



# Maize Weekly Research Report

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## **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.

In Bihar, despite the demand of South and Nepal feed makers; maize is being traded lower at Rs. 1150 per quintal (Bilty Price) as bulk demand is still missing amid arrival pressure. However, it is a good buying point for stockists and importers which could give support to the market. Meanwhile, it is moving towards Bengaluru and Tamil Nadu at Rs. 1450 per quintal each (Delivered Price); sourced from Davangere region of Karnataka.

As per media news, the five cattle feed manufacturing plants of the Karnataka Cooperative Milk Producers' Federation Ltd. has started purchase of the produce at Rs.1,760 per quintal from 12th May'2020. The maximum quantity of purchase has been capped at 50 quintals from each farmer.

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 10-15% 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.

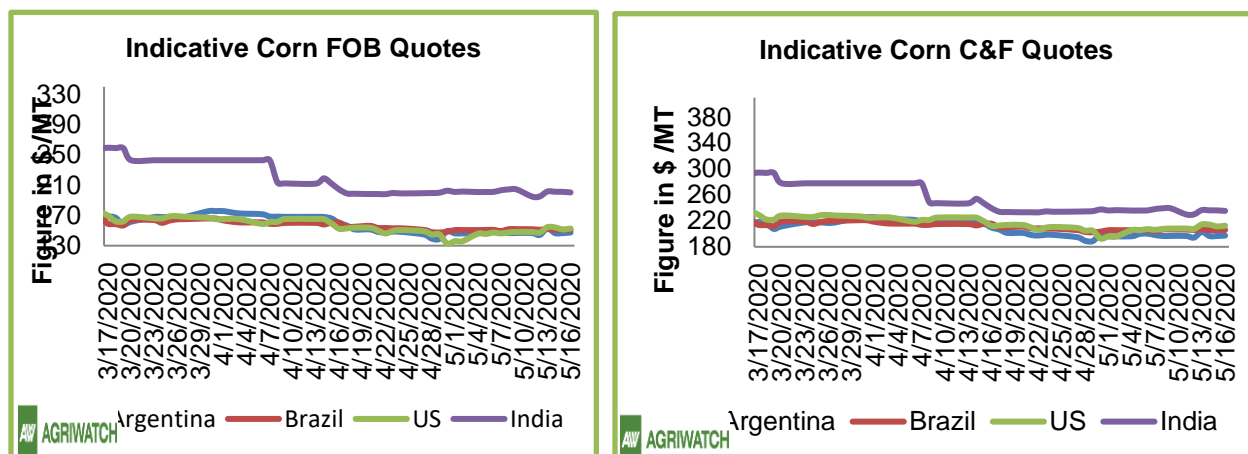
### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT was unchanged at 125.68 USD/MT for July'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn.

At 1.40 MMT (for the period 1<sup>st</sup>- 7<sup>th</sup> May, 2020) US corn exports were down 6 percent from the previous week but up 16 percent from the prior 4-week average; mainly for the destinations like Mexico (386,900 MT), Japan (304,300 MT), Costa Rica (99,100 MT), South Korea (80,600 MT), and Tunisia (63,700 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, corn plantings as on 10 May 2020 stand at 67%, up 39 percentage points from same time last year and up 11 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.87)				
As on 16.05.2020	Argentina	Brazil	US	India
FOB	147.34	151.00	152.59	200.34
C&F	197.34	206.00	212.59	235.34

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 \$172 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 APRIL'20

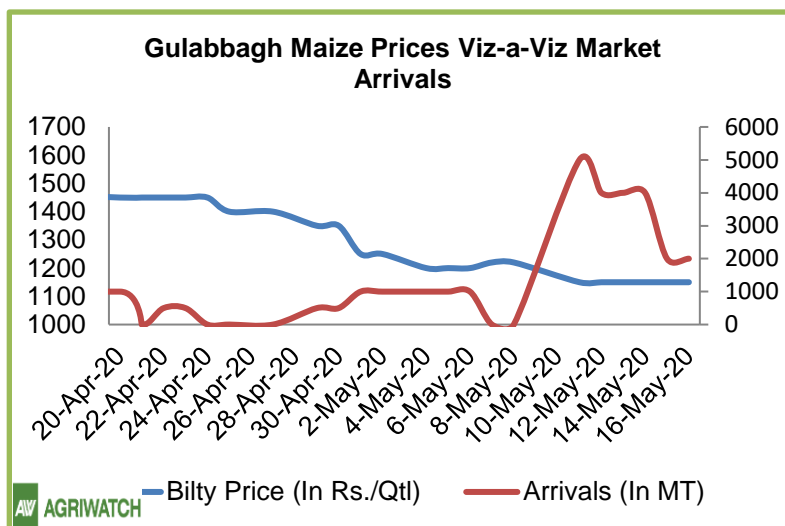
As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).

## CURRENT MARKET DYNAMICS:

During the week under review, steady to weak sentiments reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

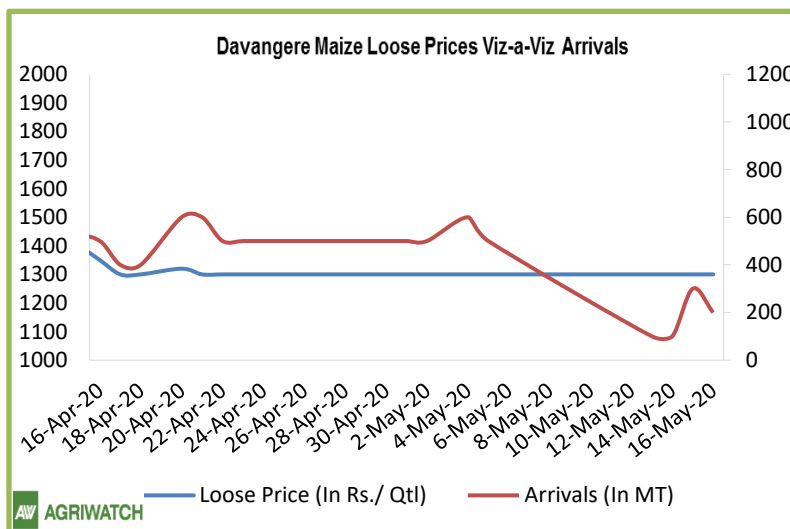
### GULABBAGH:

- In Bihar, despite the demand of South and Nepal feed makers; maize is being traded lower at Rs. 1150 per quintal (Bilty Price) as bulk demand is still missing amid arrival pressure. However, it is a good buying point for stockists and importers which could give support to the market. It is likely to trade steady to range bound in a range of Rs. 1100-1200 per quintal for the week.



### KARNATAKA:

- Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1450 per quintal each (Delivered Price); sourced from Davangere region of Karnataka.



## 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.

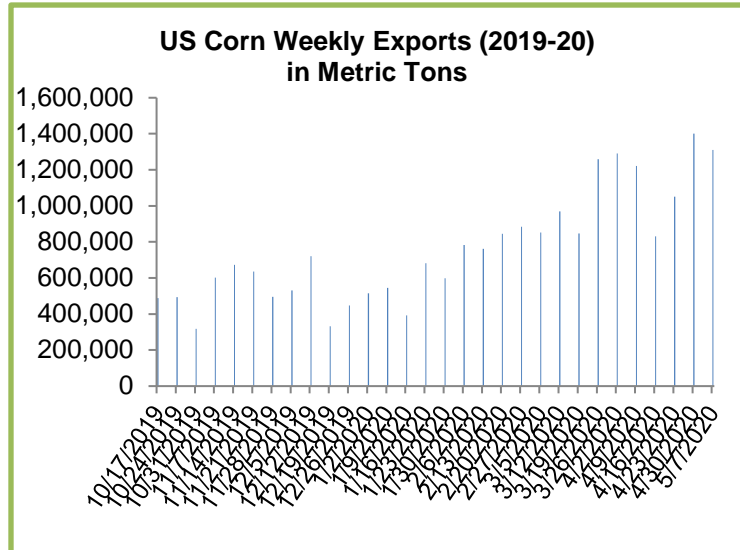
**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 25.41 MMT in the 2019-20 marketing year. At 1.40 MMT (for the period 1<sup>st</sup>- 7<sup>th</sup> May, 2020) US corn exports were down 6 percent from the previous week but up 16 percent from the prior 4-week average; mainly for the destinations like Mexico (386,900 MT), Japan (304,300 MT), Costa Rica (99,100 MT), South Korea (80,600 MT), and Tunisia (63,700 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, corn plantings as on 10 May 2020 stand at 67%, up 39 percentage points from same time last year and up 11 percentage points from 5 year average.

Rapid U.S planting progress likely to put pressure on CBOT corn prices.

USDA increased its world corn ending stock estimates by 24.90 MMT to 339.62 MMT for 2020/21 compared to last year due to increase in production estimates; mainly in U.S, Brazil, Ukraine, Mexico, Canada and E.U for 2020/21 which could weigh on global corn market.

**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.

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 was unchanged at 125.68 USD/MT for July'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn.

# ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	15-May-20	8-May-20	15-Apr-20	15-May-19	15-May-18
Gulabbagh	Bilty	1150	1220	NA	1830	1150
Delhi	Hybrid Maize (U.P.)	1360	1400	Closed	2050	1320
Davangere	Loose	1300	Closed	1400	NA	NA
Shimoga	Bilty	1350	1400	NR	2160	1360
Ranebennur	Bilty	NR	1420	NR	2250	1130
Bagalkot	Hybrid/Local	1290	1300	NR	2111	NA
Gadag	Local	1310	1380	1405	1920	NA
Nizamabad	Bilty	Closed	Closed	Closed	2150	NA
Khanna	Bilty	1300	1300	Closed	1980	1310
Sangli	Feed	NA	NA	NA	2338	NA
Ahmedabad	Feed	1400	NR	Closed	2200	1340
	Starch	1300	NR	Closed	2160	1380

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	15-May-20	08-May-20	Change
Corn CBOT Prices	July-20	125.68	125.68	Unch
	Sep-20	127.16	127.85	-0.69
	Dec-20	130.70	132.18	-1.48
	Mar-21	135.72	137.4	-1.68
	May-21	138.58	-	-

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