



Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Crop Condition
- ❖ Third Advance Estimate For Rabi Season 2019-20
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of February'20
- ❖ Imports for the Month of February'20
- ❖ Vessel Position
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Domestic sentiments remained same during last week due to lockdown in India.

Across India, maize is likely to trade steady to weak in near term too on sluggish demand from poultry feed industry in the wake of coronavirus and bird flu. Besides, large size of Rabi crop is also weighing on market sentiments. However, no major trade activity would happen till 14th April'20 as markets are closed due to lockdown in India to fight the spread of Covid-19; huge arrivals of new crop are expected after that which could also weigh on market sentiments.

As per media news, Telangana state government will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal. It will be procured by the government directly from farmers through village procurement centers over a period of 45 days. In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh 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. In A.P, maize has been sown in around 1.87 lakh hectares as on 11th March'20 which is higher than 1.61 lakh hectare covered during corresponding period last year. Maize sown area is 102% to season normal and at cob formation to cob maturity stage. In Krishna, Vizianagaram, Srikakulam, Prakasam, East Weekly Report and Price Forecast 25 Mar 2020 Godavari, West Godavari, Guntur districts, 25,510 hectare of maize area got affected by Fall Army worm, stem borer, root rot and Tursicum blight; out of which, 25,410 hectare of maize area has been treated.

Maize growing regions in Bihar witnessed unseasonal rains and hailstorm three weeks ago but according to local trade sources, the crop quality is expected to remain intact.

THIRD ADVANCE ESTIMATE FOR RABI SEASON 2019-20

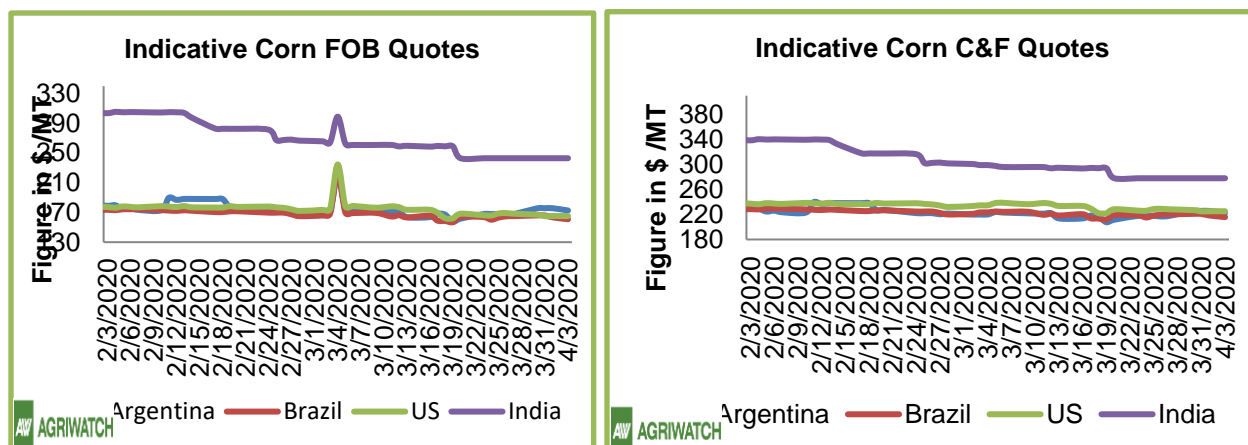
As per 3rd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 4.22 MT/ hectare.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 6.00 USD/MT to 130.21 USD/MT for May'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn.

At 1.26 MMT (for the period 20th- 26th March, 2020) US corn exports were up 49 percent from the previous week and 42 percent from the prior 4-week average; mainly for the destinations like Japan (478,700 MT), Mexico (299,200 MT), Colombia (202,500 MT), South Korea (129,500 MT), and Costa Rica (33,100 MT).

USDA forecasted corn plantings at 96.990 million acres, more than above the average analyst forecast for 94.328 million acres which could weigh on market sentiments.

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.98)				
As on 03.04.2020	Argentina	Brazil	US	India
FOB	172.64	160.80	165.13	242.95
C&F	222.64	215.80	225.13	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 \$181.50 USD/ MT.

EXPORTS FOR THE MONTH OF FEBRUARY'20

As per trade sources, India exported around 24,835 MT of maize for the month of February'20 at an average FoB of \$306.63/ MT. Out of this, around 21,435 MT Indian maize was exported to Nepal at an average FoB of \$301.66/MT; through Raxaul, Sonauli ICD and Jogbani ICD ports.

IMPORTS FOR THE MONTH OF FEBRUARY'20

As per trade sources, India imported around 1,47,554.51 MT of maize for the month of February'20. Out of this, around 1,28,534.51 MT was imported from Myanmar at Kolkata port (1,06,563 MT @ \$266.37 USD/MT), Tuticorin (7,175 MT @ \$247.01 USD/MT), Chennai (1100 MT @ \$284.76 USD/MT), Vizag (4,799 MT @ \$250.31 USD/MT) and Mundra port (5,899 MT @ \$260.99 USD/MT) while around 19,000 MT was imported from Ukraine at Kandla port at an average value of \$199.70 USD/ MT.

VESSEL POSITION

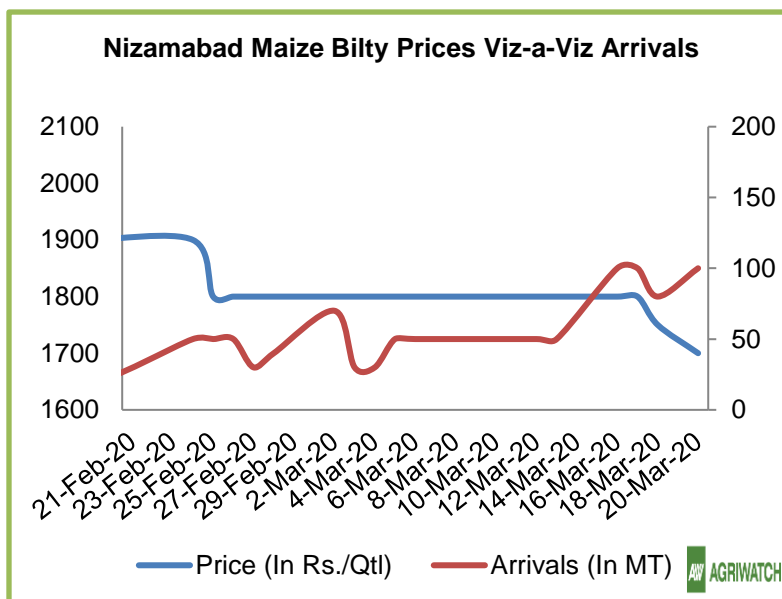
As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, has arrived at Tuticorin port on 1st March, 2020.

CURRENT MARKET DYNAMICS:

During the week under review, no trade activity happened in most of the major spot markets of maize. The various key spot markets dynamics are as under:

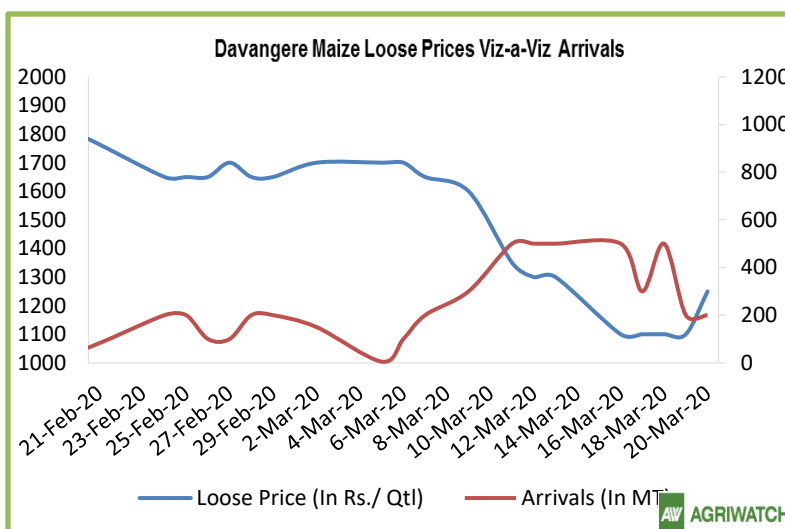
TELANGANA:

- As per media news, Telangana state government will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal. It will be procured by the government directly from farmers through village procurement centers over a period of 45 days.



KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh on market sentiments.



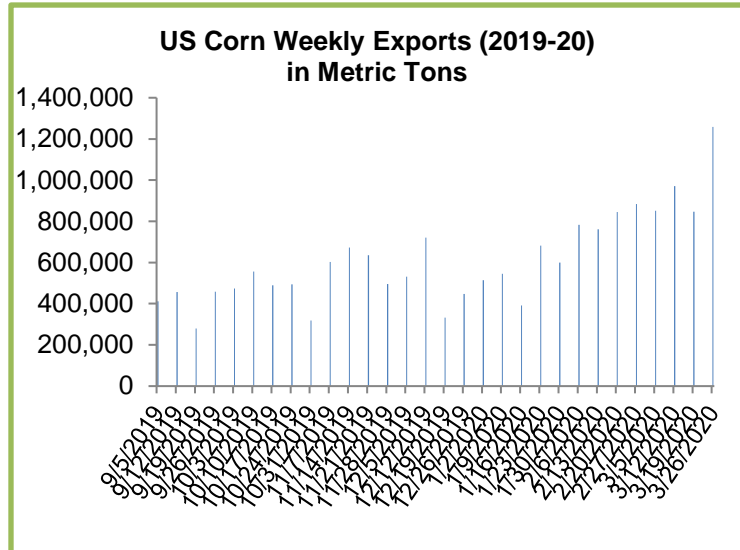
DOMESTIC MAIZE OUTLOOK:

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 supply pressure after lockdown.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 18.31 MMT in the 2019-20 marketing year. At 1.26 MMT (for the period 20th-26th March, 2020) US corn exports were up 49 percent from the previous week and 42 percent from the prior 4-week average; mainly for the destinations like Japan (478,700 MT), Mexico (299,200 MT), Colombia (202,500 MT), South Korea (129,500 MT), and Costa Rica (33,100 MT).

USDA forecasted corn plantings at 96.990 million acres, more than above the average analyst forecast for 94.328 million acres which could weigh on market sentiments.



PREVIOUS UPDATES

IGC increased its global corn production forecast for 2019/20 by 4 MMT to 1116 MMT compared to previous forecast. Forecast for global corn ending stock was also up by 5 MMT to 289 MMT due to increase in production amid lower estimates for trade and consumption for 2019/20 compared to last month forecast which could weigh on international corn market. IGC also forecast, global corn production at 1157 MMT and global corn ending stock estimates at 274 MMT for 2020/21.

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 6.00 USD/MT to 130.21 USD/MT for May'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	3-Apr-20	27-Mar-20	5-Mar-20	3-Apr-19	3-Apr-18
Naugachia	Bilty	NA	NA	NA	NA	NA
Delhi	Hybrid Maize (U.P.)	Closed	Closed	1825	2250	1400
Davangere	Loose	Closed	Closed	1700	2000	1250
Shimoga	Bilty	1750	1450	1600	2040	1380
Ranebennur	Bilty	NR	NR	1620	2100	1200
Bagalkot	Hybrid/Local	NR	NR	NA	2005	1141
Gadag	Local	NR	NR	1565	2000	1141
Nizamabad	Bilty	Closed	Closed	1800	2000	1340
Khanna	Bilty	Closed	Closed	1750	2110	1350
Sangli	Feed	NR	NR	1716	2200	NA
Ahmedabad	Feed	Closed	Closed	1800	2300	1325
	Starch	Closed	Closed	1700	2300	1375

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	03-Apr-20	27-Mar-20	Change
Corn CBOT Prices	May-20	130.21	136.21	-6.00
	July-20	132.57	138.48	-5.91
	Sep-20	134.74	140.15	-5.41
	Dec-20	138.08	143.4	-5.32
	Mar-21	142.51	147.24	-4.73

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.