

# 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 each; sourced from Naugachia region of Bihar. While, Hyderabad poultry feed makers are buying maize at Rs. 1450-1500 per quintal; sourced from Nizamabad region.

### **STATE WISE KHARIF SOWING COVERAGE**

In India, maize has been sown in 71.26 lakh hectares as of 24th July'20 which is higher than 66.45 lakh hectares of the corresponding period last year. Maize sown area is 95.4% of normal area. Agriwatch expects maize sown area at 82.38 lakh hectares for the Kharif season 2020-21 which is above than normal area of 74.7 lakh hectares but less than last year area of 82.44 lakh hectares. In M.P, maize has been sown in 14.79 lakh hectares as of 24th July'20; higher than 14.13 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 8.16 lakh hectares; higher than 5.96 lakh hectares compared to corresponding period last year. However, in Rajasthan, it has been sown in 8.32 lakh hectares; lower than 8.55 lakh hectares compared to corresponding period last year.

### **PROCUREMENT SITUATION**

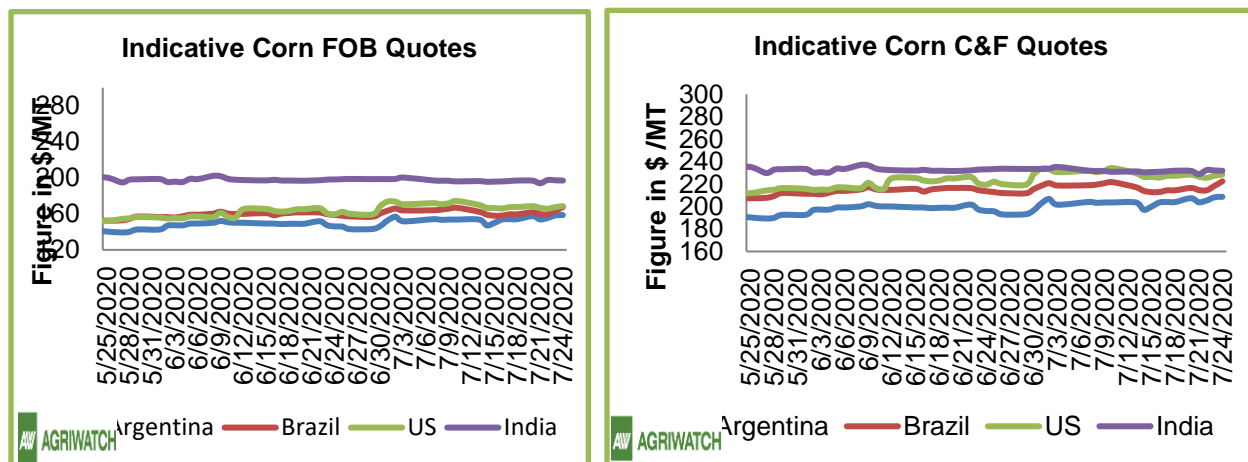
As per AP Markfed, from the current rabi crop, 4,12,911 MT of maize has been procured by A.P government as of 13th July,2020.

### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fell by 2.66 USD/MT to 128.44 USD/MT for September'20 contract compared to previous week. However, expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market. At 1.05 MMT (for the period 10th- 16th July, 2020) US corn exports were up 4 percent from the previous week but down 13 percent from the previous 4-week average; mainly for the destinations like Mexico (236,200 MT), Japan (230,500 MT), China (134,800 MT), South Korea (129,300 MT), and Peru (106,300 MT).

IGC has kept unchanged its forecast for global corn ending stocks at 288 MMT for 2020/21 compared to last month forecast.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.90)				
As on 24.07.2020	Argentina	Brazil	US	India
FOB	158.66	167.50	168.50	196.93
C&F	208.66	222.50	228.50	231.93

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.

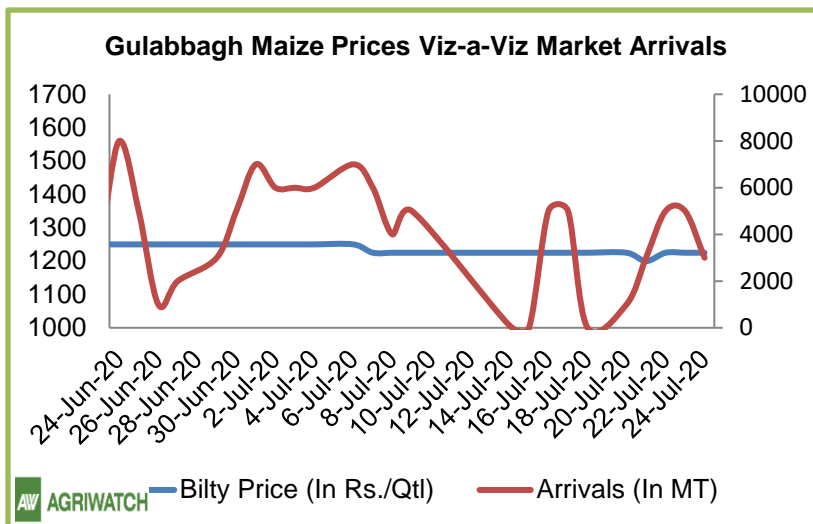
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction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

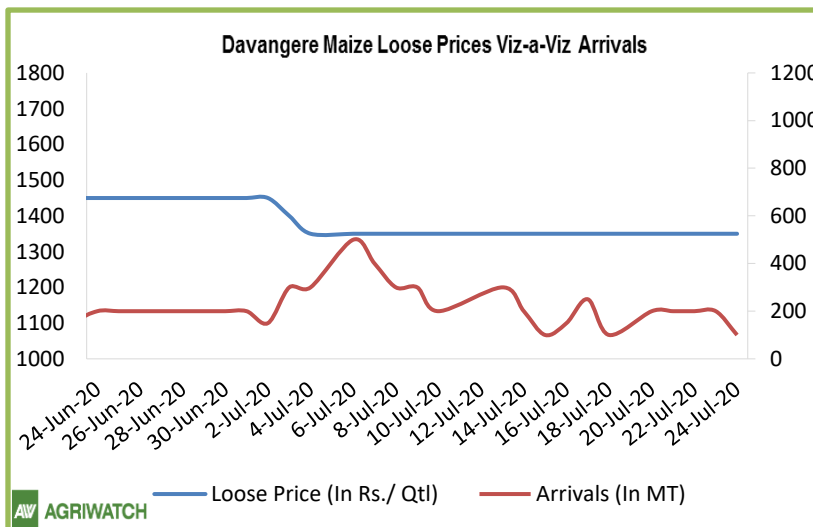
#### GULABBAGH:

- 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. 1220-1280 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 37.03 MMT in the 2019-20 marketing year. At 1.05 MMT (for the period 10th- 16th July, 2020) US corn exports were up 4 percent from the previous week but down 13 percent from the previous 4-week average; mainly for the destinations like Mexico (236,200 MT), Japan (230,500 MT), China (134,800 MT), South Korea (129,300 MT), and Peru (106,300 MT). Agriwatch expects increase in export demand in coming weeks for U.S corn which would support to CBOT corn market.

IGC decreased its global corn production forecast for 2020/21 by 5 MMT to 1164 MMT compared to previous month forecast. However, forecast for global corn ending stock was kept unchanged at 288 MMT for 2020/21 compared to last month forecast.

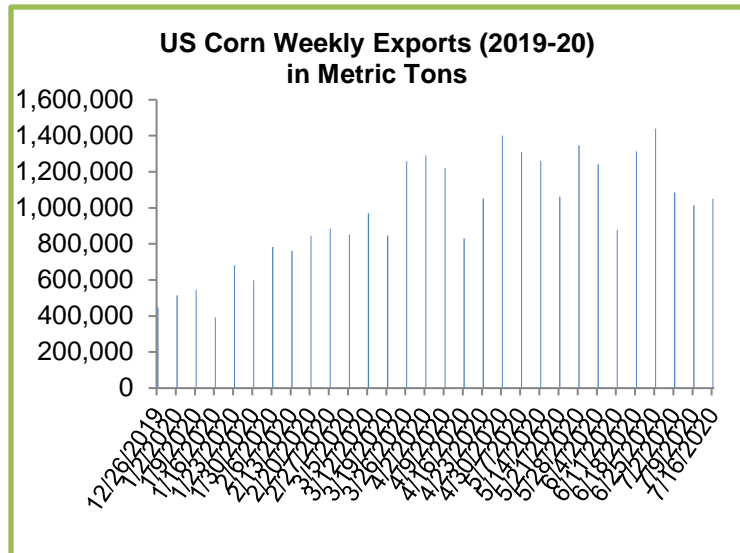
In U.S, 69% crop of corn is in good to excellent condition as of 19th July'20, same percentage points from last week.

### PREVIOUS UPDATES

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 2.66 USD/MT to 128.44 USD/MT for September'20 contract compared to previous week. However, expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market.





### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	24-Jul-20	17-Jul-20	24-Jun-20	24-Jul-19	24-Jul-18
Gulababagh	Bilty	1225	1225	1250	2150	1200
Delhi	Hybrid Maize (U.P.)	1200	1250	1340	2100	1300
Davangere	Loose	1350	1350	1450	NR	1300
Shimoga	Bilty	NR	NR	1300	2500	1520
Ranebennur	Bilty	1390	1400	1430	2450	1360
Bagalkot	Hybrid/Local	NR	1300	1470	2350	1329
Gadag	Local	1340	1205	1450	NR	1261
Nizamabad	Bilty	1375	Closed	1375	2425	1335
Khanna	Bilty	1100	1140	1100	1900	1250
Sangli	Feed	1462	1467	1584	2535	1512
Ahmedabad	Feed	1300	1300	1425	2250	1440
	Starch	1300	1350	1490	2300	1450

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-July-20	17-July-20	Change
Corn CBOT Prices	Sep-20	128.44	131.10	-2.66
	Dec-20	131.88	133.75	-1.87
	Mar-21	136.21	137.69	-1.48
	May-21	138.97	140.15	-1.18
	July-21	141.14	142.02	-0.88

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