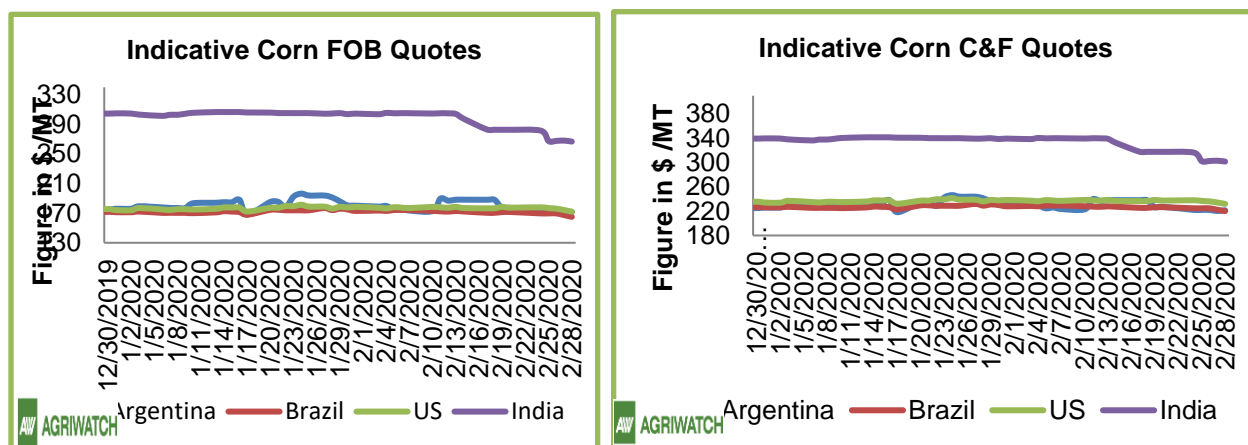
TENDER

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.

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 4.14 USD/MT to 144.28 USD/MT for March'20 contract compared to previous week on the expectation for robust U.S. plantings and on the concern over spread of coronavirus beyond China. Further, price direction depends on the demand for U.S corn. At 0.84 MMT (for the period 14th January- 20th February, 2020) US corn exports were up 11 percent from the previous week and 20 percent from the prior 4-week average; mainly for the destinations like Mexico (278,700 MT), Colombia (224,700 MT), Japan (155,500 MT), Guatemala (62,200 MT), and Honduras (59,600 MT).

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 72.01)				
As on 28.02.2020	Argentina	Brazil	US	India
FOB	171.46	165.00	172.03	266.63
C&F	221.46	220.00	232.03	301.63

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 JANUARY'20

As per trade sources, India exported around 47,080 MT of maize for the month of January'20 at an average FoB of \$333.71/ MT. Out of which, around 42,335 MT Indian maize was exported mainly to Nepal at an average FoB of \$331.08/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.

VESSEL POSITION

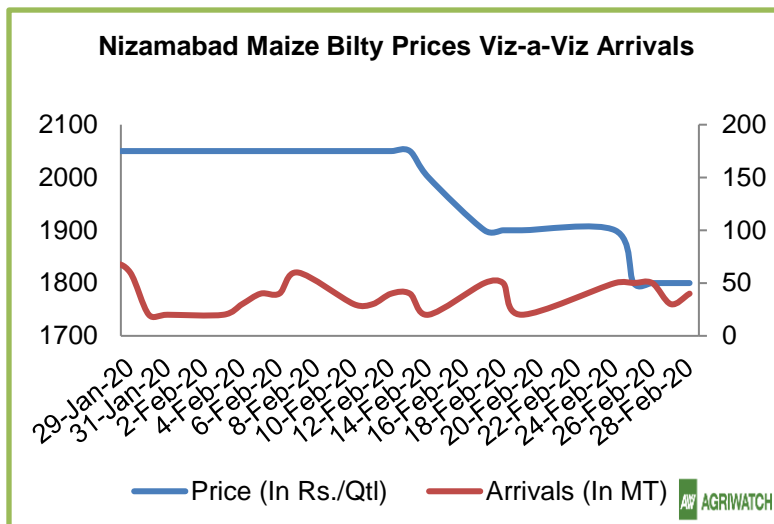
As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, expected to arrive at Tuticorin port on 29 February, 2020.

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:

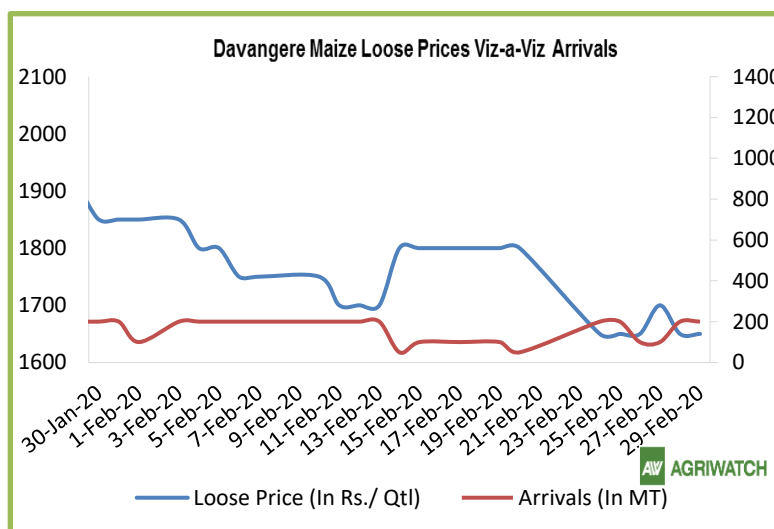
TELANGANA:

- 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. Local starch feed makers are buying maize at Rs. 1675 per quintal while sluggish demand of Hyderabad feed makers reported at Rs. 2000 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 10-20%. Maize is likely to trade steady to slightly weak due to sluggish feed makers demand amid arrival of imported goods in Tamilnadu.



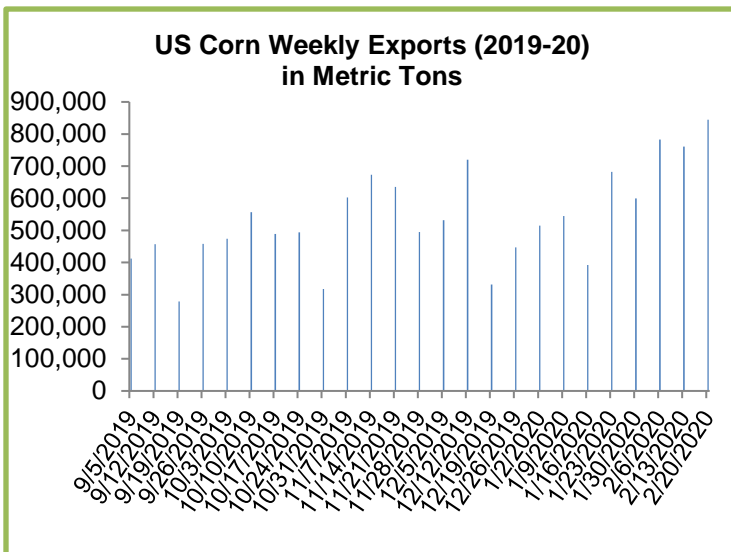
DOMESTIC MAIZE OUTLOOK:

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 13.50 MMT in the 2019-20 marketing year. At 0.84 MMT (for the period 14th January- 20th February, 2020) US corn exports were up 11 percent from the previous week and 20 percent from the prior 4-week average; mainly for the destinations like Mexico (278,700 MT), Colombia (224,700 MT), Japan (155,500 MT), Guatemala (62,200 MT), and Honduras (59,600 MT).

IGC increased its forecast for 2019/20 global corn production by 1 MMT to 1112 MMT compared to previous forecast. Forecast for global corn ending stock was also up by 1 MMT to 284 MMT compared to last forecast for 2019/20 which could weigh on international corn market.


INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 4.14 USD/MT to 144.28 USD/MT for March'20 contract compared to previous week on the expectation for robust U.S. plantings and on the concern over spread of coronavirus beyond 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	27-Feb-20	20-Feb-20	27-Jan-20	27-Feb-19	27-Feb-18
Naugachia	Bilty	NA	NA	NA	1925	NA
Delhi	Hybrid Maize (U.P.)	1750	1800	2050	2150	1350
Davangere	Loose	1700	1800	1900	1900	1230
Shimoga	Bilty	NR	NR	1850	NA	1330
Ranebennur	Bilty	1670	1710	1860	2100	1200
Bagalkot	Hybrid/Local	1630	1675	1829	1886	1136
Gadag	Local	1640	1670	2160	2077	1031
Nizamabad	Bilty	1800	Closed	2050	2030	1320
Khanna	Bilty	1810	1820	2050	2030	1300
Sangli	Feed	1772	1730	1940	2056	NA
Ahmedabad	Feed	1700	1650	1900	2100	1350
	Starch	1700	1590	1900	2100	1350

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Feb-20	21-Feb-20	Change
Corn CBOT Prices	Mar-20	144.28	148.42	-4.14
	May-20	144.97	149.89	-4.92
	July-20	146.65	150.98	-4.33
	Sep-20	146.65	150.39	-3.74
	Dec-20	148.42	151.96	-3.54

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