

# Maize Weekly Research Report

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## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to slightly firm compared to previous week due to stockists demand and is likely to trade steady to slightly firm in near term too on the expectation of increase in stockists demand.

In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid Stockists demand. Last week rains has impacted the arrival quality. It is expected that maize could trade steady to slightly firm in near term on the expectation of increase in stockists demand. 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. Farmers are bringing their lower produce in the market due to cloudy weather. Meanwhile, in Nizamabad, maize is being traded at Rs. 1425 per quintal (Bilty Price). It is likely to trade steady to range bound in near term amid limited demand and low arrivals.

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 Telangana, maize has been sown in 3156 acres as of 10th Jun'20. In SPSR Nellore, Chittoor, Anantapuram, and West Godavari 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 60-65% and in Karnataka, maize crop has been harvested at 60% 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.

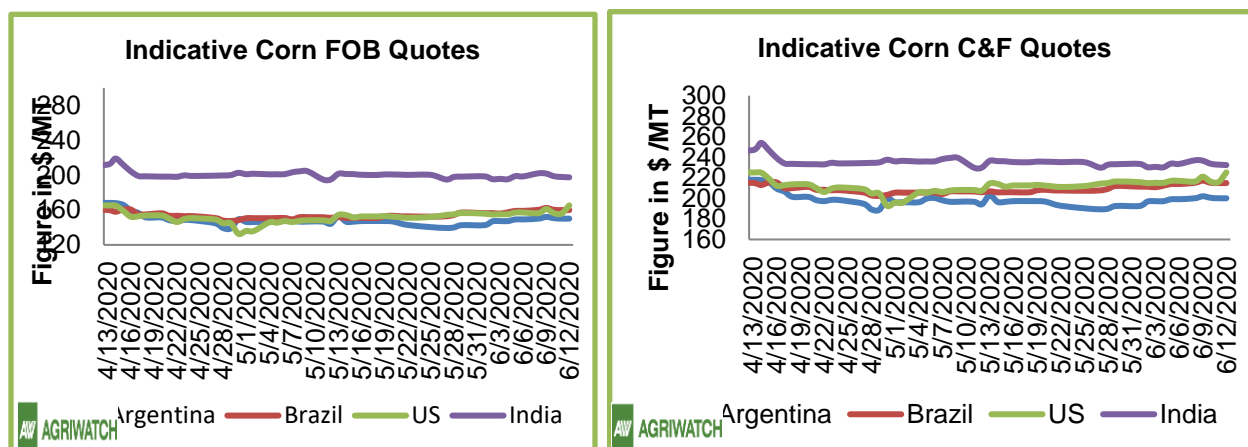
### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 0.49 USD/MT to 129.92 USD/MT for July'20 contract compared to previous week due to decrease in demand for U.S corn. Further, price direction depend on the demand for U.S corn.

At 1.24 MMT (for the period 29<sup>th</sup> May- 04<sup>th</sup> June, 2020) US corn exports were down 8 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (293,700 MT), South Korea (237,300 MT), Japan (208,000 MT), Peru (129,800 MT), and Israel (61,900 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 7th Jun 2020 stand at 97%, up 19 percentage points from same time last year and up 3 percentage points from 5 year average.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.96)				
As on 12.06.2020	Argentina	Brazil	US	India
FOB	150.10	159.90	165.30	197.47
C&F	200.10	214.90	225.30	232.47

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

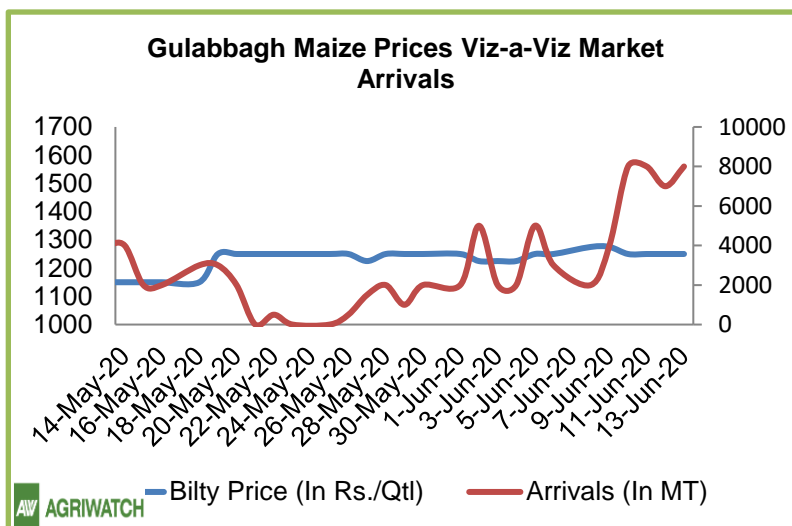
As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).

## CURRENT MARKET DYNAMICS:

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

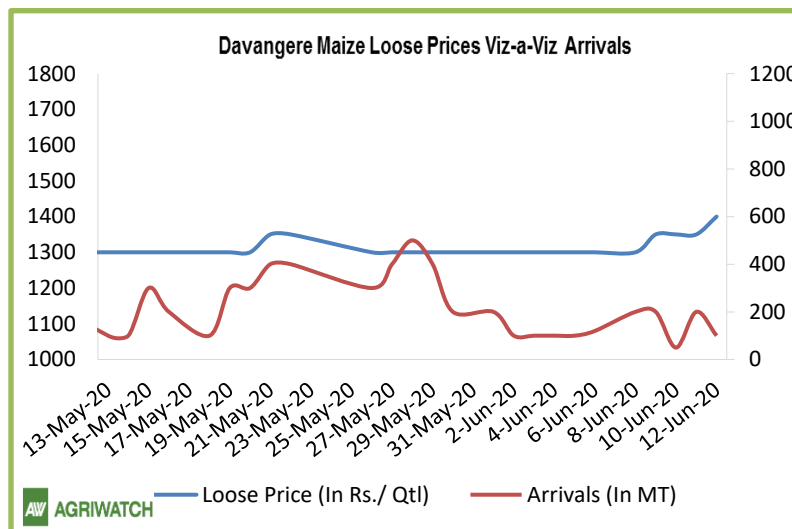
### GULABBAGH:

- In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid Stockists demand. Last week rains has impacted the arrival quality. It is expected that maize could trade steady to slightly firm in near term on the expectation of increase in stockists demand. 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. 1500 per quintal and Rs. 1600 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. Farmers are bringing their lower produce in the market due to cloudy weather. As per media source and also confirmed by trade source, 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 slightly firm in near term on the expectation of increase in stockists demand.

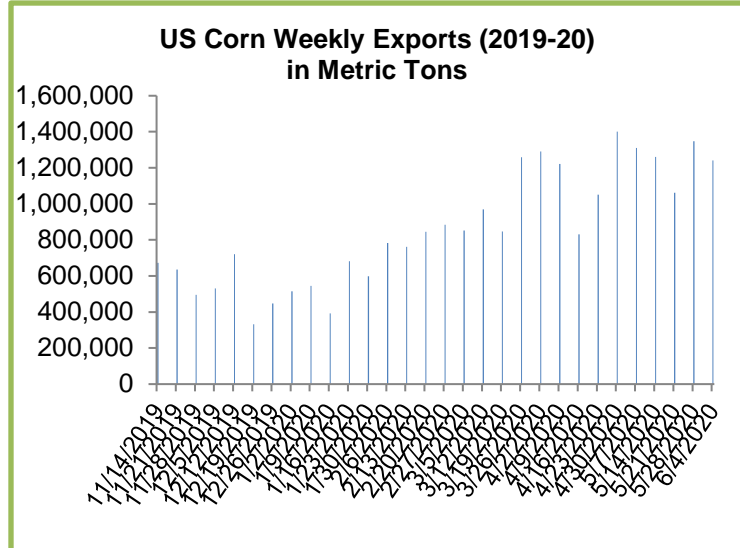
### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 30.25 MMT in the 2019-20 marketing year. At 1.24 MMT (for the period 29<sup>th</sup> May- 04<sup>th</sup> June, 2020) US corn exports were down 8 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (293,700 MT), South Korea (237,300 MT), Japan (208,000 MT), Peru (129,800 MT), and Israel (61,900 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 7th Jun 2020 stand at 97%, up 19 percentage points from same time last year and up 3 percentage points from 5 year average.

Also, 75% crop of corn is in good to excellent condition. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

USDA decreased its world corn ending stock estimates by 1.75 MMT to 337.87 MMT for 2020/21 compared to last year due to increase in domestic consumption estimates which could support global corn market.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.49 USD/MT to 129.92 USD/MT for July'20 contract compared to previous week due to decrease in demand for U.S corn. Further, price direction depend on the demand for U.S corn.



### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	12-Jun-20	5-Jun-20	12-May-20	12-Jun-19	12-Jun-18
Gulababagh	Bilty	1250	1250	1150	1600	1125
Delhi	Hybrid Maize (U.P.)	1360	1360	1350	1850	1300
Davangere	Loose	1400	1300	Closed	NR	1250
Shimoga	Bilty	1300	NR	NR	NR	1430
Ranebennur	Bilty	NR	1425	1450	2200	1300
Bagalkot	Hybrid/Local	1320	NR	1260	NR	1331
Gadag	Local	1375	NR	1365	2066	1153
Nizamabad	Bilty	1425	1500	Closed	2150	1350
Khanna	Bilty	1100	1120	1300	1850	1125
Sangli	Feed	1440	1389	NR	2293	NR
Ahmedabad	Feed	1425	1400	1400	2000	1400
	Starch	1480	1450	1300	1980	1390

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12-June-20	05-June-20	Change
Corn CBOT Prices	July-20	129.92	130.41	-0.49
	Sep-20	131.69	132.08	-0.39
	Dec-20	135.03	135.92	-0.89
	Mar-21	139.66	140.54	-0.88
	May-21	142.22	143.01	-0.79

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