

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

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

MAIZE TRADE SCENARIO

In Bihar, despite the local stockists' demand and export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1200-1250 per quintal (Bilty Price). In U.P, starch feed makers are buying maize at Rs.1330 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal while it is being delivered to Hyderabad at Rs.1450 per quintal.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 45.59 lakh hectares as of 3rd July'20 which is higher than 23.38 lakh hectares of the corresponding period last year. In M.P, maize has been sown in 10.84 lakh hectares as of 3rd July'20; higher than 1.54 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 6.23 lakh hectares; higher than 0.48 lakh hectares compared to corresponding period last year.

CURRENT HARVEST & PROCUREMENT SITUATION

As per trade sources, in Telangana and Karnataka, harvesting of rabi crop of maize has been completed while in Bihar region, 90-95% 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.

As per media sources, Maharashtra government has procurement target of 9 lakh quintals of maize till 15th July.

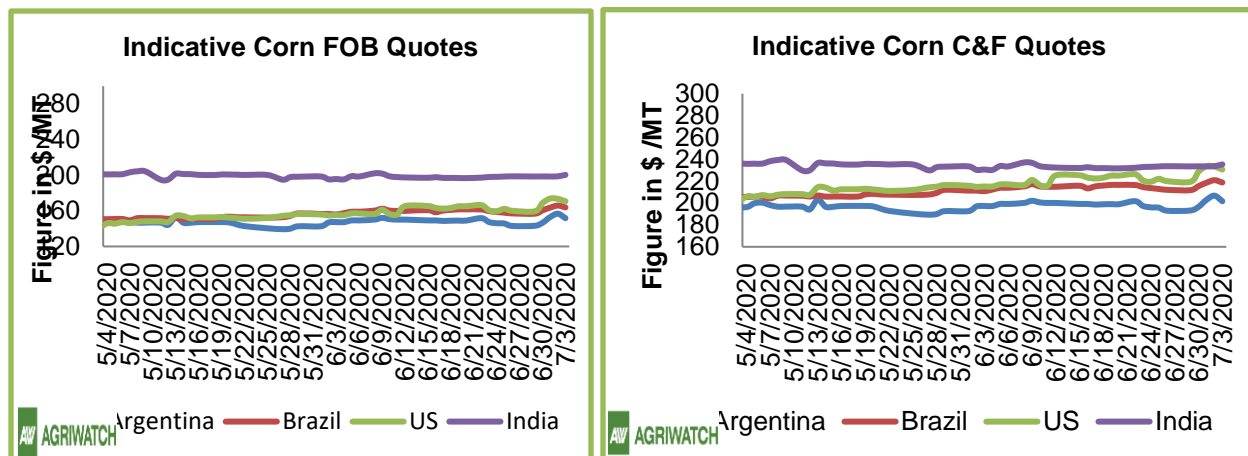
FINAL ESTIMATE FOR RABI SEASON 2019-20

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 10.04 USD/MT to 134.84 USD/MT for July'20 contract compared to previous week due to increase in export demand for U.S corn. At 1.44 MMT (for the period 19th June- 25th June, 2020) US corn exports were up 10 percent from the previous week and 21 percent from the previous 4-week average; mainly for the destinations like Japan (456,700 MT), Mexico (283,400 MT), South Korea (173,300 MT), China (144,300 MT), and Colombia (101,600 MT). Agriwatch expects that increase in export demand for U.S corn could give support to CBOT corn market. In U.S, 73% crop of corn is in good to excellent condition, up 1 percentage points from last week due to favourable weather in U.S Midwest.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.87)				
As on 03.07.2020	Argentina	Brazil	US	India
FOB	151.67	163.80	170.67	200.35
C&F	201.67	218.80	230.67	235.35

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 MAY'20

As per trade sources, Imports for the month of May'20 were nil due to low prevailing maize prices in Indian markets.

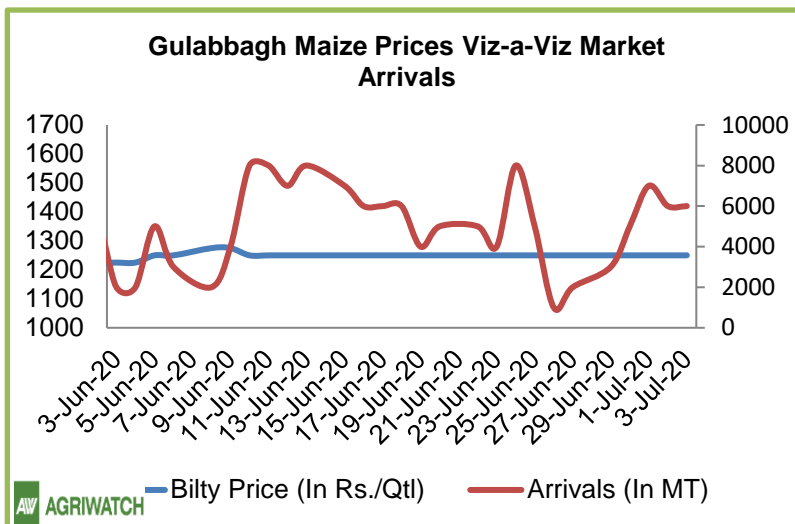
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction from poultry feed industry on the fear of corona virus. But it could limit the firmness in long run.

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:

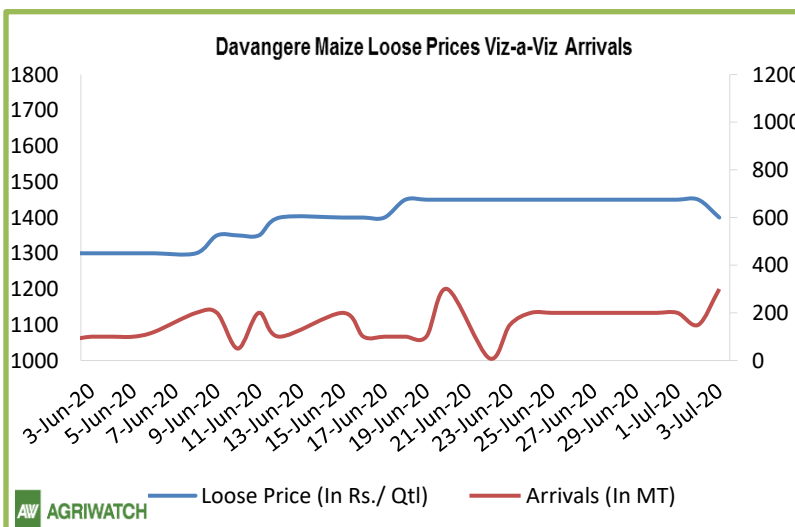
GULABBAGH:

- In Bihar, despite the local stockists' demand and export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1200-1250 per quintal (Bilty Price). Recent rains in Bihar has affected the arrival quality. It is expected that maize would trade steady to range bound in near term. It is expected that maize would trade in a range of Rs. 1200-1300 per quintal for the week amid limited demand.



KARNATAKA:

- Maize is moving towards Bengaluru at Rs. 1600 per quintal (delivered price); sourced from Davangere region of Karnataka. In Karnataka, harvesting of rabi crop of maize has been completed while Kharif acreage is likely to be slightly higher than last year as farmers would prefer less labour intensive crops. It is likely to trade steady to range bound in near term amid limited demand and arrivals.



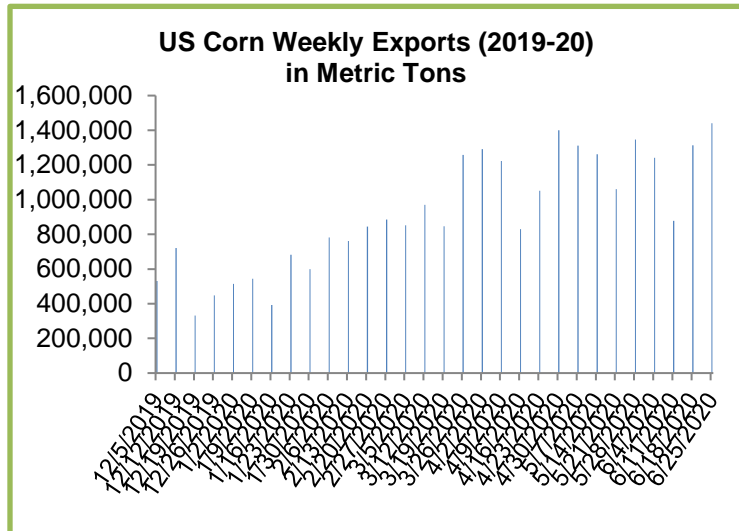
DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to range bound in near term amid limited demand and supply.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 33.88 MMT in the 2019-20 marketing year. At 1.44 MMT (for the period 19th June- 25th June, 2020) US corn exports were up 10 percent from the previous week and 21 percent from the previous 4-week average; mainly for the destinations like Japan (456,700 MT), Mexico (283,400 MT), South Korea (173,300 MT), China (144,300 MT), and Colombia (101,600 MT). Agriwatch expects that increase in export demand for U.S corn could give support to CBOT corn market.

In U.S, 73% crop of corn is in good to excellent condition, up 1 percentage points from last week due to favourable weather in U.S Midwest.



PREVIOUS UPDATES

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 rose by 10.04 USD/MT to 134.84 USD/MT for July'20 contract compared to previous week due to increase in export demand for U.S corn. Further, price direction also depend on the demand for U.S corn.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	3-Jul-20	26-Jun-20	3-Jun-20	3-Jul-19	3-Jul-18
Gulabghagh	Bilty	1250	1250	1225	1950	1100
Delhi	Hybrid Maize (U.P.)	1300	1340	1350	2050	1225
Davangere	Loose	1400	1450	1300	NR	1250
Shimoga	Bilty	NR	NR	1300	2550	1400
Ranebennur	Bilty	NR	1400	NR	2400	1300
Bagalkot	Hybrid/Local	1440	1430	1288	2200	1256
Gadag	Local	1360	1480	1320	2200	1141
Nizamabad	Bilty	1375	1375	1500	2250	1350
Khanna	Bilty	1150	1100	1250	1980	1150
Sangli	Feed	1492	1582	1389	2573	1460
Ahmedabad	Feed	1400	1400	1350	2260	1370
	Starch	1450	1425	1375	2300	1380

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	03-July-20	26-June-20	Change
Corn CBOT Prices	July-20	134.84	124.80	10.04
	Sep-20	135.23	125.68	9.55
	Dec-20	139.17	128.05	11.12
	Mar-21	143.69	132.57	11.12
	May-21	145.96	135.62	10.34

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