



Maize Weekly Research Report

Contents

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

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak compared to previous week due to increase in arrival and low demand. Agriwatch expects that maize would trade steady to range bound during the week 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. 1225 per quintal (Bilty Price). In U.P, starch feed makers are buying maize at Rs.1300 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1310 per quintal while it is being delivered to Hyderabad at Rs.1400 per quintal. Maize is moving towards Bangalore at Rs. 1500 per quintal and Namakkal at Rs.1540 per quintal; sourced from Davangere region of Karnataka.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 54.21 lakh hectares as of 8th July'20 which is higher than 46.48 lakh hectares of the corresponding period last year. In M.P, maize has been sown in 10.84 lakh hectares as of 8th July'20; higher than 9.27 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 7.23 lakh hectares; higher than 2.72 lakh hectares compared to corresponding period last year. However, in Rajasthan, it has been sown in 5.86 lakh hectares; lower than 9.38 lakh hectares compared to corresponding period last year.

In Andhra Pradesh, maize has been sown in 0.30 lakh hectares as of 08th July'20; higher than 0.15 lakh hectares compared to corresponding period last year. Maize sown area is 32% to season normal. In Visakhapatnam, Vizianagaram, Guntur and Anantapuram districts of Andhra Pradesh, around 1451 hectares area of maize has been affected by fall-armyworm; out of which 663 hectares has been treated. However, in Telangana, maize has been sown in 0.28 lakh hectares as of 8th July'20 which is lower than 1.49 lakh hectares of the corresponding period last year. Maize sown area is 6% to season normal and at early vegetative stage. In Nagarkurnool district of Telangana, maize crop has been infested by stem borer. Also, in Pune, Ahmednagar, Nashik and Solapur districts of Maharashtra, maize crop has been infested by fall-armyworm.

CURRENT HARVEST & PROCUREMENT SITUATION

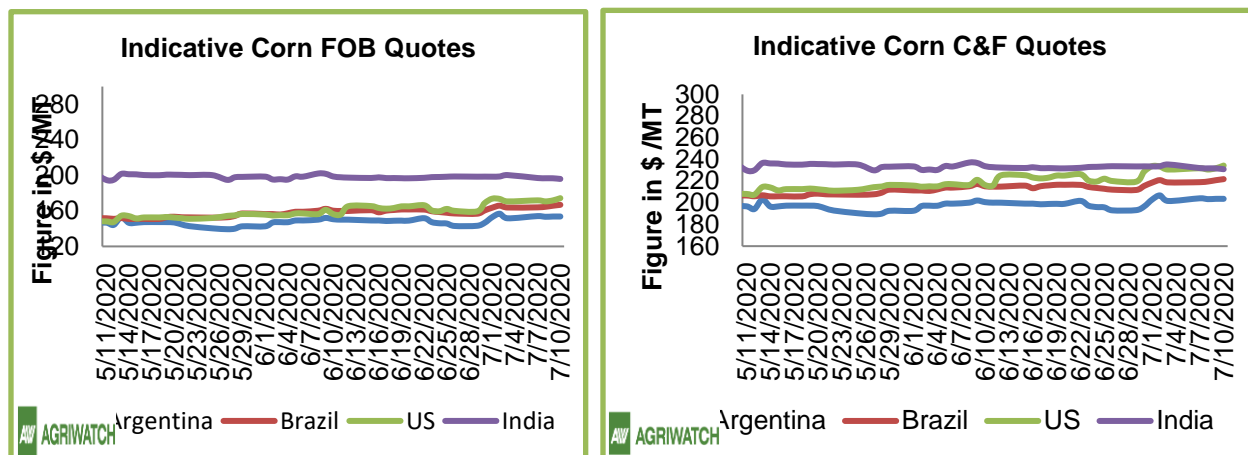
As per trade sources, in Telangana and Karnataka, harvesting of rabi crop of maize has been completed while in Bihar region, 90-95% of the maize crop has been harvested till date.

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 trade sources, 4.5 lakh quintal of maize has been procured by Maharashtra government.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 0.79 USD/MT to 134.05 USD/MT for July'20 contract compared to previous week due to decrease in export demand for U.S corn. Expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market. However, forecast for rains in the U.S Midwest could limit the gain.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.27)				
As on 10.07.2020	Argentina	Brazil	US	India
FOB	153.64	166.80	174.33	195.96
C&F	203.64	221.80	234.33	230.96

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.

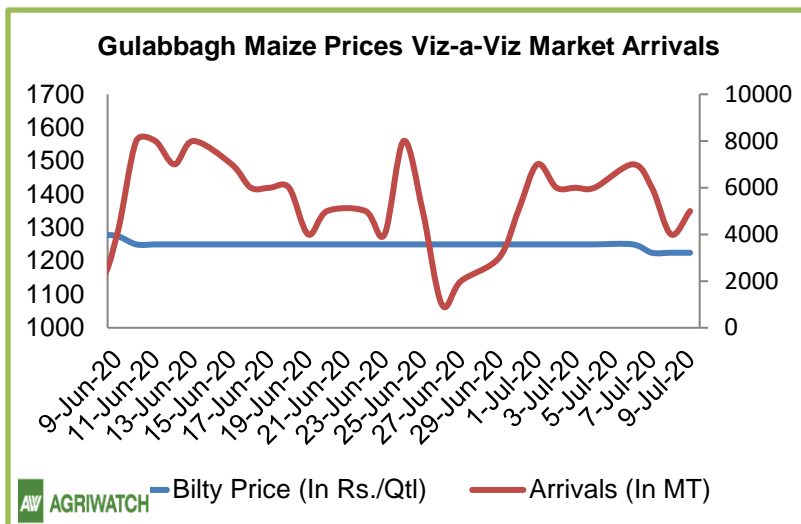
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction 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, steady to weak sentiments reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

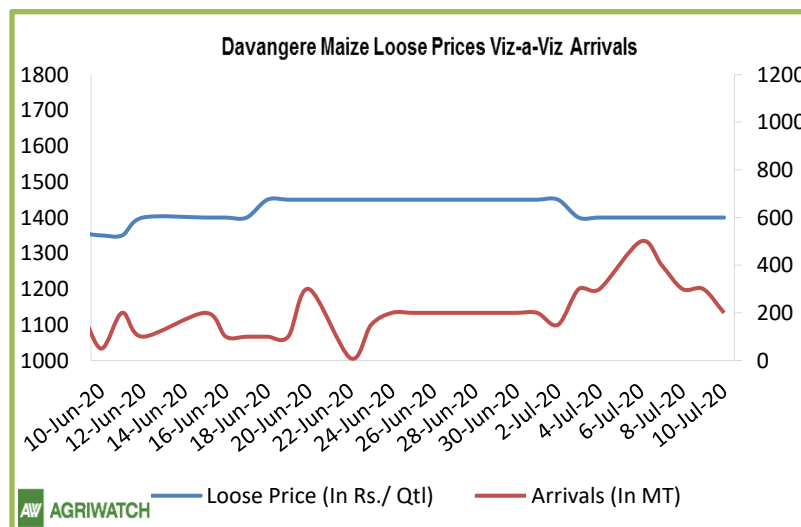
GULABBAGH:

- In Bihar, despite the local stockists' demand and export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). Rains since last two weeks has affected the arrival quality. It is expected that maize would trade steady to range bound and stay in the range of Rs. 1200-1280 per quintal for the week amid limited demand and arrival.



KARNATAKA:

- Maize is moving towards Bangalore at Rs. 1500 per quintal and Namakkal at Rs.1540 per quintal; 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.



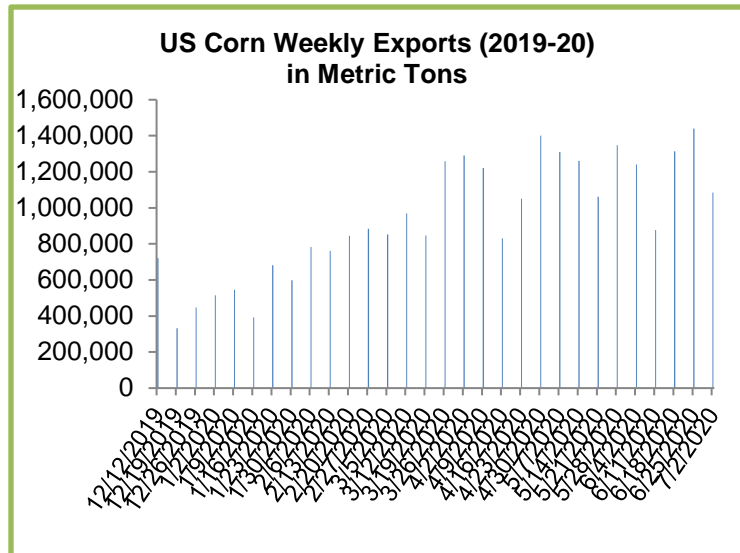
DOMESTIC MAIZE OUTLOOK:

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 has reached 34.97 MMT in the 2019-20 marketing year. At 1.08 MMT (for the period 26th June- 2nd July, 2020) US corn exports were down 25 percent from the previous week and 11 percent from the previous 4-week average; mainly for the destinations like Mexico (358,500 MT), Japan (286,900 MT), Colombia (142,200 MT), the Dominican Republic (70,500 MT), and China (66,500 MT). Expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market.

In U.S, 71% crop of corn is in good to excellent condition, down 2 percentage points from last week. However, forecast for rains in the U.S Midwest could weigh on CBOT corn market.



USDA decreased its world corn ending stock estimates by 22.83 MMT to 315.04 MMT for 2020/21 compared to last month due to decrease in production estimates which could support global corn market.

Corn ending stock estimates for U.S decreased by 17.15 MMT to 67.26 MMT for 2020/21 compared to last month estimates due to decrease in production estimates while for Ukraine, it kept unchanged its corn ending stock estimates at 1.56 MMT for 2020/21. For Argentina, it decreased its corn ending stock estimates by 1.00 MMT to 2.88 MMT compared to previous month while for Brazil, it increased its corn ending stock estimates by 1.10 MMT to 7.99 MMT compared to previous month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fell by 0.79 USD/MT to 134.05 USD/MT for July'20 contract compared to previous week due to decrease in export demand for U.S corn. Expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market. However, forecast for rains in the U.S Midwest could limit the gain.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	10-Jul-20	3-Jul-20	10-Jun-20	10-Jul-19	10-Jul-18
Gulababagh	Bilty	1225	1250	1250	2200	1130
Delhi	Hybrid Maize (U.P.)	1300	1300	1360	2050	1250
Davangere	Loose	1350	1400	1350	NR	1250
Shimoga	Bilty	1300	1300	1300	NR	1400
Ranebennur	Bilty	NR	1460	1350	2600	1250
Bagalkot	Hybrid/Local	1300	1440	1300	NR	1316
Gadag	Local	1330	1360	1360	NR	1312
Nizamabad	Bilty	1350	1375	1425	2300	1330
Khanna	Bilty	1150	1150	1200	1890	1250
Sangli	Feed	1500	1492	1414	2498	1498
Ahmedabad	Feed	1350	1400	1430	2275	1410
	Starch	1380	1450	1470	2300	1375

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-July-20	03-July-20	Change
Corn CBOT Prices	July-20	134.05	134.84	-0.79
	Sep-20	132.77	135.23	-2.46
	Dec-20	135.72	139.17	-3.45
	Mar-21	139.76	143.69	-3.93
	May-21	142.22	145.96	-3.74

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