

# Maize Weekly Research Report

## Contents

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

**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Across India, maize is likely to trade steady to range bound in near term amid arrival pressure. Any further fall is a good buying opportunity for stockists and importers and could give support to the market.

Maize acreage in Kharif 2020-21 may turn out to be higher than that in Kharif 2019-20 as farmers in Karnataka, Rajasthan, Maharashtra, Madhya Pradesh and Telangana would prefer less labour intensive crops. Seed availability is expected to remain sufficient as transportation of agriculture related materials has become almost normal after the recent relaxations in lockdown.

**CURRENT HARVEST SITUATION**

As per trade sources, in Telangana, harvesting of rabi crop of maize is almost over while in Bihar, around 50-60% of maize crop has been harvested till date. However, in Karnataka, maize crop has been harvested only to the tune of 10% due to labour shortage.

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

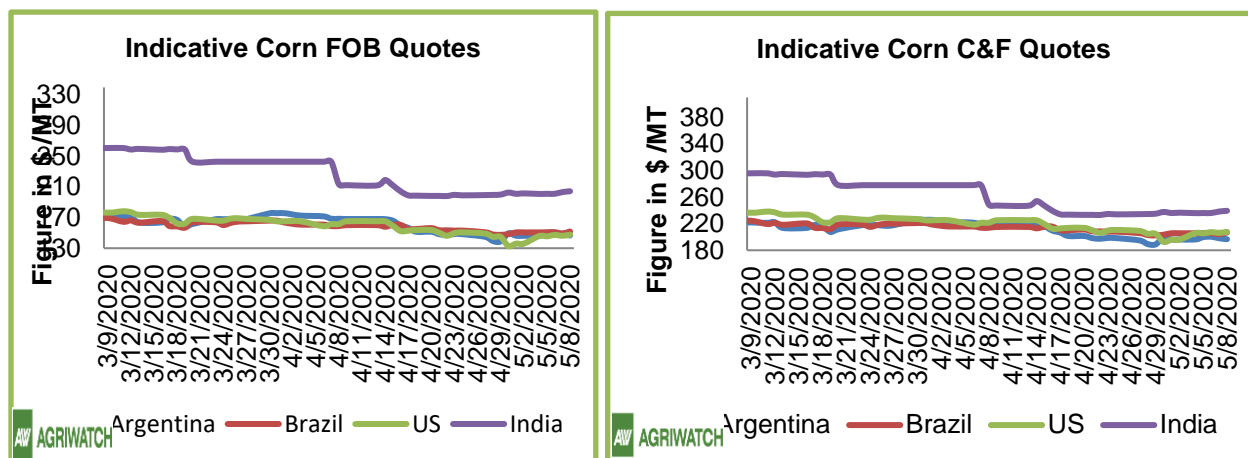
As per 3rd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 4.22 MT/ hectare.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 2.95 USD/MT to 125.58 USD/MT for May'20 contract compared to previous week due to increase in demand for U.S corn amid concern over potentially crop-damaging cold weather in the U.S. Midwest. Further, price direction depends on the WASDE report, due on Tuesday, 12 May, 2020.

At 1.40 MMT (for the period 24th- 30th April, 2020) US corn exports were up 33 percent from the previous week and 28 percent from the prior 4-week average; mainly for the destinations like Mexico (393,600 MT), Colombia (236,500 MT), Japan (182,800 MT), South Korea (131,200 MT), and Taiwan (83,800 MT). Agriwatch expects that increase in export demand for U.S corn could lead to CBOT corn prices.

## EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.60)				
As on 08.05.2020	Argentina	Brazil	US	India
FOB	146.65	151.80	147.65	204.37
C&F	196.65	206.80	207.65	239.37

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 \$167 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

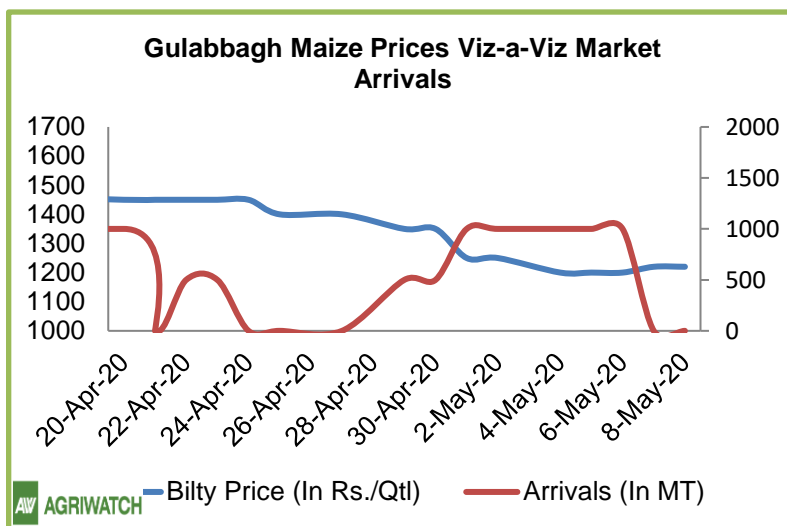
As per trade sources, India imported around 57,255 MT of maize for the month of March'20. Out of this, around 46,635 MT was imported from Myanmar at Tuticorin (22,588 MT @ \$252.30 USD/MT), Kolkata port (13,863 MT @ \$265.20 USD/MT), Vizag (6,176 MT @ \$253.14 USD/MT), Mundra port (3,935 MT @ \$266.67 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:

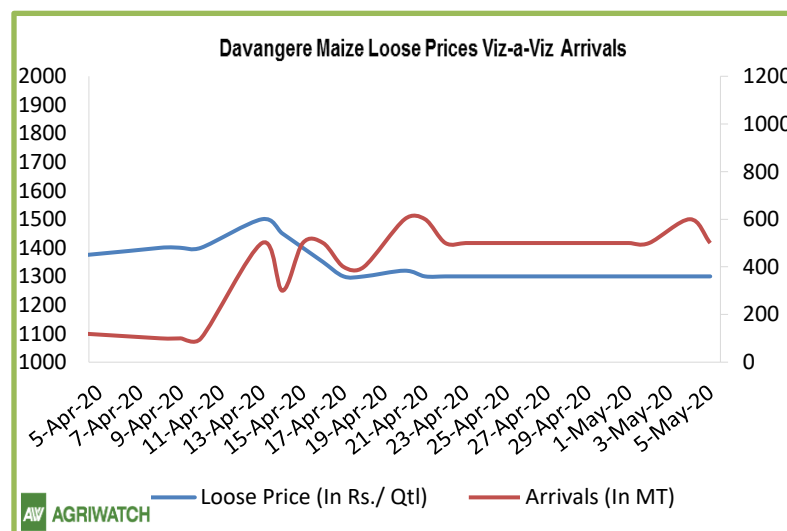
#### GULABBAGH:

- In Bihar, despite the demand of South and Nepal feed makers; maize could trade steady to range bound amid arrival pressure. Any further fall is a good buying opportunity for stockists and importers. However, fresh export demand could give support to the market. It is likely to trade steady to range bound in a range of Rs. 1150-1250 per quintal for the week.



#### KARNATAKA:

- Davangere market have closed again from 6<sup>th</sup> May'20 due to new case of COVID19. Earlier, maize was being traded at Rs. 1350 per quintal (Bilty Price) and being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity.



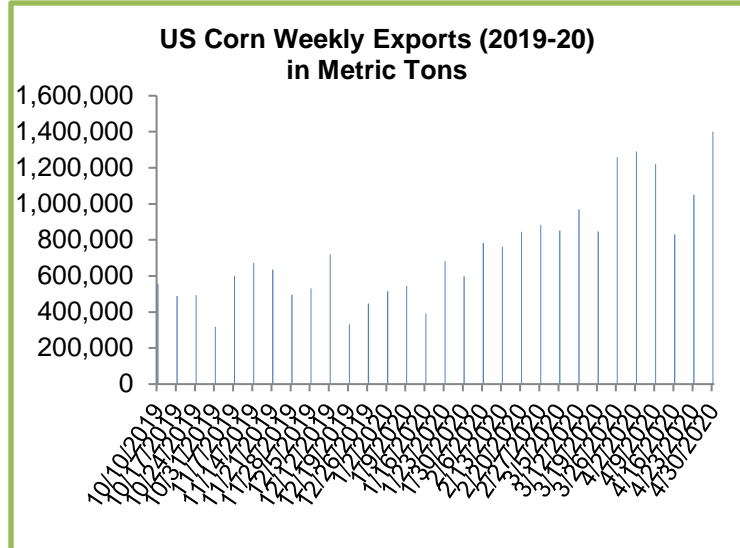
### DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to range bound amid arrival pressure. Any further fall is a good buying opportunity for stockists and importers and could give support to the market.

### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 24.10 MMT in the 2019-20 marketing year. At 1.40 MMT (for the period 24th-30th April, 2020) US corn exports were up 33 percent from the previous week and 28 percent from the prior 4-week average; mainly for the destinations like Mexico (393,600 MT), Colombia (236,500 MT), Japan (182,800 MT), South Korea (131,200 MT), and Taiwan (83,800 MT). Agriwatch expects that increase in export demand for U.S corn could lead to CBOT corn prices.

In U.S, corn plantings as on 3 May 2020 stand at 51%, up 30 percentage points from same time last year and up 12 percentage points from 5 year average.



### 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.

As per media news, Brazil's second corn harvest is likely to be down by 1.75% to 72.6 million tonnes due to weaker than expected rains during last week, while frost expectation in the state of Parana could also bring further losses to the crop.

IGC increased its global corn production forecast for 2020/21 by 1 MMT to 1158 MMT compared to previous month forecast. Forecast for global corn ending stock was also up by 7 MMT to 281 MMT for 2020/21 compared to last month forecast which could weigh on international corn market.

### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 2.95 USD/MT to 125.58 USD/MT for May'20 contract compared to previous week due to increase in demand for U.S corn amid concern over potentially crop-damaging cold weather in the U.S. Midwest. Further, price direction depends on the WASDE report, due on Tuesday, 12 May, 2020.



### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	8-May-20	1-May-20	8-Apr-20	8-May-19	8-May-18
Gulabbagh	Bilty	1220	1250	NA	1780	1170
Delhi	Hybrid Maize (U.P.)	1400	Closed	Closed	2000	1350
Davangere	Loose	Closed	1300	1400	NA	1150
Shimoga	Bilty	1400	NR	NR	2100	NA
Ranebennur	Bilty	NR	NR	NR	2150	1160
Bagalkot	Hybrid/Local	1300	NR	NR	1980	NA
Gadag	Local	1380	NR	NR	1950	1155
Nizamabad	Bilty	Closed	Closed	Closed	2150	1340
Khanna	Bilty	1300	NA	Closed	1950	1420
Sangli	Feed	NA	NA	NA	2206	NA
Ahmedabad	Feed	1425	Closed	Closed	2060	1330
	Starch	1400	Closed	Closed	2200	1390

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	08-May-20	01-May-20	Change
Corn CBOT Prices	May-20	125.58	122.63	2.95
	July-20	125.68	125.39	0.29
	Sep-20	127.85	128.14	-0.29
	Dec-20	132.18	132.57	-0.39
	Mar-21	137.40	137.89	-0.49

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