

# Maize Weekly Research Report

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## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Overall domestic maize cash markets remained steady to slightly weak during last week due to limited trade activities amid 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 Covid-19. Besides, large size of Rabi crop is also weighing on market sentiments. In Karnataka, Bihar and M.P regions, maize markets have opened but still have very limited trade due to sluggish demand of bulk buyers.

Although it's early to say about corn acreage for this Kharif season amid COVID19 where acreage depends on seed and inputs availability; chances for maize acreage compared to corresponding period last year seems unchanged, in the Karnataka, Rajasthan, Maharashtra, Madhya Pradesh, Telangana and U.P states, on the expectation of enough seed availability; provided state government provides sufficient seeds. Also, this is less labour required crop so farmers could be interested to plant that.

In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity. While, in Bihar, it is being traded at Rs. 1250 (Bilty Price) per quintal. Despite the demand of Rajasthan, U.P and Haryana feed makers; it is likely to trade steady to slightly weak in near term on the expectation of arrival pressure.

As per trade sources, Telangana state government is procuring maize at Rs. 1760 per quintal. Earlier State Government announced that it will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal, directly from farmers through village procurement centers over a period of 45 days.

### **CURRENT HARVEST SITUATION**

As per trade sources, in Telangana, around 90% rabi crop of maize has been harvested while in Bihar regions, maize crop has been harvested around at 50% till date. However, in Karnataka, maize crop has been harvested only at 5% due to labour shortage.

### **THIRD ADVANCE ESTIMATE FOR RABI SEASON 2019-20**

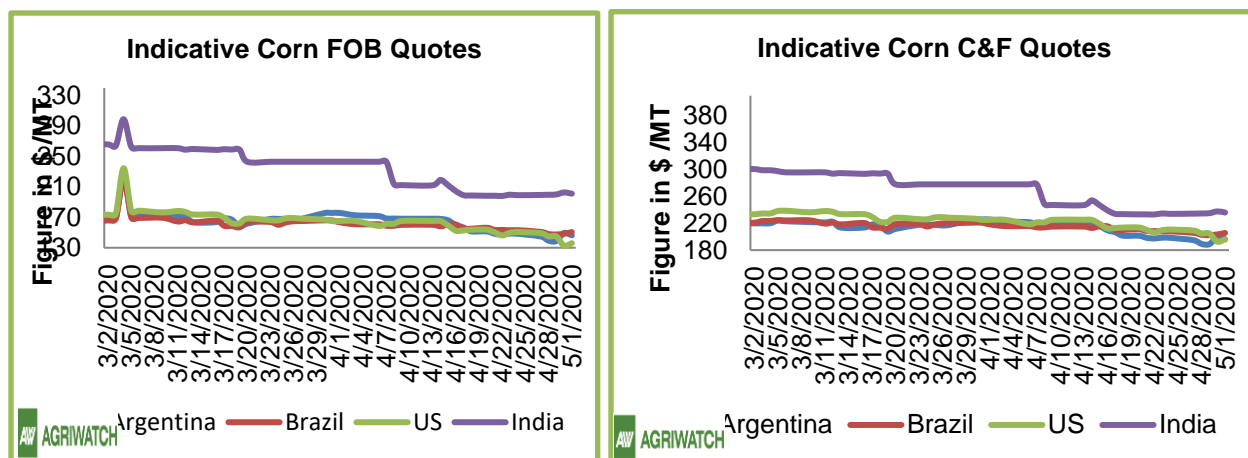
As per 3rd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 4.22 MT/ hectare.

### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 1.68 USD/MT to 122.63 USD/MT for May'20 contract compared to previous week. Expectation of further increase in corn area on the forecast for favourable weather conditions in U.S Midwest are likely to put pressure on CBOT corn prices. However, fall in weekly U.S. ethanol stocks could support to CBOT corn prices.

At 1.05 MMT (for the period 17th- 23rd April, 2020) US corn exports were up 27 percent from the previous week but down 9 percent from the prior 4-week average; mainly for the destinations like Japan (405,000 MT), South Korea (263,200 MT, late reporting 67,300 MT), Mexico (190,100 MT), Colombia (52,500 MT), and the Dominican Republic (31,600 MT).

## EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.61)				
As on 01.05.2020	Argentina	Brazil	US	India
FOB	146.26	150.60	135.97	201.04
C&F	196.26	205.60	195.97	236.04

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 \$168 USD/ MT.

## EXPORTS FOR THE MONTH OF MARCH'20

As per trade sources, India exported around 18,527 MT of maize for the month of March'20 at an average FoB of \$274.79/ MT. Out of which, around 12,217 MT Indian maize was exported mainly to Nepal at an average FoB of \$272.82/MT; mainly through Raxaul followed by Jogbani ICD and Sonauli ICD port.

## IMPORTS FOR THE MONTH OF MARCH'20

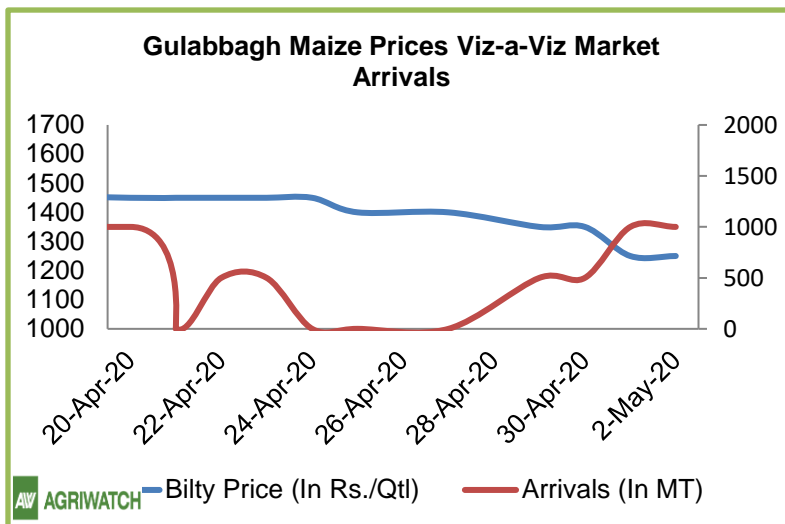
As per trade sources, India imported around 57,255 MT of maize for the month of March'20. Out of this, around 46,635 MT was imported from Myanmar at Tuticorin (22,588 MT @ \$252.30 USD/MT), Kolkata port (13,863 MT @ \$265.20 USD/MT), Vizag (6,176 MT @ \$253.14 USD/MT), Mundra port (3,935 MT @ \$266.67 USD/MT) and Chennai (72 MT @ \$353.94 USD/MT) while around 10,620 MT was imported from Ukraine at Kandla port at an average value of \$196.51 USD/ MT.

### CURRENT MARKET DYNAMICS:

During the week under review, sentiments remained same as most of the spot markets of maize were closed. The various key spot markets dynamics are as under:

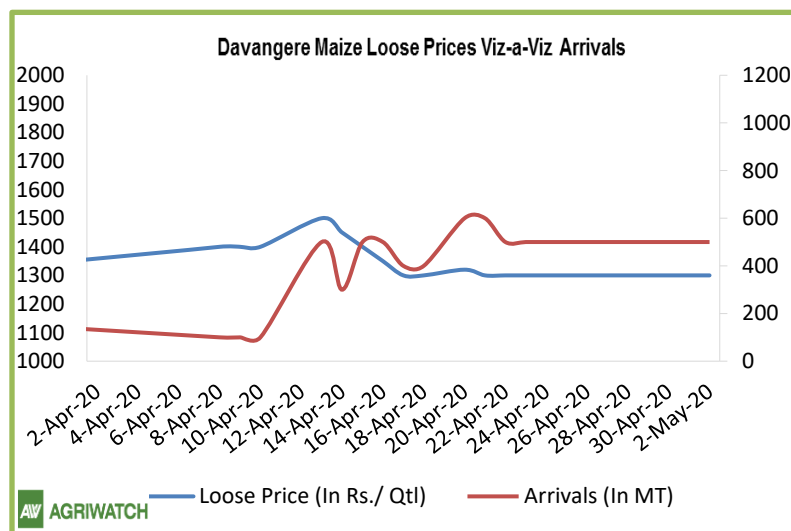
#### GULABBAGH:

- In Bihar, Maize is being traded at Rs. 1250 (Bilty Price) per quintal. Despite the demand of Rajasthan, U.P and Haryana feed makers; it is likely to trade steady to slightly weak in a range of Rs. 1200-1250 per quintal on the expectation of arrival pressure.



#### KARNATAKA:

- In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity. Maize is likely to trade in a range of Rs. 1300-1350(Bilty Price) per quintal in the near term.



### DOMESTIC MAIZE OUTLOOK:

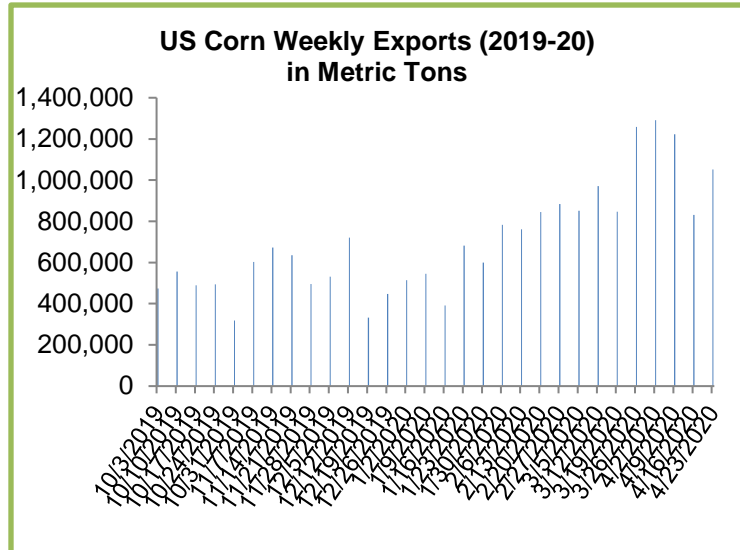
Prices of maize are likely to be weak due to sluggish demand of poultry feed makers on the fear of corona virus amid expectation of supply pressure after lockdown.

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 22.70 MMT in the 2019-20 marketing year. At 1.05 MMT (for the period 17th-23rd April, 2020) US corn exports were up 27 percent from the previous week but down 9 percent from the prior 4-week average; mainly for the destinations like Japan (405,000 MT), South Korea (263,200 MT, late reporting 67,300 MT), Mexico (190,100 MT), Colombia (52,500 MT), and the Dominican Republic (31,600 MT).

In U.S, corn plantings as on 26 April 2020 stand at 27%, up 15 percentage points from same time last year and up 7 percentage points from 5 year average.

Expectation of further increase in corn area on the forecast for favourable weather conditions in U.S Midwest are likely to put pressure on CBOT corn prices. However, fall in weekly U.S. ethanol stocks could support to CBOT corn prices.

**PREVIOUS UPDATES**

As per media news, Russia will suspend exports of wheat, rye, barley and corn to countries which are not members of the (Russia-led) Eurasian Economic Union until July 1.

Despite a record second-corn crop area of 13.2 million hectares, Brazil's production potential likely to be down due to weather issues in coming weeks.

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.

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 fall by 1.68 USD/MT to 122.63 USD/MT for May'20 contract compared to previous week. Expectation of further increase in corn area on the forecast for favourable weather conditions in U.S Midwest are likely to put pressure on CBOT corn prices. However, fall in weekly U.S. ethanol stocks could support to CBOT corn prices.

ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	1-May-20	24-Apr-20	1-Apr-20	1-May-19	1-May-18
Gulabbagh	Bilty	1250	1450	NA	NA	1200
Delhi	Hybrid Maize (U.P.)	Closed	Closed	Closed	2200	1410
Davangere	Loose	1300	1300	Closed	NA	1150
Shimoga	Bilty	NR	1300	1500	2150	NA
Ranebennur	Bilty	NR	NR	1400	2200	1160
Bagalkot	Hybrid/Local	NR	1280	NR	2050	1162
Gadag	Local	NR	1380	NR	2300	1120
Nizamabad	Bilty	Closed	Closed	Closed	2170	1340
Khanna	Bilty	NA	NA	Closed	2050	1420
Sangli	Feed	NA	NA	NA	2288	NA
Ahmedabad	Feed	Closed	Closed	Closed	2150	1340
	Starch	Closed	Closed	Closed	2100	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	01-May-20	24-Apr-20	Change
Corn CBOT Prices	May-20	122.63	124.31	-1.68
	July-20	125.39	127.16	-1.77
	Sep-20	128.14	128.93	-0.79
	Dec-20	132.57	132.57	0.00
	Mar-21	137.89	137.49	0.40

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