

Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Across India, maize is likely to trade steady to weak in near term too on the expectation of sluggish poultry feed makers' demand as there is fear of coronavirus and bird flu in the market. Also, expectation of increase in new crop arrival in coming weeks could also weigh on market sentiments.

In Nizamabad region, new crop arrivals have started in the market which are lower in quantity and contains moisture up to 18% being traded in a range of Rs. 1500-1600 per quintal (Loose price) while in Davangere region of Karnataka, maize market being traded down due to supply pressure of low quality material of kharif season as new crop arrivals are expected in coming weeks. Also, sluggish demand of Tamilnadu' feed makers due to recent imported arrival amid fear of coronavirus and bird flu also weighing on market sentiments.

CROP CONDITION

In Telangana, maize has been sown in 2.36 lakh hectare as of 18th March'20 which is higher than 1.16 lakh hectare covered during corresponding period last year. Maize sown area is 157% to season normal and its sowing has completed. Maize crops are at cob formation stage. In Warangal, Kamareddy & Siddipet districts, fall army worm is below ETL. As per trade sources, recent rains in Bihar and Gujarat, has not impacted the crop quality.

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. 1,900 per quintal while it is being bought by local starch feed makers at Rs. 1650 per quintal.

TENDER

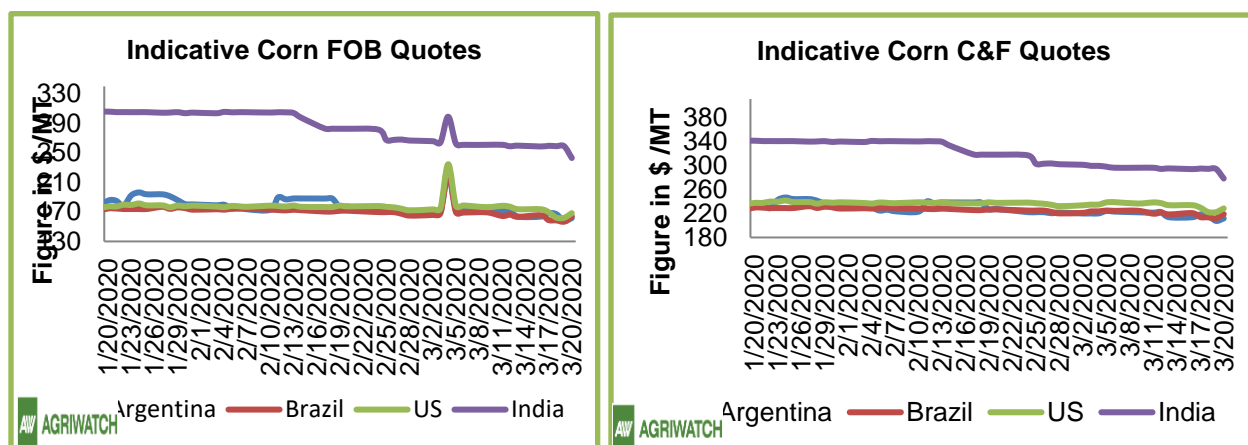
As per trade sources, NAFED had issued an international tender to import up to 100,000 MT of Non-GMO corn; to be sourced from Ukraine for the shipment between 1st Feb'20 to 10th Feb'20. Around 50,000 MT was sought for shipment to the Mangalore port and rest to the Tuticorin port at around \$227/ MT. 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 fall by 8.66 USD/MT to 135.33 USD/MT for May'20 contract compared to previous week due to uncertainty over economic fallout from the coronavirus. Further, price direction depends on the demand for U.S corn.

At 0.97 MMT (for the period 06th- 12th March, 2020) US corn exports were up 14 percent from the previous week and 16 percent from the prior 4-week average; mainly for the destinations like Mexico (290,600 MT), Japan (283,800 MT), Colombia (92,000 MT), South Korea (67,200 MT), and Guatemala (44,900 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.87)				
As on 20.03.2020	Argentina	Brazil	US	India
FOB	161.61	163.80	168.29	242.95
C&F	211.61	218.80	228.29	277.95

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 \$169.50 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

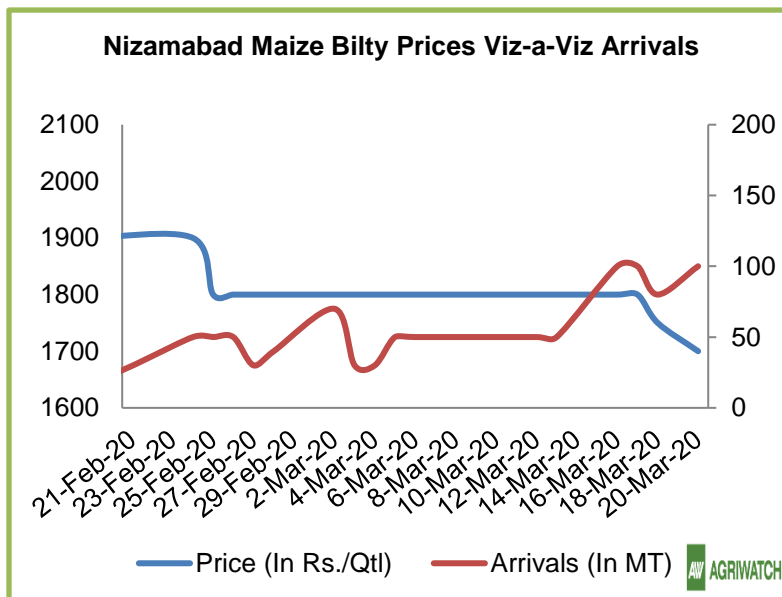
As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, has arrived at Tuticorin port on 1st March, 2020.

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:

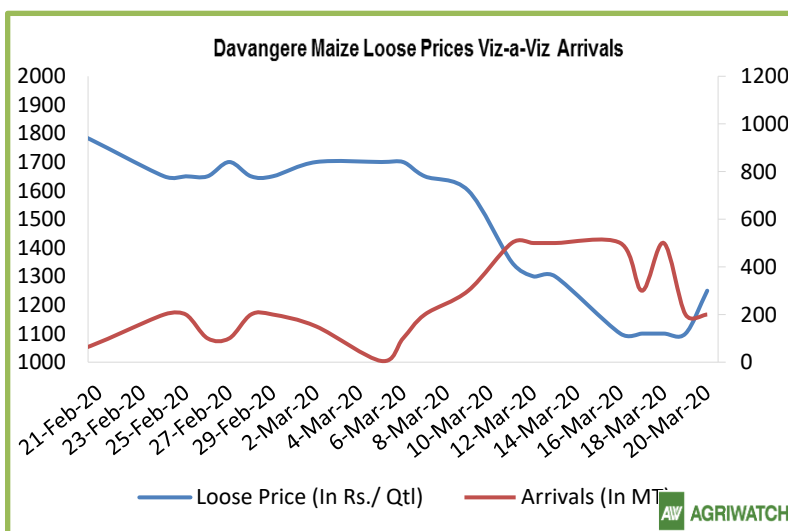
TELANGANA:

- In Nizamabad, maize is also likely to trade steady to weak in near term due to sluggish poultry feed makers' demand on the fear of corona virus. As early new crop arrivals have started in the market which are lower in quantity and contains moisture up to 18% being traded in a range of Rs. 1500-1600 per quintal (Loose price). Expectation of increase in arrival during end of March also keeping weigh on market sentiments. Local starch feed makers are buying maize at Rs. 1650 per quintal while sluggish demand of Hyderabad feed makers reported at Rs. 1900 per quintal.



KARNATAKA:

- In Davangere region of Karnataka, maize market being traded down due to supply pressure of low quality material of kharif season as new crop arrivals are expected in coming weeks. Also, sluggish demand of Tamilnadu' feed makers due to recent imported arrival amid fear of coronavirus and bird flu also weighing on market sentiments.



DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be weak due to sluggish demand of poultry feed makers on the fear of corona virus and bird flu amid expectation of increase in new crop arrival in the coming weeks.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 16.20 MMT in the 2019-20 marketing year. At 0.97 MMT (for the period 06th-12th March, 2020) US corn exports were up 14 percent from the previous week and 16 percent from the prior 4-week average; mainly for the destinations like Mexico (290,600 MT), Japan (283,800 MT), Colombia (92,000 MT), South Korea (67,200 MT), and Guatemala (44,900 MT).

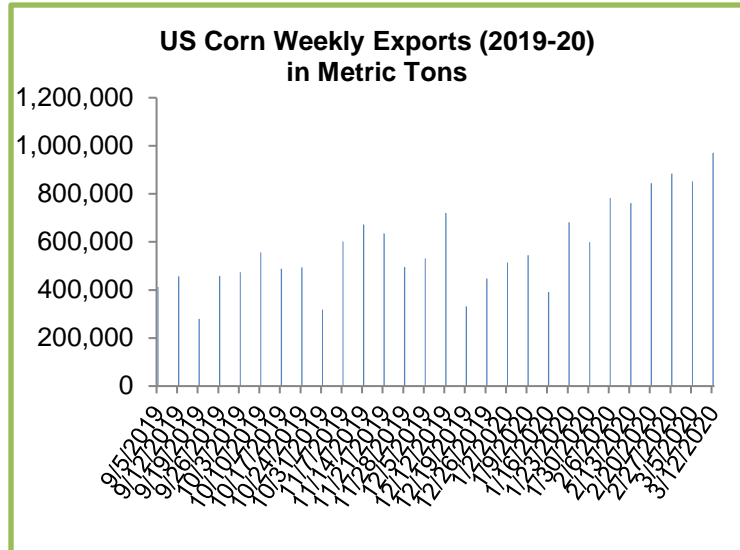
PREVIOUS UPDATES

During the month of March, USDA increased its world corn ending stock estimates by 0.51 MMT to 297.34 MMT for 2019/20 compared to previous month due to increase in production estimates for 2019/20 which could weigh on global corn market.

During the month of March, 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 0.66 MMT compared to previous month estimates due to increase in exports estimates for 2019/20. For Argentina, it decreased its corn ending stock estimates by 1 MMT to 4.12 MMT compared to previous month while for Brazil, it increased its corn ending stock estimates by 0.11 MMT to 4.39 MMT due to decrease in export estimates compared to previous month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 8.66 USD/MT to 135.33 USD/MT for May'20 contract compared to previous week due to uncertainty over economic fallout from the coronavirus. Further, price direction depends on the demand for U.S corn.



ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	20-Mar-20	13-Mar-20	20-Feb-20	20-Mar-19	20-Mar-18
Naugachia	Bilty	NA	NA	NA	1925	NA
Delhi	Hybrid Maize (U.P.)	1675	1650	1800	2200	1340
Davangere	Loose	1250	1300	1800	1950	1150
Shimoga	Bilty	NR	1420	1700	2010	NA
Ranebennur	Bilty	1300	1400	1710	2025	1170
Bagalkot	Hybrid/Local	1250	1700	1675	1950	1112
Gadag	Local	1210	NR	1670	1780	990
Nizamabad	Bilty	1700	1800	1900	NA	1340
Khanna	Bilty	Closed	1720	1820	2100	1300
Sangli	Feed	1529	1489	1730	2149	NA
Ahmedabad	Feed	1585	1600	1650	2160	1350
	Starch	1550	1500	1590	2200	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Mar-20	13-Mar-20	Change
Corn CBOT Prices	May-20	135.33	143.99	-8.66
	July-20	137.59	145.07	-7.48
	Sep-20	139.66	144.78	-5.12
	Dec-20	143.01	146.84	-3.83
	Mar-21	146.94	150.68	-3.74

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