



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets showed mixed sentiments compared to the previous week. Agriwatch expects that maize would trade steady with a slightly firm bias due to the decrease in arrivals from Bihar and limited exports. However, any Government release at subsidized rates to poultry feed makers and the new crop arrivals expected in coming weeks would limit the gain.

As per media sources, Telangana Government had issued 8,47,000 MT of tender for the disposal of maize on 8th Sep'20. Tender's closing date is 29th Sep'20. As per AP Markfed, around 16,000 MT of maize has been sold above at Rs. 1400 per quintal.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1300-1320 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1400-1450 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs. 1525 per quintal; sourced from Nizamabad region. It is also moving towards Tamil Nadu and Bengaluru at Rs. 1620 and Rs. 1550 per quintal, sourced from Davangere region of Karnataka.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 82.71 lakh hectares as of 18th Sep'20, 110.68% of normal area and above than last year area of 82.44 lakh hectares. In Maharashtra, it has been sown in 8.81 lakh hectares; higher than 8.66 lakh hectares compared to corresponding period last year. In Rajasthan, it has been sown in 9.34 lakh hectares; higher than 8.82 lakh hectares compared to corresponding period last year. However, in M.P, maize has been sown in 15.38 lakh hectares; lower than 15.42 lakh hectares compared to corresponding period last year.

As per trade sources, in M.P region, there could be 4-5% crop loss due to heavy rains; occurred two weeks before. However, in Gujarat, crop loss assessment would only be possible in next 10-15 days when conditions become favorable.

FIRST ESTIMATE OF KHARIF PRODUCTION

Agriwatch's first estimate for the maize production in 2020-21 Kharif season is 17.80 MMT with average yield of 2.17 MT/ hectare.

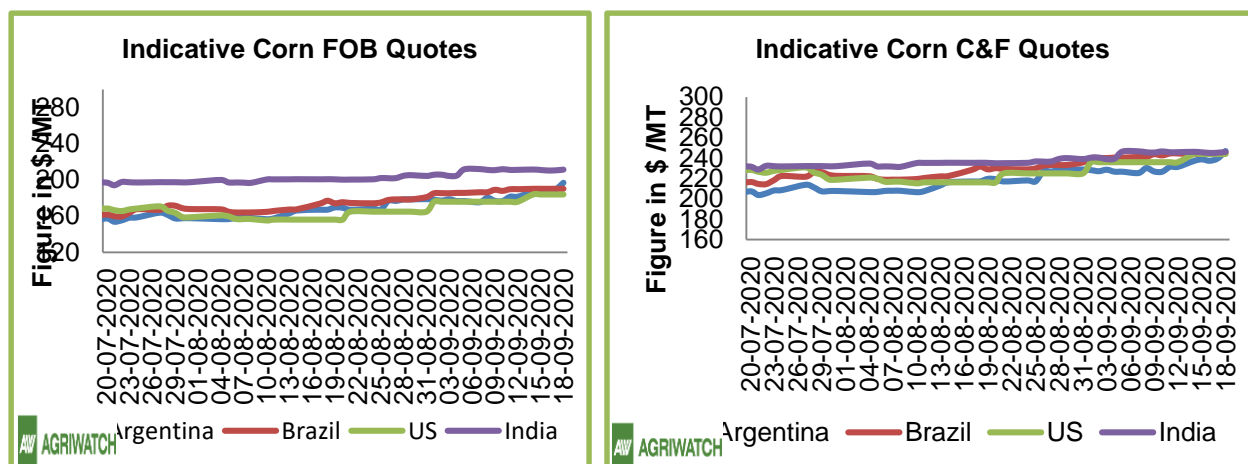
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 3.94 USD/MT to 149.01 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would lead to CBOT corn.

In U.S, 60% crop of corn is in good to excellent condition as of 13th September'20, down 1 percentage points from last week.

At 0.90 MMT (for the period 4th Sep - 10th Sep, 2020) US corn exports were up 0.52 percent from the previous week; mainly for the destinations like Mexico (213,000 MT), China (209,700 MT), South Korea (138,800 MT), Colombia (118,700 MT), and Japan (114,400 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.41)				
As on 18.09.2020	Argentina	Brazil	US	India
FOB	196.95	190.00	184.00	211.14
C&F	246.95	245.00	244.00	246.14

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

As per trade sources, India exported around 2,35,436 MT of maize in the month of Aug'20 at an average FoB of \$182.24/ MT, out of which, 1,65,704 MT was exported to Bangladesh at an average FoB of \$190.18/MT and around 65,160 MT was exported to Nepal at an average FoB of \$177.46/MT.

IMPORTS

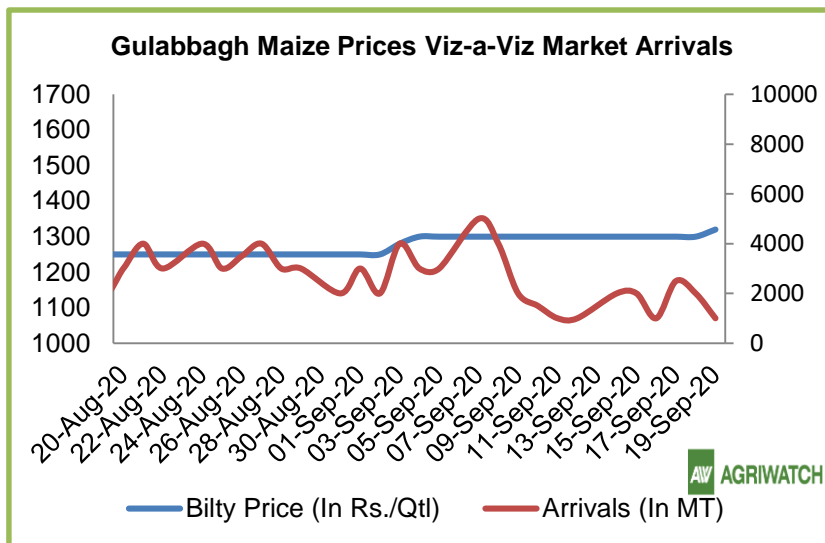
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

CURRENT MARKET DYNAMICS:

During the week under review, mixed sentiments were reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

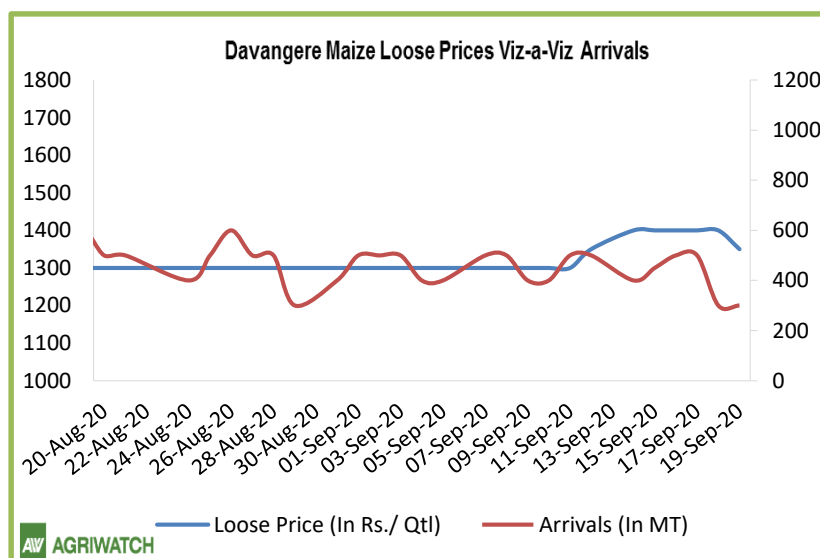
GULABBAGH:

- In Bihar, maize is being traded at Rs.1300-1320 per quintal (Bilty Price) slightly increased due to decrease in arrivals. Maize is being delivered to Kolkata at Rs.1400-1450 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1280-1380 per quintal for the week amid steady demand and low arrival.



KARNATAKA:

- In Karnataka, maize traded firm due to increase in feed makers' demand. However, expectation of new crop arrivals in the coming weeks would limit the gain. It is moving towards Tamil Nadu and Bengaluru at Rs. 1620 and Rs. 1550 per quintal, sourced from Davangere region of Karnataka.



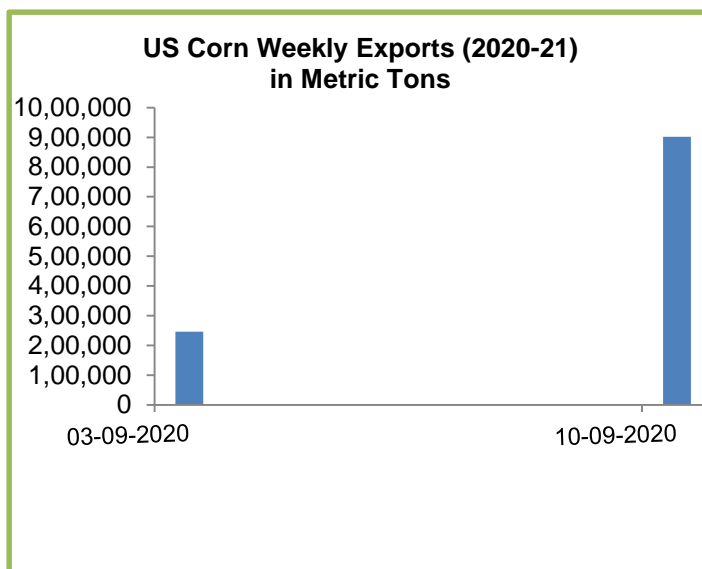
DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to slightly firm for the week amid regular feed makers' demand.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 1.15 MMT in the 2020-21 marketing year. At 0.90 MMT (for the period 4th Sep - 10th Sep, 2020) US corn exports were up 0.52 percent from the previous week; mainly for the destinations like Mexico (213,000 MT), China (209,700 MT), South Korea (138,800 MT), Colombia (118,700 MT), and Japan (114,400 MT). Agriwatch expects that increase in export demand for U.S corn would support to CBOT corn.

In U.S, 60% crop of corn is in good to excellent condition as of 13th September'20, down 1 percentage points from last week. 41% of crop has matured as of 13th September'20, up 25 percentage points from corresponding period last year.



PREVIOUS UPDATES:

USDA decreased its world corn ending stock estimates by 10.67 MMT to 306.79 MMT for 2020/21 compared to last month due to decrease in production estimates which would support to global corn market.

USDA also revised the ending stock estimates for U.S, down by 6.44 MMT to 63.57 MMT for 2020/21 compared to last month estimates due to decrease in production estimates while for Ukraine, Argentina and Brazil, it kept it unchanged at 1.56 MMT, 2.88 MMT and 7.99 MMT respectively compared to previous month estimates.

IGC increased its global corn production forecast for 2020/21 by 2 MMT to 1166 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, due to increase in consumption estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 3.94 USD/MT to 149.01 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would lead to CBOT corn.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	18-Sep-20	11-Sep-20	18-Aug-20	18-Sep-19	18-Sep-18
Naugachia	Bilty	1250	1300	1225	2100	1325
Delhi	Hybrid Maize (U.P.)	1280	1300	1225	2100	1400
Davangere	Loose	1400	1300	1300	NA	1450
Shimoga	Bilty	1300	NA	1350	NA	1460
Ranebennur	Bilty	NA	1430	1350	2550	1500
Bagalkot	Hybrid/Local	1290	1275	NA	2305	NA
Gadag	Local	1260	NA	1235	NA	1430
Nizamabad	Bilty	1375	1370	1375	2300	1410
Khanna	Bilty	1120	1150	1150	1850	1290
Sangli	Feed	1450	1442	1434	2544	1572
Ahmedabad	Feed	1300	1300	1350	2300	1600
	Starch	1300	1350	1380	2325	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	18-Sep-20	11-Sep-20	Change
Corn CBOT Prices	Dec-20	149.01	145.07	3.94
	Mar-21	152.55	148.91	3.64
	May-21	154.62	151.37	3.25
	July-21	155.70	152.75	2.95
	Sep-21	152.85	-	-

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