

# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak compared to previous week due to dull feed makers' demand. However, it is likely to trade steady to range bound in near term amid limited demand and arrival.

In Bihar, despite decrease in arrival amid stockists demand; maize is being traded at Rs. 1250 per quintal (Bilty Price) as bulk feed makers 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. 1450 per quintal and Rs. 1520 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. Maize is likely to trade steady amid arrival pressure. 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 AP markfed, from the current rabi crop, 2,75,405 MT of maize has been procured by A.P government as of 25th May, 2020. The procurement is still ongoing.

Maize acreage in Kharif 2020-21 may turn out to be higher than that in Kharif 2019-20 as farmers in Karnataka, Rajasthan, Maharashtra and Madhya Pradesh 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 by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21; are all good motivating factors for farmers to grow more maize for this Kharif season. However, in Telangana, maize area likely to shift towards more remunerative and high yield crops like pulses.

### CURRENT HARVEST SITUATION

As per trade sources, in Telangana, harvesting of rabi crop of maize has completed while in Bihar regions, maize crop has been harvested around at 60% and in Karnataka, maize crop has been harvested at 50% till date.

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

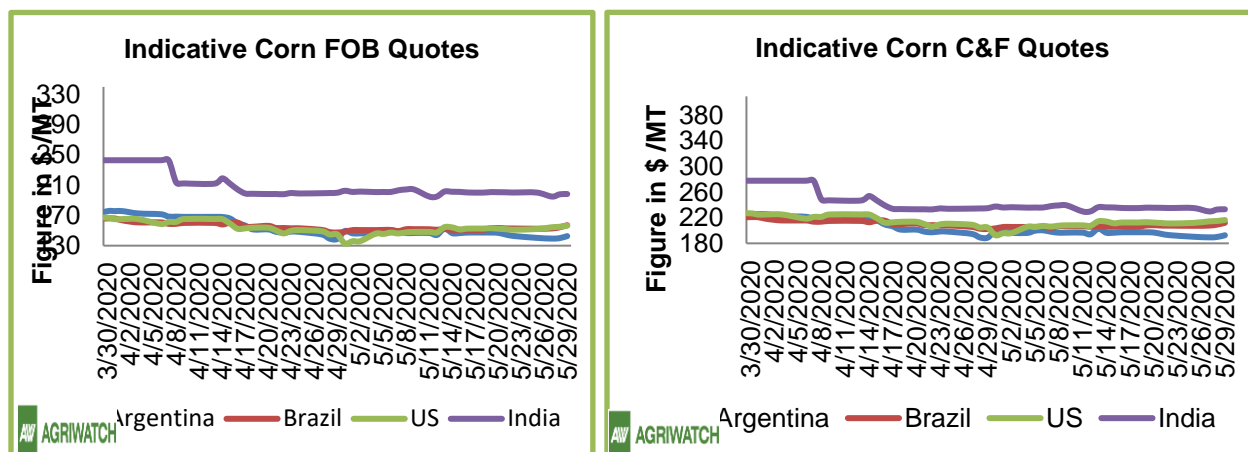
As per 3rd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 4.22 MT/ hectare.

### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 3.05 USD/MT to 128.24 USD/MT for July'20 contract compared to previous week due to increase in demand for U.S corn for ethanol amid forecasts for hot and dry weather in western corn belt. Further, price direction depend on the demand for U.S corn.

At 1.06 MMT (for the period 15th- 21st May, 2020) US corn exports were down 16 percent from the previous week and from the prior 4-week average; mainly for the destinations like Mexico (321,200 MT), Japan (260,000 MT), Colombia (142,300 MT), Israel (110,700 MT), and Honduras (33,500 MT). Agriwatch expects that expectation of decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, corn plantings as on 24 May 2020 stand at 88%, up 33 percentage points from same time last year and up 6 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. 75.65)				
As on 29.05.2020	Argentina	Brazil	US	India
FOB	142.62	157.10	156.50	198.28
C&F	192.62	212.10	216.50	233.28

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 \$175 USD/ MT.

**EXPORTS FOR THE MONTH OF APRIL'20**

As per trade sources, India exported around 19,713 MT of maize for the month of April'20 at an average FoB of \$242.71/ MT. Out of which, around 15,369 MT Indian maize was exported mainly to Nepal at an average FoB of \$244.36/MT; mainly through Raxaul followed by Jogbani ICD and Nepalgunj Road port.

**IMPORTS FOR THE MONTH OF APRIL'20**

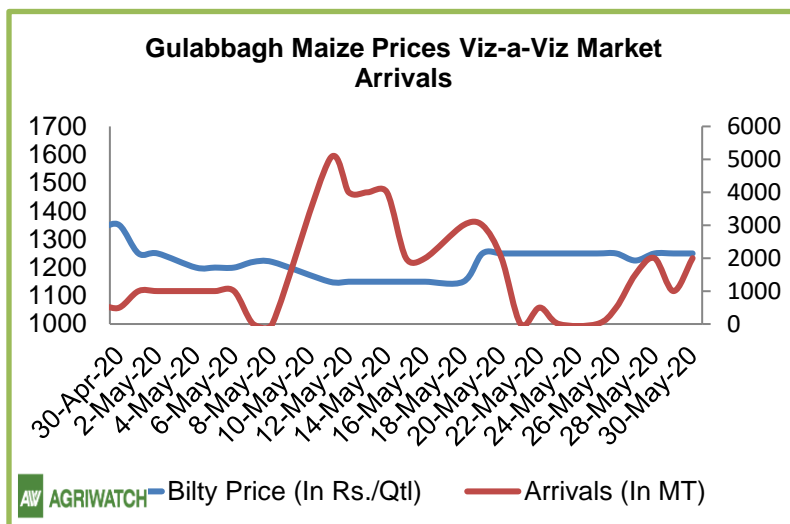
As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).

### 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:

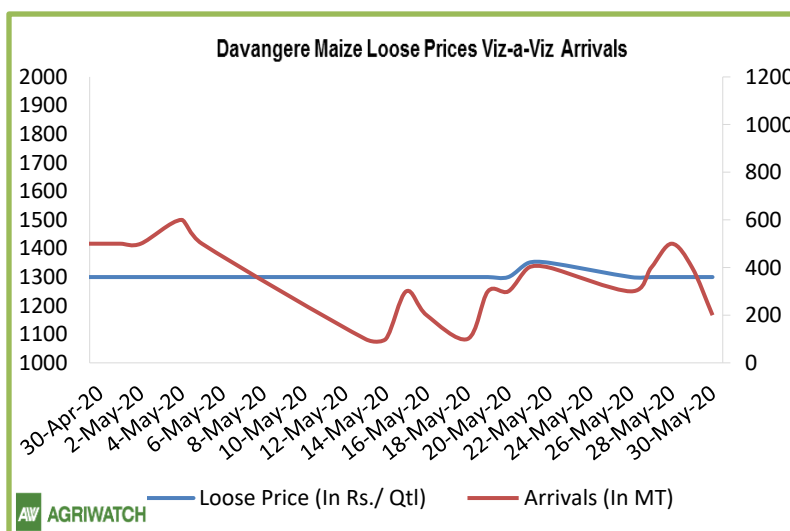
#### GULABBAGH:

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



#### KARNATAKA:

- Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1450 per quintal and Rs. 1520 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. Maize is likely to trade steady amid arrival pressure. 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.



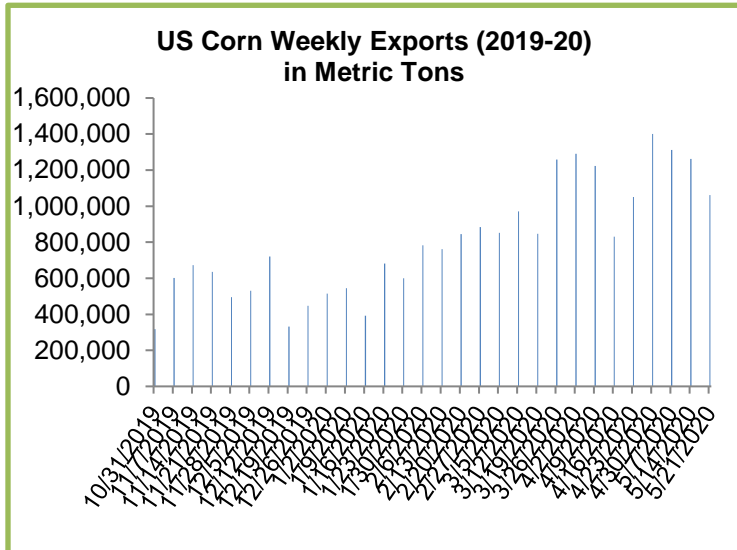
### DOMESTIC MAIZE OUTLOOK:

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 27.67 MMT in the 2019-20 marketing year. At 1.06 MMT (for the period 15<sup>th</sup>-21<sup>st</sup> May, 2020) US corn exports were down 16 percent from the previous week and from the prior 4-week average; mainly for the destinations like Mexico (321,200 MT), Japan (260,000 MT), Colombia (142,300 MT), Israel (110,700 MT), and Honduras (33,500 MT). Agriwatch expects that expectation of decrease in export demand for U.S corn from China could weigh on CBOT corn prices.

In U.S, corn plantings as on 24 May 2020 stand at 88%, up 33 percentage points from same time last year and up 6 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.



IGC increased its global corn production forecast for 2020/21 by 11 MMT to 1169 MMT compared to previous month forecast. Forecast for global corn ending stock was also up by 7 MMT to 288 MMT for 2020/21 compared to last month forecast which could weigh on international corn market.

**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.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 3.05 USD/MT to 128.24 USD/MT for July'20 contract compared to previous week due to increase in demand for U.S corn for ethanol amid forecasts for hot and dry weather in western corn belt. Further, price direction depend on the demand for U.S corn.



### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	29-May-20	22-May-20	29-Apr-20	29-May-19	29-May-18
Gulabghagh	Bilty	1250	1250	1350	1820	1150
Delhi	Hybrid Maize (U.P.)	1340	1400	Closed	2000	1320
Davangere	Loose	1300	1350	1300	NA	1250
Shimoga	Bilty	1300	1400	1450	2250	1470
Ranebennur	Bilty	NR	1430	NR	2350	1300
Bagalkot	Hybrid/Local	1290	1260	1305	2225	1332
Gadag	Local	1340	NR	1375	NA	1331
Nizamabad	Bilty	NA	Closed	Closed	2150	1350
Khanna	Bilty	1350	1325	NA	1910	1200
Sangli	Feed	NA	NA	NA	2324	NA
Ahmedabad	Feed	1400	1450	Closed	2150	1420
	Starch	1380	1450	Closed	2150	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	29-May-20	22-May-20	Change
Corn CBOT Prices	July-20	128.24	125.19	3.05
	Sep-20	129.92	127.06	2.86
	Dec-20	133.36	131.00	2.36
	Mar-21	137.89	135.92	1.97
	May-21	140.64	138.87	1.77

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