

# Maize Weekly Research Report

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

Maize cash markets traded mixed compared to previous week. However, it is likely to trade steady to range bound in near term amid limited demand and arrival.

In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid limited demand and arrival. Stockists demand has come down as recent rains has impacted the arrival quality. It is expected that maize could trade steady to range bound in near term too amid limited demand and arrivals.

Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1450 per quintal and Rs. 1550 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. Maize is likely to trade steady amid arrival pressure. As per media reports and also confirmed by trade sources, each maize grower in the Karnataka state is getting a cash relief of Rs.5,000 to compensate the impact of low maize prices.

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 increase in MSP by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21 and reward offering by Haryana government from water guzzling paddy crops to maize; 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. In SPSR Nellore, Chittoor and Anantapuram districts of A.P, and also in some districts of Karnataka, maize sowing has just started.

As per AP markfed, from the current rabi crop, 3,28,922 MT of maize has been procured by A.P government as of 04th June,2020.

**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.

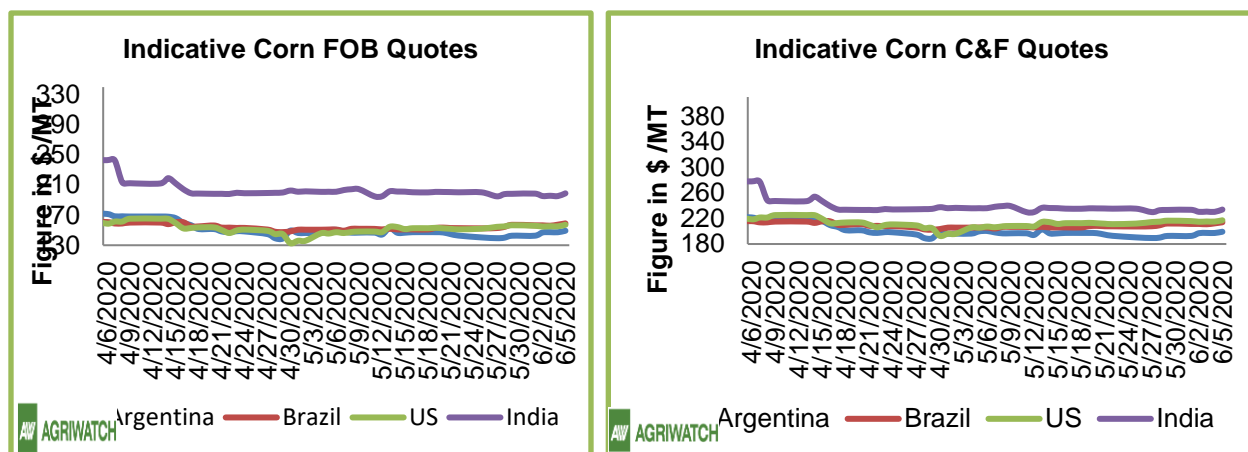
**FINAL ESTIMATE FOR RABI SEASON 2019-20**

As per final estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 3.97 MT/ hectare.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 2.17 USD/MT to 130.41 USD/MT for July'20 contract compared to previous week due to increase in demand for U.S corn for ethanol. Further, price direction depend on the demand for U.S corn.

At 1.35 MMT (for the period 22nd- 28th May, 2020) US corn exports were up 27 percent from the previous week and 7 percent from the prior 4-week average; mainly for the destinations like Japan (447,900 MT), Mexico (233,300 MT), South Korea (206,800 MT), Colombia (190,700 MT, late 12,000 MT – see below), and Guatemala (60,800 MT). Agriwatch expects that increase in export demand for U.S corn could support to CBOT corn prices.

**EXPORT PARITY TREND**


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.41)				
As on 05.06.2020	Argentina	Brazil	US	India
FOB	149.21	159.00	157.10	198.91
C&F	199.21	214.00	217.10	233.91

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**

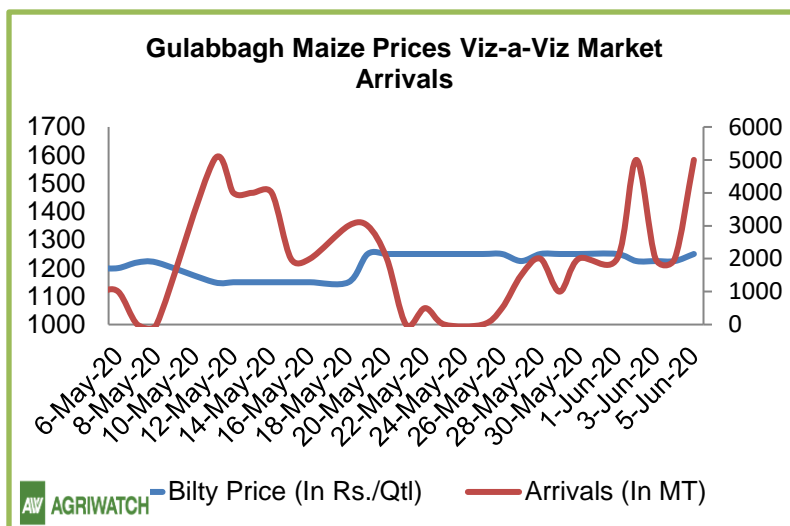
As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).

## CURRENT MARKET DYNAMICS:

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

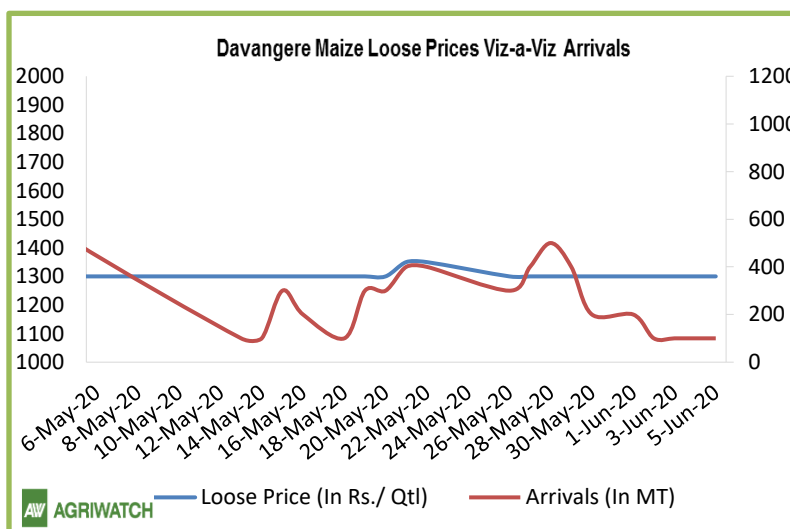
### GULABBAGH:

- In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid limited demand and arrival. Stockists demand has come down as recent rains has impacted the arrival quality. It is expected that maize could trade steady to range bound in near term too 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. 1550 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.

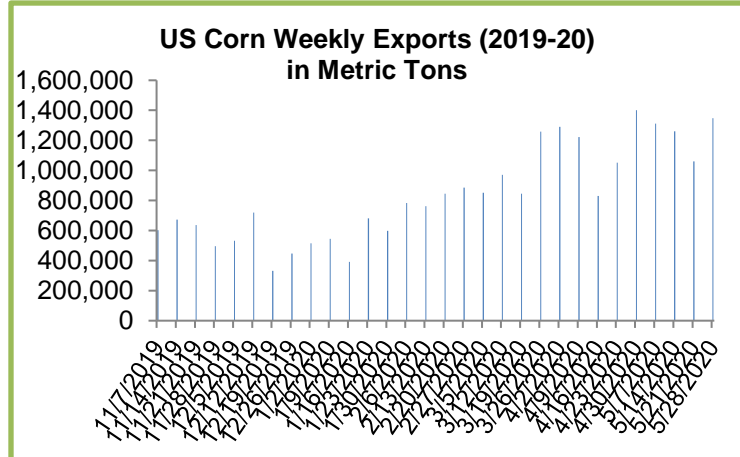


## DOMESTIC MAIZE OUTLOOK:

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 29.01 MMT in the 2019-20 marketing year. At 1.35 MMT (for the period 22nd-28th May, 2020) US corn exports were up 27 percent from the previous week and 7 percent from the prior 4-week average; mainly for the destinations like Japan (447,900 MT), Mexico (233,300 MT), South Korea (206,800 MT), Colombia (190,700 MT, late 12,000 MT – see below), and Guatemala (60,800 MT). Agriwatch expects that increase in export demand for U.S corn could support to CBOT corn prices.



In U.S, corn plantings as on 31 May 2020 stand at 93%, up 29 percentage points from same time last year and up 4 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

### PREVIOUS UPDATES

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.

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 2.17 USD/MT to 130.41 USD/MT for July'20 contract compared to previous week due to increase in demand for U.S corn for ethanol. Further, price direction depend on the demand for U.S corn.



### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	5-Jun-20	29-May-20	5-May-20	5-Jun-19	5-Jun-18
Gulabbagh	Bilty	1250	1250	1200	1780	1150
Delhi	Hybrid Maize (U.P.)	1360	1340	1400	1900	1300
Davangere	Loose	1300	1300	1300	NA	1250
Shimoga	Bilty	NR	1300	1450	NA	1400
Ranebennur	Bilty	NR	NR	1500	2300	1320
Bagalkot	Hybrid/Local	NR	1290	NR	2150	1350
Gadag	Local	NR	1340	1320	2123	1395
Nizamabad	Bilty	1500	NA	Closed	NA	1350
Khanna	Bilty	1120	1350	1400	1850	1230
Sangli	Feed	1389	NA	NA	2322	NA
Ahmedabad	Feed	1400	1400	1450	2060	1460
	Starch	1450	1380	1300	2000	1425

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	05-June-20	29-May-20	Change
Corn CBOT Prices	July-20	130.41	128.24	2.17
	Sep-20	132.08	129.92	2.16
	Dec-20	135.92	133.36	2.56
	Mar-21	140.54	137.89	2.65
	May-21	143.01	140.64	2.37

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