

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly weak compared to previous week due to limited trade activities. 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 export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). In U.P and Punjab, feed makers are buying maize at Rs.1300 per quintal and Rs. 1350 per quintal respectively; sourced from Naugachia region of Bihar.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 64.29 lakh hectares as of 15th July'20 which is higher than 58.25 lakh hectares of the corresponding period last year. In M.P, maize has been sown in 14.41 lakh hectares as of 15th July'20; higher than 12.84 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 7.80 lakh hectares; higher than 5.07 lakh hectares compared to corresponding period last year. However, in Rajasthan, it has been sown in 6.82 lakh hectares; lower than 8.31 lakh hectares compared to corresponding period last year.

CURRENT HARVEST & PROCUREMENT SITUATION

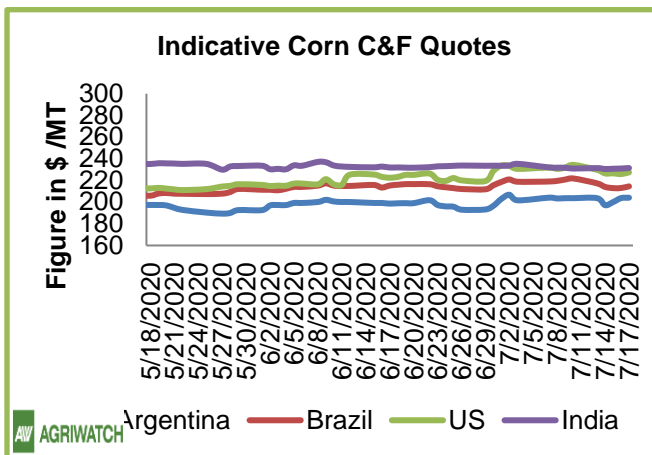
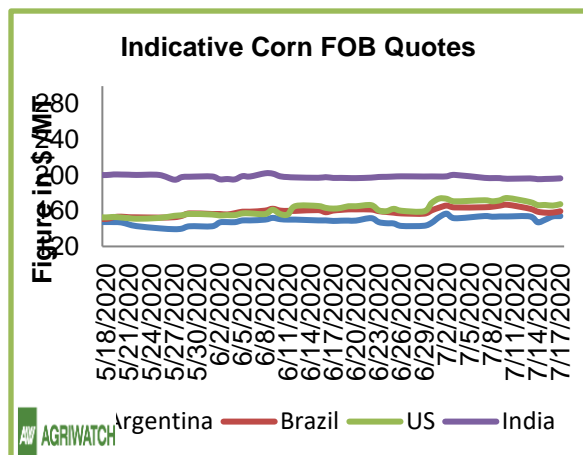
As per trade sources, in Telangana and Karnataka, harvesting of rabi crop of maize has been completed while in Bihar region, 90-95% of the maize crop has been harvested till date.

As per AP Markfed, from the current rabi crop, 4,12,911 MT of maize has been procured by A.P government as of 13th July,2020.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 1.67 USD/MT to 131.10 USD/MT for September'20 contract compared to previous week due to decrease in export demand for U.S corn. However, expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market. At 1.01 MMT (for the period 3rd- 9th July, 2020) US corn exports were down 7 percent from the previous week and 14 percent from the previous 4-week average; mainly for the destinations like Mexico (275,400 MT), Japan (228,000 MT), China (119,700 MT), Peru (96,400 MT), and Saudi Arabia (71,500 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 75.09)				
As on 17.07.2020	Argentina	Brazil	US	India
FOB	154.04	159.50	167.44	196.43
C&F	204.04	214.50	227.44	231.43

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 JUNE'20

As per trade sources, India exported around 1,12,867 MT of maize for the month of Jun'20 at an average FoB of \$187.79/ MT, out of which, 58,067 MT Indian maize was exported to Nepal at an average FoB of \$182.49/MT and around 49,406 MT was exported to Bangladesh at an average FoB of \$190.95/MT.

IMPORTS FOR THE MONTH OF JUNE'20

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

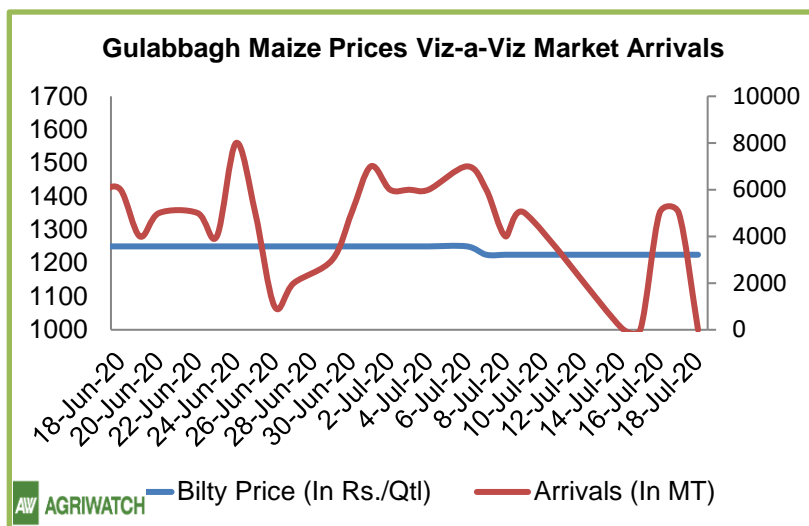
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction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

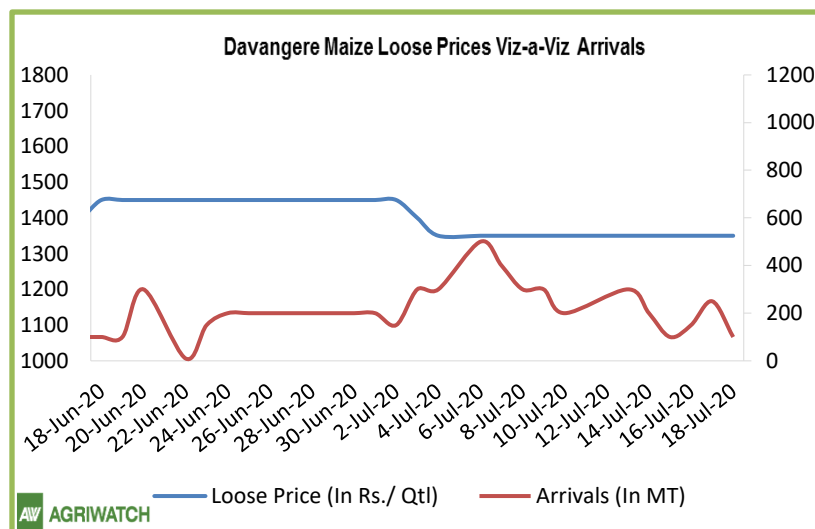
GULABBAGH:

- In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). Rains since last three 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:

- 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.



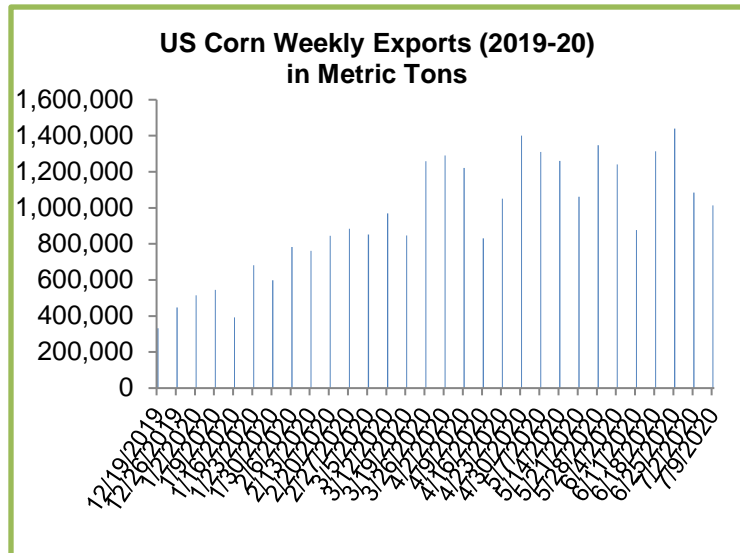
DOMESTIC MAIZE OUTLOOK:

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 35.98 MMT in the 2019-20 marketing year. At 1.01 MMT (for the period 3rd- 9th July, 2020) US corn exports were down 7 percent from the previous week and 14 percent from the previous 4-week average; mainly for the destinations like Mexico (275,400 MT), Japan (228,000 MT), China (119,700 MT), Peru (96,400 MT), and Saudi Arabia (71,500 MT). However, expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market.

In U.S, 69% crop of corn is in good to excellent condition as of 12th July'20, down 2 percentage points from last week.



PREVIOUS UPDATES

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 1.67 USD/MT to 131.10 USD/MT for September'20 contract compared to previous week due to decrease in export demand for U.S corn. However, expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	17-Jul-20	10-Jul-20	17-Jun-20	17-Jul-19	17-Jul-18
Gulababagh	Bilty	1225	Closed	1250	2150	1150
Delhi	Hybrid Maize (U.P.)	1250	1300	1350	2100	1275
Davangere	Loose	1350	1350	1400	NA	1300
Shimoga	Bilty	NR	1300	1300	NA	1400
Ranebennur	Bilty	NR	NR	1550	2600	1280
Bagalkot	Hybrid/Local	1300	1300	1261	2262	1328
Gadag	Local	1205	1330	1439	NA	1159
Nizamabad	Bilty	Closed	1350	1400	2400	1330
Khanna	Bilty	1140	1150	1100	1950	1220
Sangli	Feed	1467	1500	1494	2521	1540
Ahmedabad	Feed	1300	1350	1410	2250	1440
	Starch	1350	1380	1390	2300	1415

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-July-20	03-July-20	Change
Corn CBOT Prices	Sep-20	131.10	132.77	-1.67
	Dec-20	133.75	135.72	-1.97
	Mar-21	137.69	139.76	-2.07
	May-21	140.15	142.22	-2.07
	July-21	142.02	-	-

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