

Maize Weekly Research Report

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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 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.

Davangere's maize market opened on 8 April after a huge gap of 18 days. Maize is locally being traded at Rs. 1450 per quintal (Bilty Price) and also, for Bengaluru and Nammakal deliveries at Rs. 1700 and Rs. 1750 per quintal respectively.

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.

CURRENT HARVEST SITUATION

As per trade sources, in Telangana, around 50% rabi crop of maize has been harvested as of 8th April'20. Meanwhile, in Bihar and West Bengal regions, maize crop has been harvested around at 8% each. Also, in Maharashtra and Karnataka, harvesting has barely started. As there would not be any loss due to few days of delay in harvesting; farmers are not in hurry to harvest due to lockdown.

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.

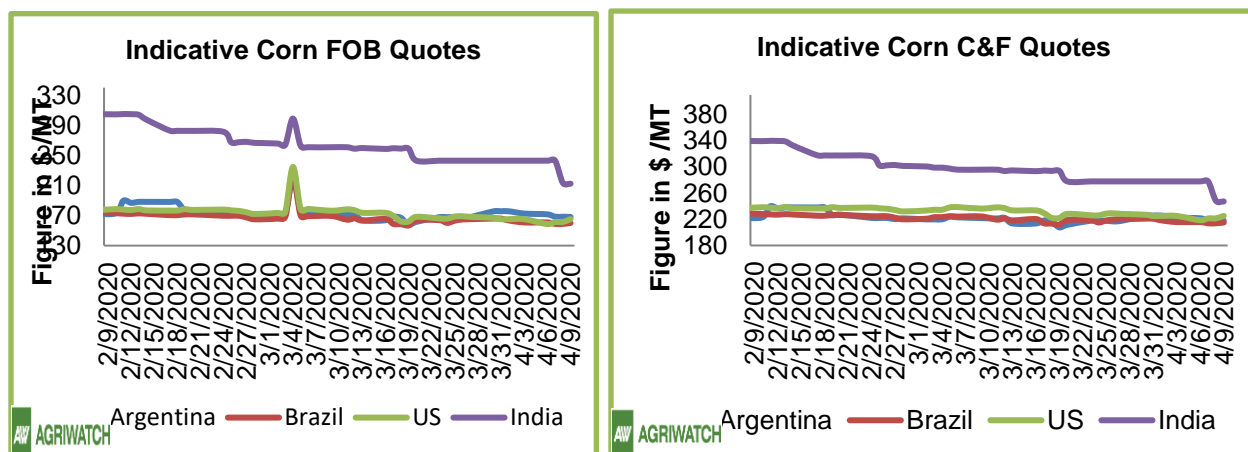
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.39 USD/MT to 130.60 USD/MT for May'20 contract compared to previous week due to increase in demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

However, USDA increased its world corn ending stock estimates by 5.83 MMT to 303.17 MMT for 2019/20 compared to previous month due to decrease in domestic consumption and also increase in production estimates for 2019/20 which could weigh on global corn market.

At 1.29 MMT (for the period 27th- 2nd April, 2020) US corn exports were up 3 percent from the previous week and 31 percent from the prior 4-week average; mainly for the destinations like Japan (377,800 MT), Mexico (315,300 MT), South Korea (154,000 MT), Saudi Arabia (139,100 MT), and Taiwan (77,900 MT). Agriwatch expects that increase in demand for U.S corn could lead to CBOT corn market.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 76.30)				
As on 09.04.2020	Argentina	Brazil	US	India
FOB	168.11	160.10	165.21	212.32
C&F	218.11	215.10	225.21	247.32

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed. Current FOB of Ukraine is \$176 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

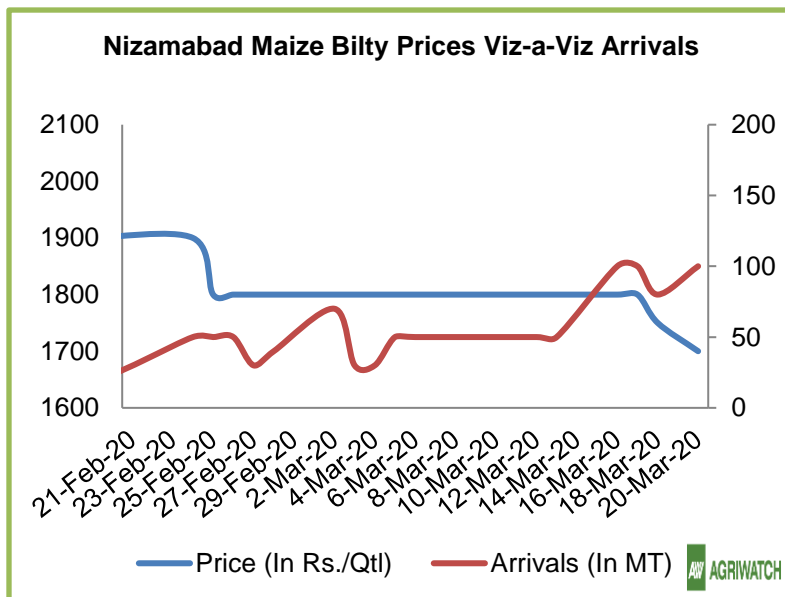
As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, has arrived at Tuticorin port on 1st March, 2020.

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:

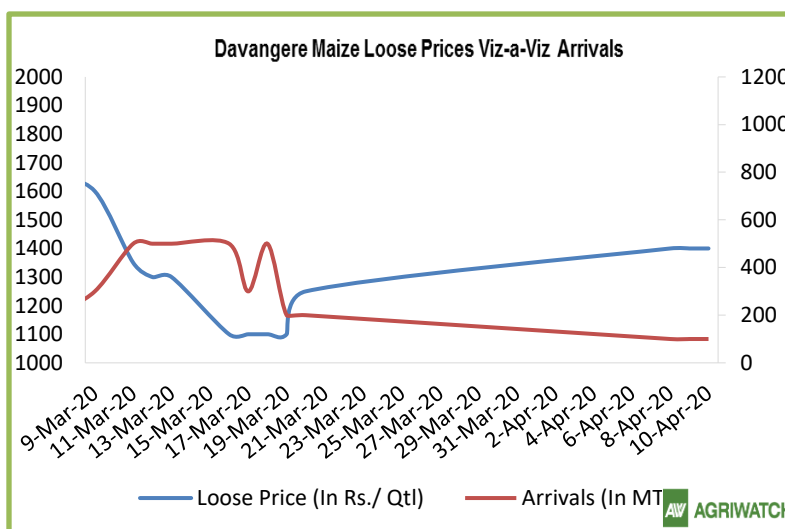
TELANGANA:

- 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:

- Davangere's maize market opened on 8 April after a huge gap of 18 days. Maize is locally being traded at Rs. 1450 per quintal (Bilty Price) and also, for Bengaluru and Nammakal deliveries at Rs. 1700 and Rs. 1750 per quintal respectively.



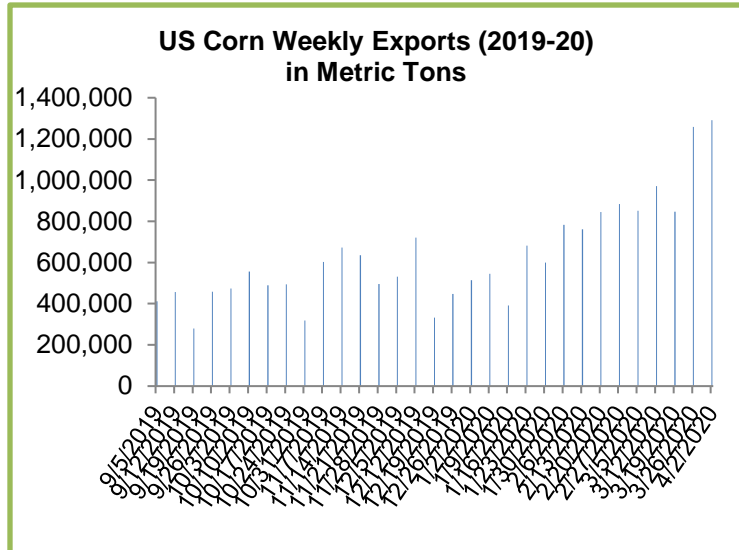
DOMESTIC MAIZE OUTLOOK:

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 19.60 MMT in the 2019-20 marketing year. At 1.29 MMT (for the period 27th-2nd April, 2020) US corn exports were up 3 percent from the previous week and 31 percent from the prior 4-week average; mainly for the destinations like Japan (377,800 MT), Mexico (315,300 MT), South Korea (154,000 MT), Saudi Arabia (139,100 MT), and Taiwan (77,900 MT). Agriwatch expects that increase in demand for U.S corn could lead to CBOT corn market.

During the month of April, USDA increased its world corn ending stock estimates by 5.83 MMT to 303.17 MMT for 2019/20 compared to previous month due to decrease in domestic consumption and also increase in production estimates for 2019/20 which could weigh on global corn market.



During the month of April, Corn ending stock estimates for U.S increased by 5.08 MMT to 53.15 MMT for 2019/20 due to decrease in consumption estimates while for Ukraine, it increased its corn ending stock estimates by 0.04 MMT to 0.70 MMT compared to previous month estimates due to increase in production estimates for 2019/20. However, for Argentina, it decreased its corn ending stock estimates by 0.24 MMT to 3.87 MMT compared to previous month due to increase in exports while for Brazil, it kept unchanged its corn ending stock estimates at 4.39 MMT compared to previous month estimates.

PREVIOUS UPDATES

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.

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.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.39 USD/MT to 130.60 USD/MT for May'20 contract compared to previous week due to increase in demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	10-Apr-20	3-Apr-20	11-Mar-20	10-Apr-19	10-Apr-18
Naugachia	Bilty	NA	NA	NA	NA	NA
Delhi	Hybrid Maize (U.P.)	Closed	Closed	1700	2300	1450
Davangere	Loose	1400	Closed	1350	2000	1250
Shimoga	Bilty	NR	1750	1400	2230	NR
Ranebennur	Bilty	NR	NR	NR	2100	1195
Bagalkot	Hybrid/Local	NR	NR	NR	2206	1166
Gadag	Local	NR	NR	1551	NR	1046
Nizamabad	Bilty	Closed	Closed	Closed	NR	1340
Khanna	Bilty	Closed	Closed	1740	2180	1400
Sangli	Feed	NR	NR	1558	2350	NR
Ahmedabad	Feed	Closed	Closed	NR	2400	1350
	Starch	Closed	Closed	NR	2380	1385

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Apr-20	03-Apr-20	Change
Corn CBOT Prices	May-20	130.6	130.21	0.39
	July-20	132.57	132.57	Unch
	Sep-20	134.54	134.74	-0.20
	Dec-20	138.08	138.08	Unch
	Mar-21	142.61	142.51	0.10

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