



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

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 relaxations in lockdown. Expectation of good monsoon amid proposed increase in MSP are all good motivating factors for farmers to grow more maize for this Kharif season.

Overall maize cash markets traded firm compared to previous week due to fresh stockists demand. However, it is likely to trade steady to range bound in near term amid limited demand and arrival.

In Bihar, despite arrival disturbance due to rain amid fresh stockists demand; maize is being traded at Rs. 1250 per quintal (Bilty Price) as bulk demand is still missing. It is expected that maize could trade steady to range bound in near term amid limited demand and arrivals.

Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1500 per quintal and Rs. 1600 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. As per trade sources, each maize grower in the Karnataka state is getting a cash relief of ₹5,000 to compensate the impact of low maize prices.

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.

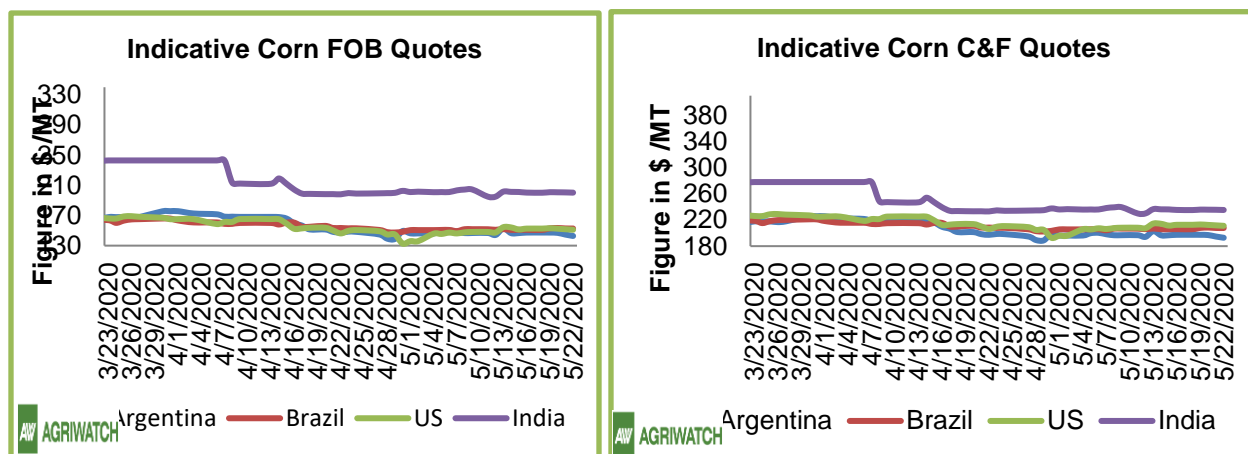
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.49 USD/MT to 125.19 USD/MT for July'20 contract compared to previous week due to decrease in export demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

At 1.26 MMT (for the period 8th- 14th May, 2020) US corn exports were down 4 percent from the previous week but up 10 percent from the prior 4-week average; mainly for the destinations like Mexico (362,900 MT), Japan (263,800 MT), China (129,600 MT), South Korea (122,000 MT), and Colombia (115,100 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 17 May 2020 stand at 80%, up 36 percentage points from same time last year and up 9 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. 75.90)				
As on 22.05.2020	Argentina	Brazil	US	India
FOB	142.81	152.70	151.08	200.27
C&F	192.81	207.70	211.08	235.27

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 \$173 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

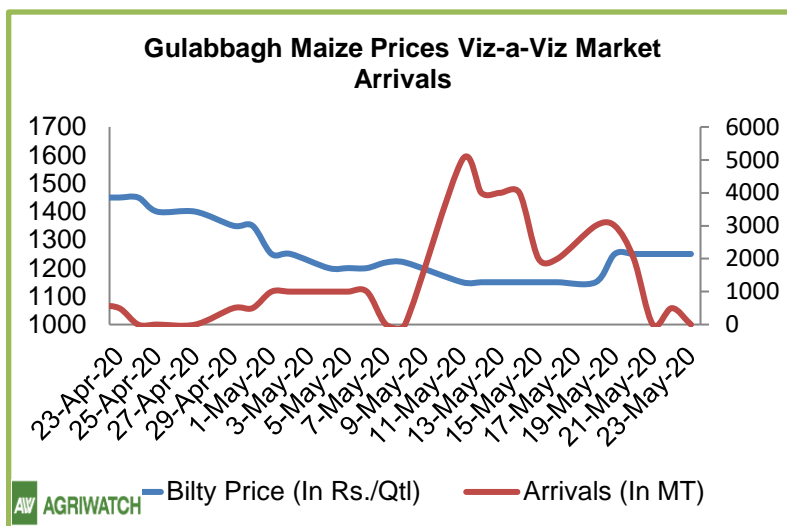
As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).

CURRENT MARKET DYNAMICS:

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

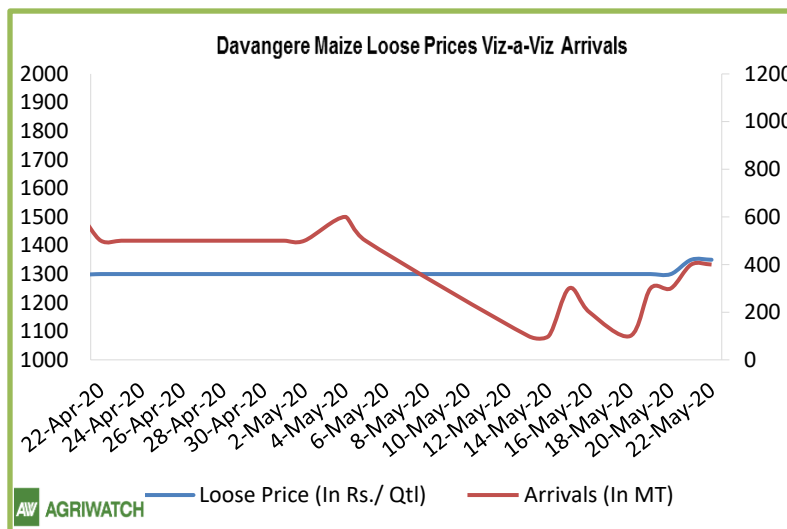
GULABBAGH:

- In Bihar, despite arrival disturbance due to rain amid fresh stockists demand; maize is being traded at Rs. 1250 per quintal (Bilty Price) as bulk demand is still missing. It is expected that maize could trade in a range of Rs. 1220-1270 per quintal for the week in near term amid limited demand and arrivals.



KARNATAKA:

- Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1500 per quintal and Rs. 1600 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. As per trade sources, each maize grower in the Karnataka state is getting a cash relief of ₹5,000 to compensate the impact of low maize prices.
- 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.



DOMESTIC MAIZE OUTLOOK:

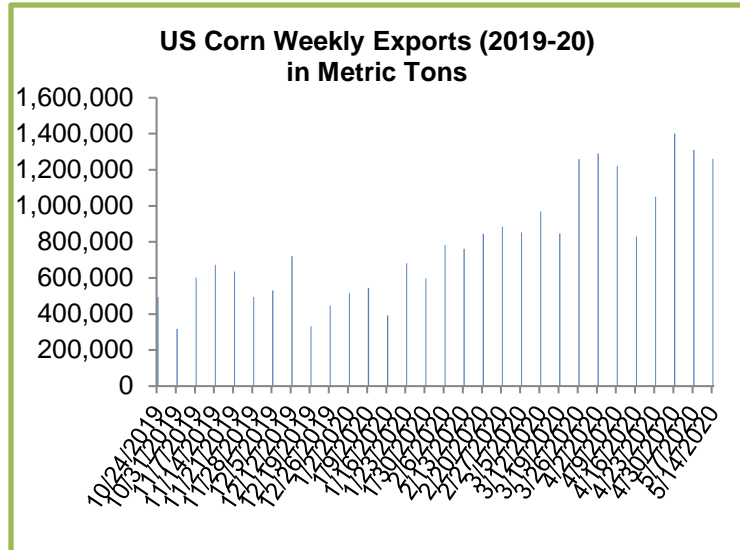
Prices of maize are likely to be steady to range bound amid limited demand and arrival.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 26.67 MMT in the 2019-20 marketing year. At 1.26 MMT (for the period 8th- 14th May, 2020) US corn exports were down 4 percent from the previous week but up 10 percent from the prior 4-week average; mainly for the destinations like Mexico (362,900 MT), Japan (263,800 MT), China (129,600 MT), South Korea (122,000 MT), and Colombia (115,100 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 17 May 2020 stand at 80%, up 36 percentage points from same time last year and up 9 percentage points from 5 year average.

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

**PREVIOUS UPDATES**

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.

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 fall by 0.49 USD/MT to 125.19 USD/MT for July'20 contract compared to previous week due to decrease in export demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	22-May-20	15-May-20	22-Apr-20	22-May-19	22-May-18
Gulabghagh	Bilty	1250	1150	1450	1900	1150
Delhi	Hybrid Maize (U.P.)	1400	1360	Closed	2050	1310
Davangere	Loose	1350	1300	1300	NA	1250
Shimoga	Bilty	1400	1350	1300	NA	1370
Ranebennur	Bilty	NR	NR	NR	2350	1300
Bagalkot	Hybrid/Local	1260	1290	1285	2200	1301
Gadag	Local	NR	1310	NR	2192	1312
Nizamabad	Bilty	Closed	Closed	Closed	2150	1350
Khanna	Bilty	1325	1300	NA	1980	1260
Sangli	Feed	NA	NA	NA	2384	NA
Ahmedabad	Feed	1450	1400	Closed	2160	1380
	Starch	1450	1300	Closed	2200	1415

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	22-May-20	15-May-20	Change
Corn CBOT Prices	July-20	125.19	125.68	-0.49
	Sep-20	127.06	127.16	-0.10
	Dec-20	131.00	130.70	0.30
	Mar-21	135.92	135.72	0.20
	May-21	138.87	138.58	0.29

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