



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets traded steady to range bound compared to previous week, amid limited trade activities. Agriwatch expects that maize would trade steady to slightly firm in near term on the expectation of decrease in arrivals from Bihar. However, Government release by A.P at subsidized rates to poultry feed makers could limit the gains.

Nizamabad maize cash market has been closed since 1st Aug, 2020 due to lockdown and is expected to reopen from 17th Aug, 2020. In Nizamabad, maize was last traded at Rs. 1370 per quintal on 31st July, 2020.

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.1260 per quintal and Rs. 1375 per quintal respectively; sourced from Naugachia region of Bihar.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 75.88 lakh hectares as of 7th Aug'20, 101.58% of normal area. Agriwatch expects maize sown area at 82.24 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 Maharashtra, it has been sown in 8.40 lakh hectares; higher than 7.92 lakh hectares compared to corresponding period last year. In Rajasthan, it has been sown in 9.15 lakh hectares; higher than 8.80 lakh hectares compared to corresponding period last year. However, In M.P, maize has been sown in 14.95 lakh hectares as of 7th Aug'20; lower than 15.26 lakh hectares compared to corresponding period last year.

MAIZE AUCTION

As per media sources, maize tender for 69,431 MT, issued by Telangana government, has been cancelled while auction of maize for 53,010.30 MT and 47,010.40 MT has been scheduled by Andhra Government for 12th-13th Aug, 2020 respectively.

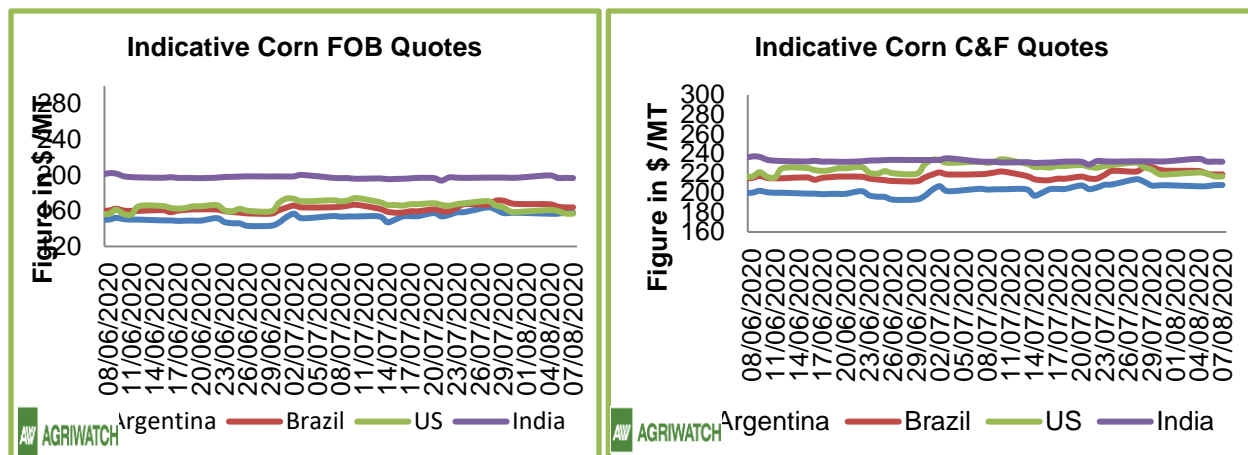
PRELIMINARY ESTIMATE OF KHARIF PRODUCTION

As per preliminary estimates for 2020-21, Agriwatch expects maize production for this Kharif season at 18.44 MMT with the expected yield of 2.24 MT/ hectare.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 3.25 USD/MT to 121.16 USD/MT for September'20 contract compared to previous week. Expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market. However, expectation of larger yield due to favorable weather conditions in U.S could limit the gain.

At 0.69 MMT (for the period 24th- 30th July, 2020) US corn exports were down 29 percent from the previous week and 34 percent from the previous 4-week average; mainly for the destinations like Japan (296,700 MT), Mexico (184,700 MT), Colombia (109,600 MT), Peru (38,200 MT), and El Salvador (26,600 MT).

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.96)				
As on 07.08.2020	Argentina	Brazil	US	India
FOB	157.97	163.90	156.84	196.77
C&F	207.97	218.90	216.84	231.77

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

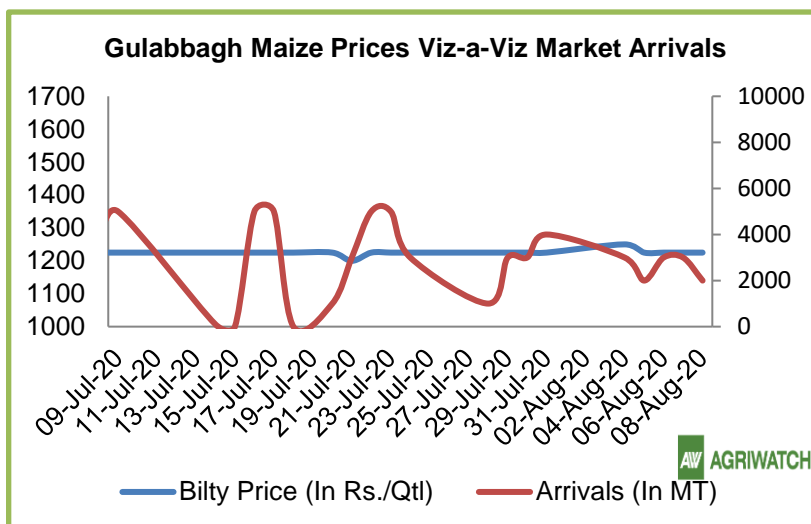
As per trade sources, Imports for the month of June'20 were nil due to low prevailing maize prices in Indian markets, no import parity and low domestic demand.

CURRENT MARKET DYNAMICS:

During the week under review, steady to range boundsentiments reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

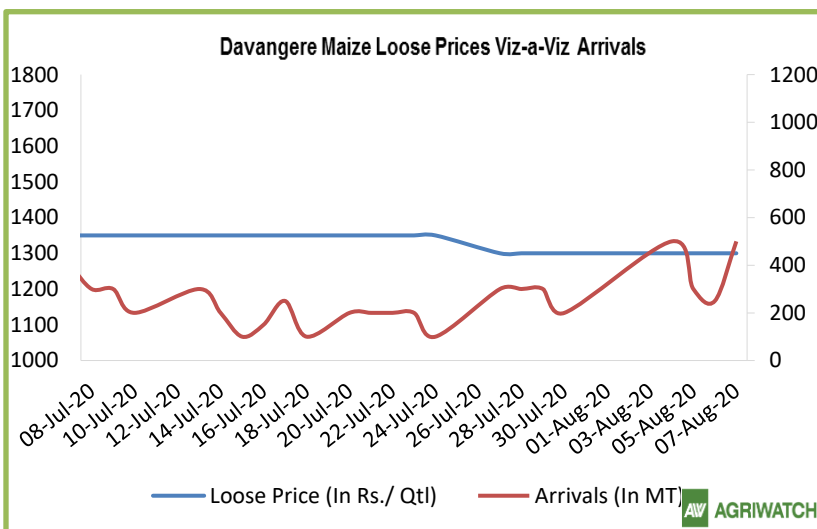
GULABBAGH:

- In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1220-1300 per quintal for the weekon the expectation of decrease in arrivals.



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 prefer less labour intensive crops. It is likely to trade steady to range bound in near term amid limited demand and arrivals.



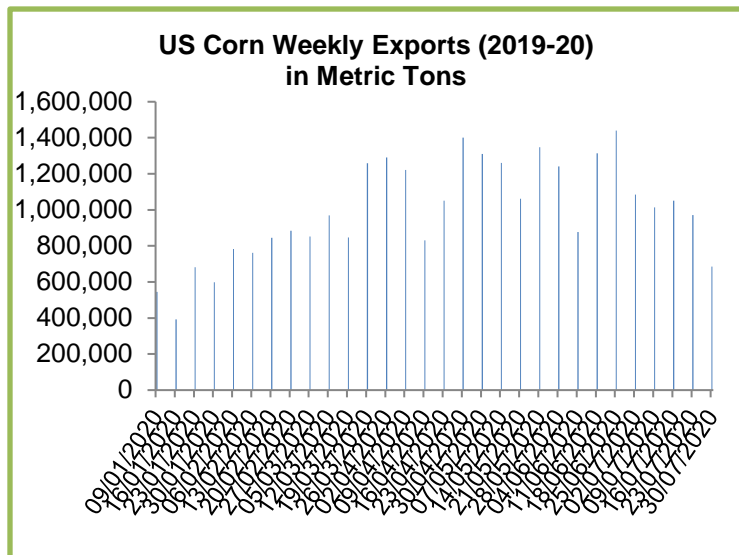
DOMESTIC MAIZE OUTLOOK:

Prices of maizeare likely to be steady to slightly firm in near term on the expectation of decrease in arrivals amid steady feed makers' demand.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports has reached 38.69 MMT in the 2019-20 marketing year. At 0.69 MMT (for the period 24th- 30th July, 2020) US corn exports were down 29 percent from the previous week and 34 percent from the previous 4-week average; mainly for the destinations like Japan (296,700 MT), Mexico (184,700 MT), Colombia (109,600 MT), Peru (38,200 MT), and El Salvador (26,600 MT). However, Agriwatch expects increase in export demand in coming weeks for U.S corn which would support to CBOT corn market.

In U.S, 72% crop of corn is in good to excellent condition as of 2nd August'20, same percentage points from last week.

**PREVIOUS UPDATES**

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

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 the ending stock 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 3.25 USD/MT to 121.16 USD/MT for September'20 contract compared to previous week. Expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market. However, expectation of larger yield due to favorable weather conditions in U.S could limit the gain.



10th August, 2020

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	07-Aug-20	31-Jul-20	07-July-20	07-Aug-19	07-Aug-18
Gulabbagh	Bilty	1225	1225	1225	2200	1225
Delhi	Hybrid Maize (U.P.)	1250	1250	1300	2150	1400
Davangere	Loose	1300	Closed	1350	NR	1300
Shimoga	Bilty	NR	1350	1300	NR	1370
Ranebennur	Bilty	NR	NR	1450	2400	1400
Bagalkot	Hybrid/Local	1250	1275	1330	NR	NR
Gadag	Local	NR	NR	1390	NR	1466
Nizamabad	Bilty	Closed	1370	1375	2425	1320
Khanna	Bilty	1100	1120	1125	1900	1300
Sangli	Feed	1474	NR	1493	NR	1526
Ahmedabad	Feed	1350	1350	1350	2280	1500
	Starch	1370	1350	1470	2300	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	07-Aug-20	31-July-20	Change
Corn CBOT Prices	Sep-20	121.16	124.40	-3.25
	Dec-20	126.27	128.73	-2.46
	Mar-21	131.00	133.16	-2.17
	May-21	134.34	136.21	-1.87
	July-21	136.90	138.67	-1.77

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