

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. This resulted from rumour on social media that chickens are a cause of the spread of coronavirus which have a potential to depress chicken consumption. Besides, expectation of Rabi crop arrival during the month of March amid arrival of imported goods is also 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.

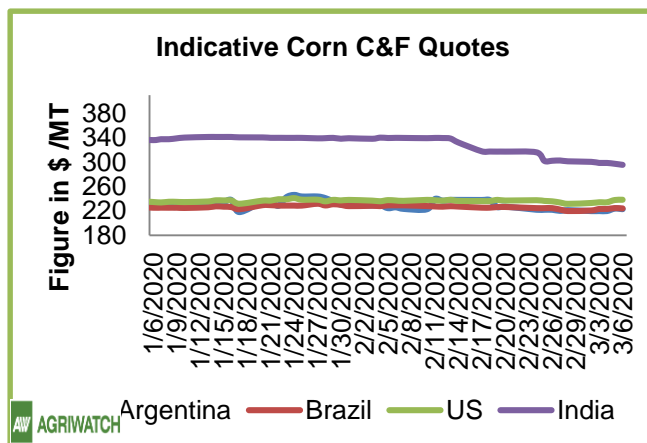
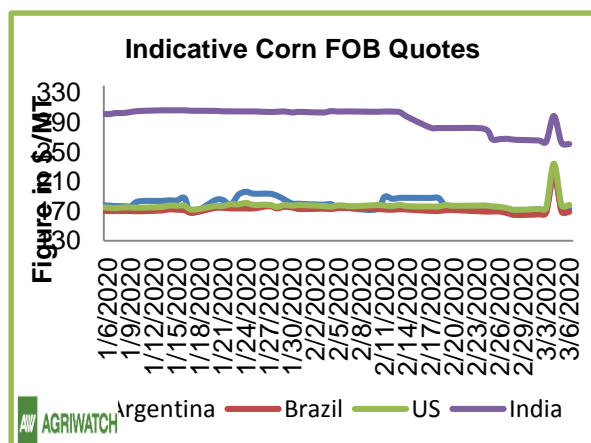
TENDER

As per trade sources, NAFED had 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 was sought for shipment to the Mangalore port and rest to the Tuticorin port at around \$227/ MT. These shipments are expected to arrive during the month of March. Also, MMTC had issued an international tender for Non- GMO yellow corn for 1,75,000 MT for shipment by 10th Feb 2020, but did not accept any bids towards that tender.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 4.24 USD/MT to 148.52 USD/MT for March'20 contract compared to previous week due to increase in export demand for U.S corn. Further, price direction depends on the demand for U.S corn. At 0.88 MMT (for the period 21st January- 27th February, 2020) US corn exports were up 5 percent from the previous week and 18 percent from the prior 4-week average; mainly for the destinations like Japan (335,600 MT), Mexico (277,600 MT), Vietnam (66,000 MT), Saudi Arabia (65,700 MT), and Guatemala (31,900 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.61)				
As on 06.03.2020	Argentina	Brazil	US	India
FOB	173.03	169.20	178.69	260.83
C&F	223.03	224.20	238.69	295.83

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

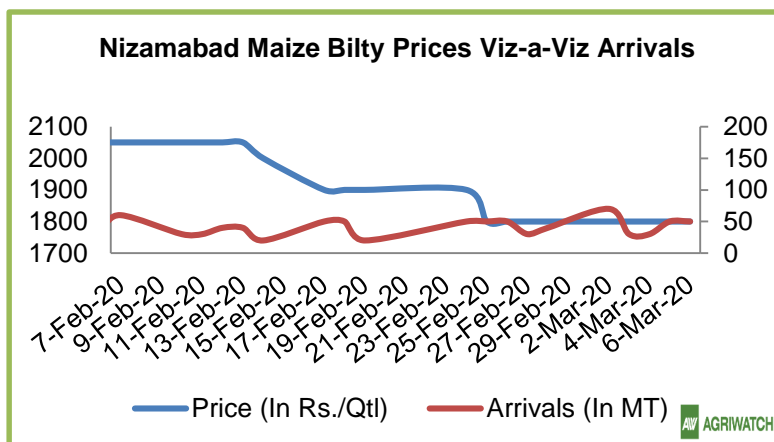
As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, has arrived at Tuticorin port on 29 February, 2020.

CURRENT MARKET DYNAMICS:

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

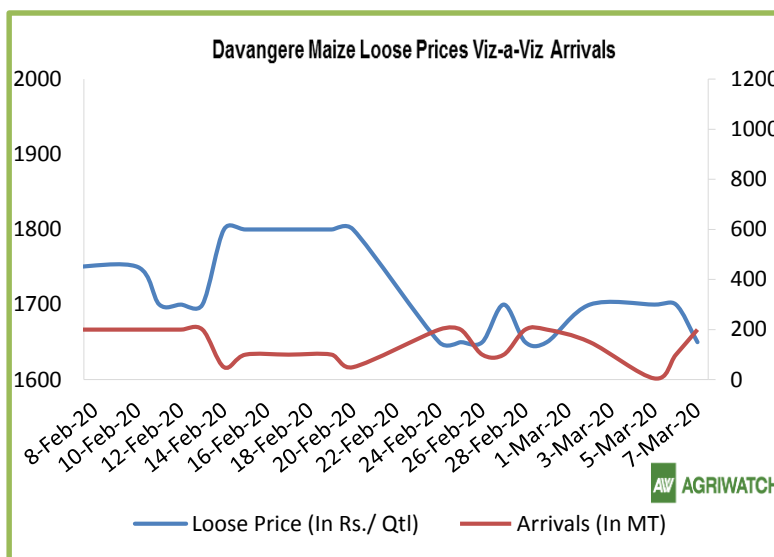
TELANGANA:

- 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 after mid of March. 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.



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:

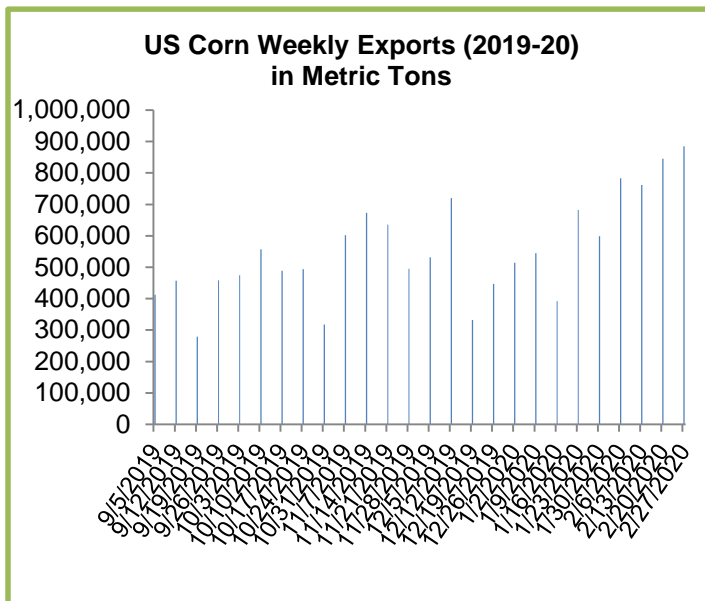
Prices of maize are likely to be steady to weak due to sluggish demand of bulk buyers on the expectation of new crop arrival in the coming weeks.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 14.38 MMT in the 2019-20 marketing year. At 0.88 MMT (for the period 21st January-27th February, 2020) US corn exports were up 5 percent from the previous week and 18 percent from the prior 4-week average; mainly for the destinations like Japan (335,600 MT), Mexico (277,600 MT), Vietnam (66,000 MT), Saudi Arabia (65,700 MT), and Guatemala (31,900 MT).

PREVIOUS UPDATES

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 rose by 4.24 USD/MT to 148.52 USD/MT for March'20 contract compared to previous week due to increase in export demand for U.S corn. Further, price direction depends on the demand for U.S corn.

ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	6-Mar-20	28-Feb-20	4-Feb-20	7-Mar-19	7-Mar-18
Naugachia	Bilty	NA	NA	NA	1925	NA
Delhi	Hybrid Maize (U.P.)	1825	1750	2000	2125	1360
Davangere	Bilty	1700	1700	NA	1950	NA
Shimoga	Bilty	1620	1700	1800	NA	1330
Ranebennur	Bilty	1650	1670	1820	2010	1200
Bagalkot	Hybrid/Local	1525	1640	1770	1921	1180
Gadag	Local	1570	1575	1910	1871	1071
Nizamabad	Bilty	1800	1800	2050	2000	1320
Khanna	Bilty	1750	1740	1920	2000	1310
Sangli	Feed	1686	1777	1898	2130	NA
Ahmedabad	Feed	1800	1700	1900	2100	1350
	Starch	1700	1700	1900	2050	1360

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	06-Mar-20	28-Feb-20	Change
Corn CBOT Prices	Mar-20	148.52	144.28	4.24
	May-20	148.02	144.97	3.05
	July-20	149.3	146.65	2.65
	Sep-20	148.62	146.65	1.97
	Dec-20	150.19	148.42	1.77

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