



Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Maize Trade Scenario
- ❖ State Wise Kharif Sowing Coverage
- ❖ Current Harvest & Procurement Situation
- ❖ Final Estimate For Rabi Season 2019-20
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of May'20
- ❖ Imports for the Month of April'20
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

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

MAIZE TRADE SCENARIO

In Bihar, despite the local stockists' demand and also export demand of Bangladesh and Nepal feed makers, maize is being traded at Rs. 1250 per quintal (Bilty Price). In Rudrapur region of U.P, starch feed makers are buying maize at Rs.1375-1380 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal. Maize is also moving towards Bengaluru at Rs. 1600 per quintal (Delivered Price); sourced from Davangere region of Karnataka.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 31.27 lakh hectares as of 26th Jun'20 which is higher than 15.74 lakh hectares compared to corresponding period last year. In M.P, maize has been sown in 9.40 lakh hectares as of 26th Jun'20; higher than 0.15 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 4.23 lakh hectares; higher than 0.01 lakh hectares compared to corresponding period last year.

CURRENT HARVEST & PROCUREMENT SITUATION

As per trade sources, in Telangana, harvesting of rabi crop of maize has been completed while in Bihar and Karnataka regions, 90% of the maize crop has been harvested till date.

As per AP markfed, from the current rabi crop, 3,80,933 MT of maize has been procured by A.P government as of 17th June,2020. While, Telangana State Cooperative Marketing Federation (TS-Markfed) has procured maize about 6.94 lakh tonnes as of 25th May,2020.

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.

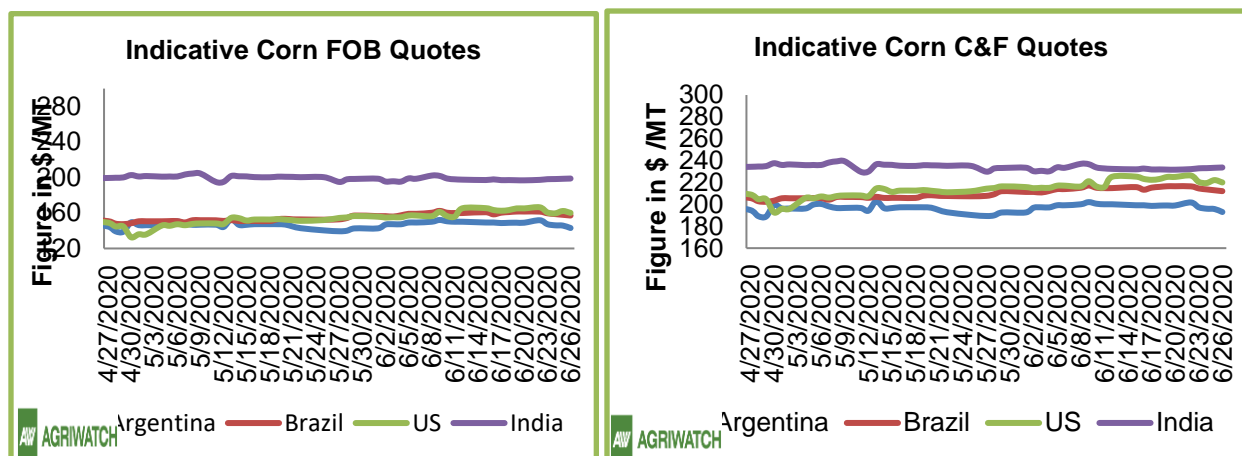
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 6.10 USD/MT to 124.80 USD/MT for July'20 contract compared to previous week on the forecast for high global corn ending stock. Further, price direction depend on the demand for U.S corn.

At 1.31 MMT (for the period 12th June- 18th June, 2020) US corn exports were up 50 percent from the previous week and 16 percent from the previous 4-week average; mainly for the destinations like Mexico (397,400 MT), South Korea (201,500 MT), Japan (146,400 MT), Israel (88,200 MT), and Peru (87,000 MT). Agriwatch expects that increase in export demand for U.S corn could give support to CBOT corn market.

In U.S, 72% crop of corn is in good to excellent condition, up 1 percentage points from last week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.48)				
As on 26.06.2020	Argentina	Brazil	US	India
FOB	143.01	157.10	160.05	198.73
C&F	193.01	212.10	220.05	233.73

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed.

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).

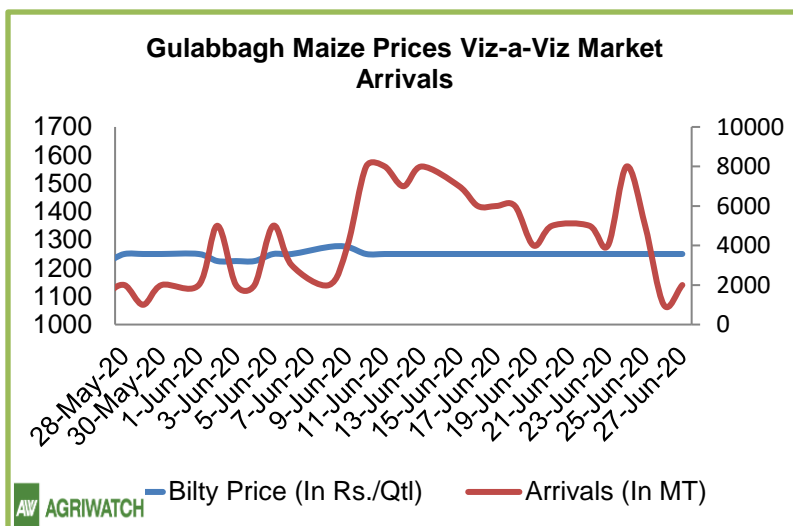
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction from poultry feed industry on the fear of corona virus.

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:

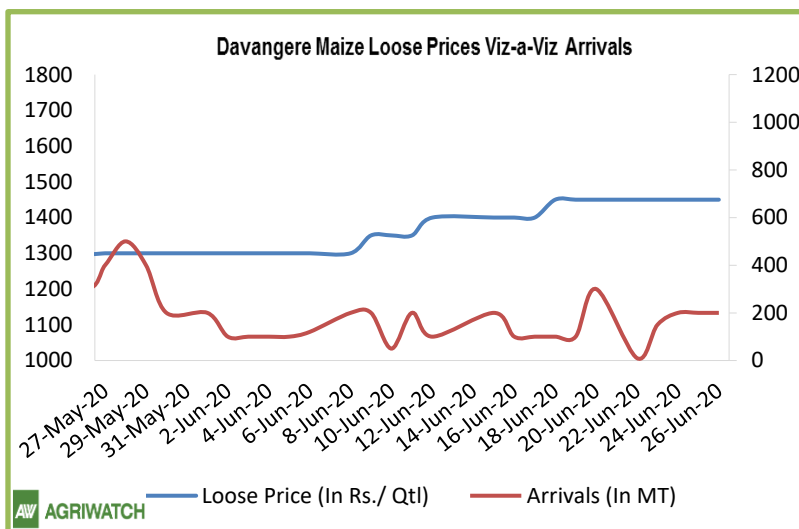
GULABBAGH:

- In Bihar, despite the local stockists' demand and also export demand of Bangladesh and Nepal feed makers, maize is being traded at Rs. 1250 per quintal (Bilty Price). Recent rains in Bihar has affected the arrival quality. It is expected that maize would trade in a range of Rs. 1240-1300 per quintal for the week amid limited demand.



KARNATAKA:

- Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1600 per quintal (Delivered Price) each; sourced from Davangere region of Karnataka. It is likely to trade steady to range bound in near term amid limited demand and arrivals.



DOMESTIC MAIZE OUTLOOK:

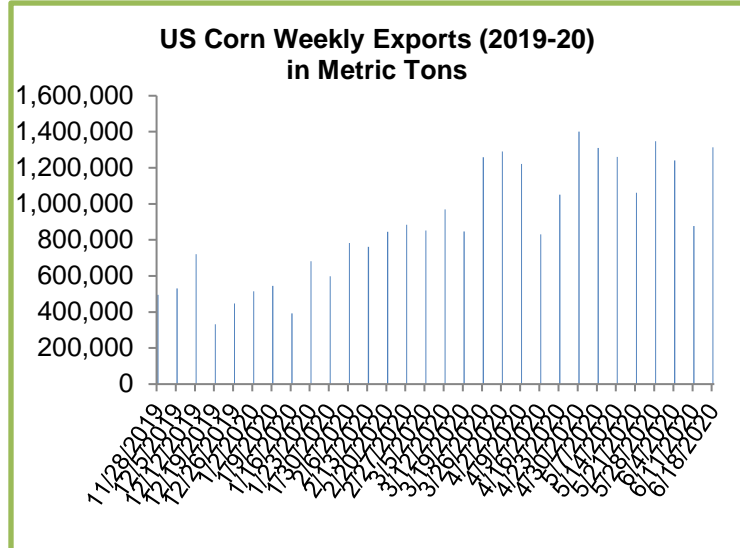
Prices of maize are likely to be steady to slightly firm in near term on the expectation of increase in stockists demand.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 32.44 MMT in the 2019-20 marketing year. At 1.31 MMT (for the period 12th June- 18th June, 2020) US corn exports were up 50 percent from the previous week and 16 percent from the previous 4-week average; mainly for the destinations like Mexico (397,400 MT), South Korea (201,500 MT), Japan (146,400 MT), Israel (88,200 MT), and Peru (87,000 MT). Agriwatch expects that increase in export demand for U.S corn could give support to CBOT corn market.

In U.S, 72% crop of corn is in good to excellent condition, up 1 percentage points from last week. Forecast for favourable weather in U.S Midwest reinforced harvest prospects which could weigh on CBOT corn market.

IGC increased its global corn production forecast for 2020/21 by 3 MMT to 1172 MMT compared to previous month forecast. Forecast for global corn ending stock was also up by 8 MMT to 296 MMT for 2020/21 compared to last month forecast which could weigh on international corn market.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 6.10 USD/MT to 124.80 USD/MT for July'20 contract compared to previous week on the forecast for high global corn ending stock. Further, price direction depend on the demand for U.S corn.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	26-Jun-20	19-Jun-20	26-May-20	26-Jun-19	26-Jun-18
Gulabbagh	Bilty	1250	1250	1250	1980	1140
Delhi	Hybrid Maize (U.P.)	1340	1325	1400	1950	1225
Davangere	Loose	1450	1450	1300	NR	1250
Shimoga	Bilty	1300	NR	1300	NR	NR
Ranebennur	Bilty	NR	1450	NR	2350	1250
Bagalkot	Hybrid/Local	1430	1365	1280	NR	1251
Gadag	Local	1480	1510	NR	2010	1211
Nizamabad	Bilty	1375	1400	Closed	2200	1350
Khanna	Bilty	1100	1100	1350	1850	1150
Sangli	Feed	1582	1558	NR	2480	NR
Ahmedabad	Feed	1400	1425	1400	2100	1350
	Starch	1425	1480	1430	2150	1390

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-June-20	19-June-20	Change
Corn CBOT Prices	July-20	124.80	130.90	-6.10
	Sep-20	125.68	132.77	-7.09
	Dec-20	128.05	135.92	-7.87
	Mar-21	132.57	140.45	-7.88
	May-21	135.62	142.91	-7.29

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