

# 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. 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. 1600 per quintal (Delivered Price) each; sourced from Davangere region of Karnataka. Meanwhile, in Nizamabad, maize is being traded at Rs. 1400 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 more or less same than that in Kharif 2019-20 as one side, farmers would prefer less labour intensive crops. 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, on the other side, low prevailing market prices could be a major factor to shift towards more remunerative and high yield crops like pulses.

In India, maize has been sown in 10.43 lakh hectares as of 19<sup>th</sup> Jun'20 which is higher than 5.25 lakh hectares compared to corresponding period last year. In Telangana, maize has been sown in 7656 acres as of 17<sup>th</sup> Jun'20 which is higher than 4623 acres compared to corresponding period last year. In A.P, maize has been sown in 1534 hectares as of 17<sup>th</sup> Jun'20; higher than 1497 hectares compared to corresponding period last year.

As per AP marked, from the current rabi crop, 3,80,933 MT of maize has been procured by A.P government as of 17<sup>th</sup> 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 75% and in Karnataka, maize crop has been harvested at 60-65% 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.

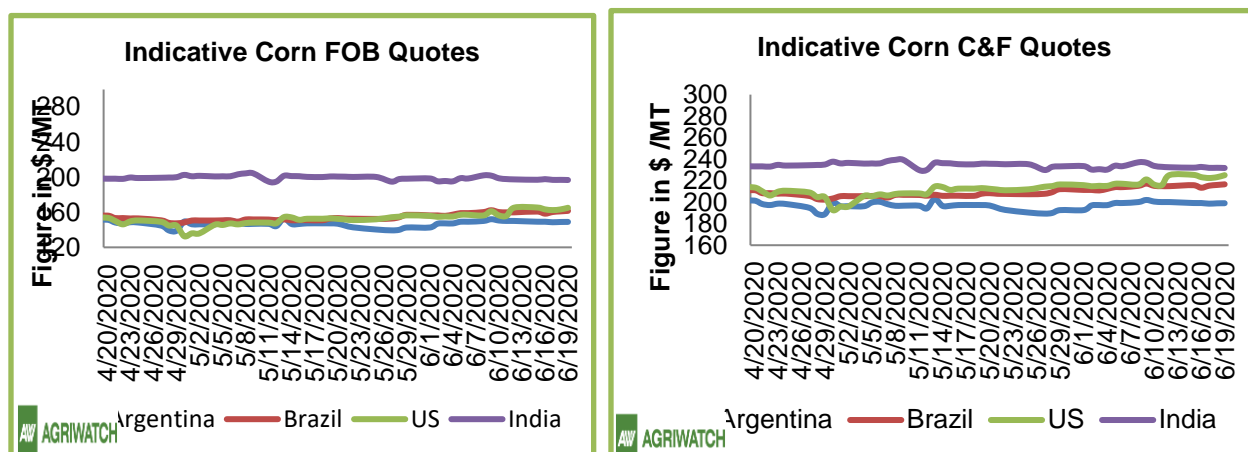
### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.98 USD/MT to 130.90 USD/MT for July'20 contract compared to previous week. Further, price direction depend on the demand for U.S corn.

At 0.88 MMT (for the period 5<sup>th</sup> June- 11<sup>th</sup> June, 2020) US corn exports were down 29 percent from the previous week and from the previous 4-week average; mainly for the destinations like Mexico (222,900 MT), Japan (176,300 MT), South Korea (135,300 MT), China (66,100 MT), and the Philippines (56,700 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, 71% crop of corn is in good to excellent condition, down 4 percentage points from last week.

## EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 76.22)				
As on 19.06.2020	Argentina	Brazil	US	India
FOB	149.02	161.60	165.11	196.80
C&F	199.02	216.60	225.11	231.80

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 MAY'20

As per trade sources, India exported around 19,934 MT of maize for the month of May'20 at an average FoB of \$205.76/ MT. Out of which, around 15,364 MT Indian maize was exported mainly to Nepal at an average FoB of \$193.74/MT; mainly through Raxaul followed by Sonauli ICD, Jogbani ICD and Nepalgunj Road port.

## IMPORTS FOR THE MONTH OF APRIL'20

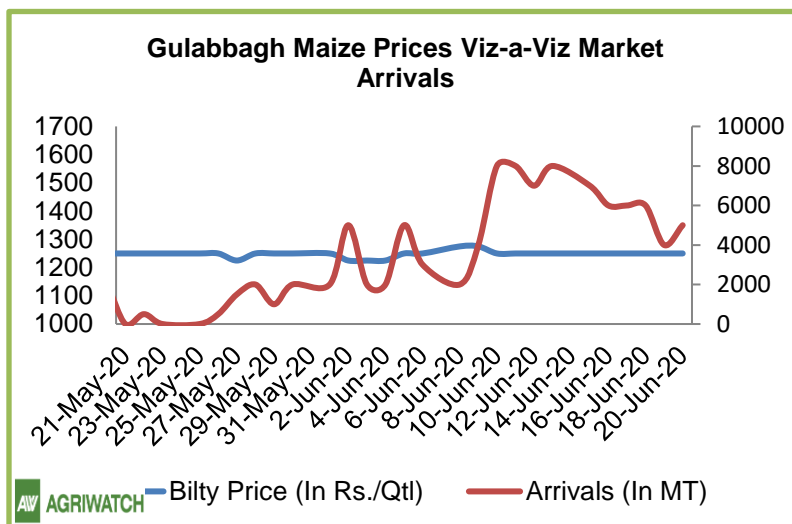
As per trade sources, India imported around 268.5 MT of maize for the month of April'20. Out of this, around 193.5 MT was imported from Myanmar at Kolkata port (145.5 MT @ \$261.04 USD/MT) and Chennai port (48 MT @ \$249.98 USD/MT).

### 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:

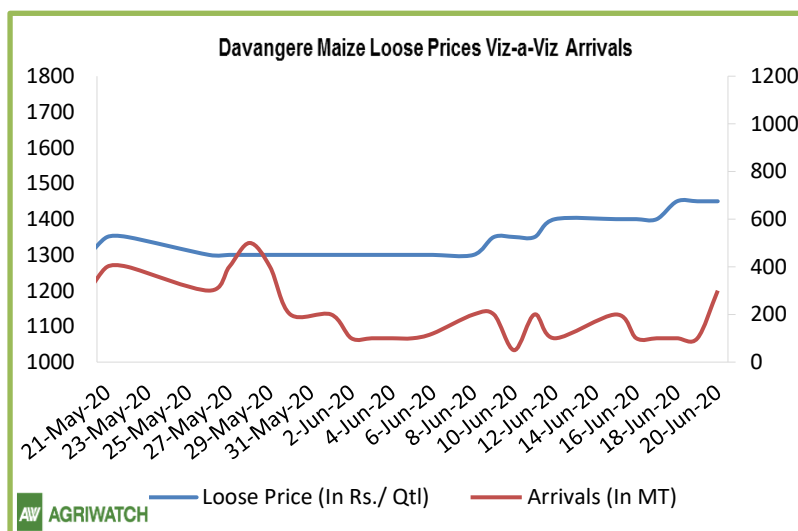
#### GULABBAGH:

- In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid Stockists demand. 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. 1240-1290 per quintal for the week.



#### KARNATAKA:

- Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1600 per quintal (Delivered Price) each; sourced from Davangere region of Karnataka.



### DOMESTIC MAIZE OUTLOOK:

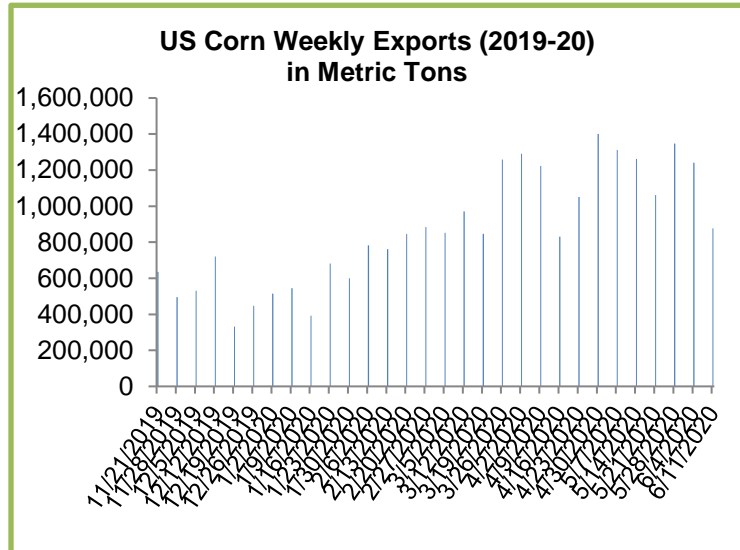
Prices of maize are likely to be steady to slightly firm in near term on the expectation of increase in stockists demand.



### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 31.13 MMT in the 2019-20 marketing year. At 0.88 MMT (for the period 5<sup>th</sup> June- 11<sup>th</sup> June, 2020) US corn exports were down 29 percent from the previous week and from the previous 4-week average; mainly for the destinations like Mexico (222,900 MT), Japan (176,300 MT), South Korea (135,300 MT), China (66,100 MT), and the Philippines (56,700 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, crop of corn as on 14th Jun 2020 has emerged at 95%, up 21 percentage points from same time last year and up 3 percentage points from 5 year average. Also, 71% crop of corn is in good to excellent condition, down 4 percentage points from last week.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.98 USD/MT to 130.90 USD/MT for July'20 contract compared to previous week. Further, price direction depend on the demand for U.S corn.



### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	19-Jun-20	12-Jun-20	19-May-20	19-Jun-19	19-Jun-18
Gulababagh	Bilty	1250	1250	1250	1950	1125
Delhi	Hybrid Maize (U.P.)	1325	1360	1360	2000	1300
Davangere	Loose	1450	1400	1300	NR	1250
Shimoga	Bilty	NR	1300	NR	NR	NR
Ranebennur	Bilty	NR	NR	1400	2300	1240
Bagalkot	Hybrid/Local	1365	1320	1300	2020	1331
Gadag	Local	1510	1375	1385	NR	1185
Nizamabad	Bilty	1400	1425	Closed	2150	1350
Khanna	Bilty	1100	1100	1300	1810	1150
Sangli	Feed	1558	1440	NR	2366	NR
Ahmedabad	Feed	1425	1425	1430	2060	1380
	Starch	1480	1480	1410	2050	1370

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-June-20	12-June-20	Change
Corn CBOT Prices	July-20	130.90	129.92	0.98
	Sep-20	132.77	131.69	1.08
	Dec-20	135.92	135.03	0.89
	Mar-21	140.45	139.66	0.79
	May-21	142.91	142.22	0.69

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