

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets showed firm sentiments compared to the previous week. Despite export demand from Bangladeshi and Nepalese feed makers; Agriwatch expects that maize would trade steady to range bound in near term on the expectation of Government releases and new crop arrivals in coming weeks.

In M.P and Karnataka, new crop arrivals have just started, which are lower in quantity and contain moisture upto 30%.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1300-1350 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1450 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs. 1530 per quintal; sourced from Nizamabad region. It is also moving towards Tamil Nadu and Bengaluru at Rs. 1550 and Rs. 1500 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 two weeks ago. However, in Gujarat and M.P, crop loss assessment would only be possible in the next 7-8 days when rains stop.

FIRST ESTIMATE OF KHARIF PRODUCTION

The 1st Advance Estimates of kharif production of maize for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 22nd September, 2020. It has pegged maize production at 19.88 MMT against set target of 22 MMT for 2020-21. However, Agriwatch's first estimate for the maize production in 2020-21 Kharif season is 18.29 MMT with average yield of 2.20 MT/ hectare.

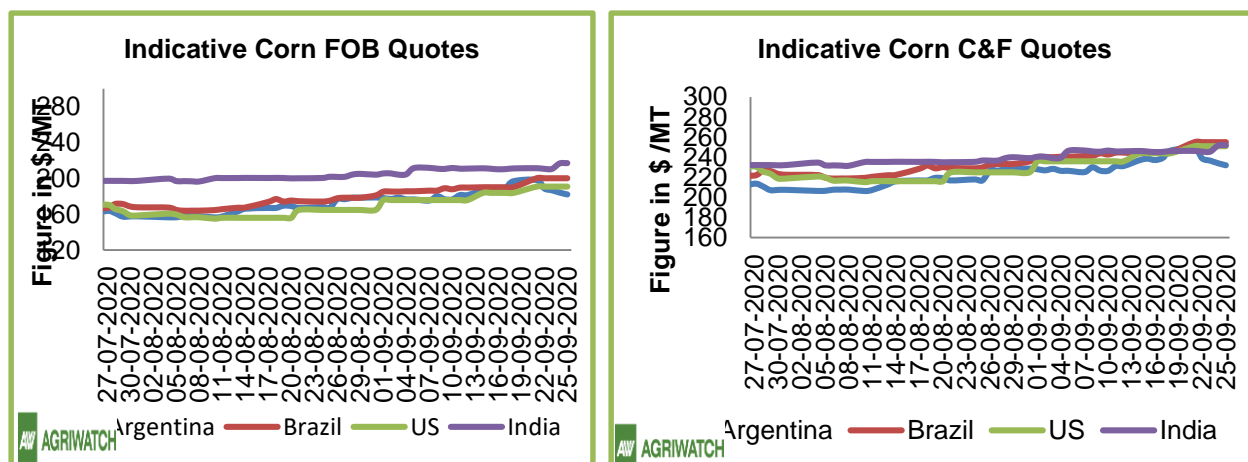
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 5.22 USD/MT to 143.79 USD/MT for December'20 contract compared to previous week due to decrease in demand for U.S corn. Agriwatch expects that expectation of new crop arrivals would weigh on CBOT corn.

In U.S, 61% crop of corn is in good to excellent condition as of 20th September'20, up 1 percentage points from last week.

At 0.85 MMT (for the period 11th Sep - 17th Sep, 2020) US corn exports were down 6.3 percent from the previous week; mainly for the destinations like China (204,400 MT), Mexico (159,700 MT), Colombia (130,600 MT), Peru (84,400 MT), and South Korea (69,500 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.72)				
As on 25.09.2020	Argentina	Brazil	US	India
FOB	182.19	200.00	191.00	217.04
C&F	232.19	255.00	251.00	252.04

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

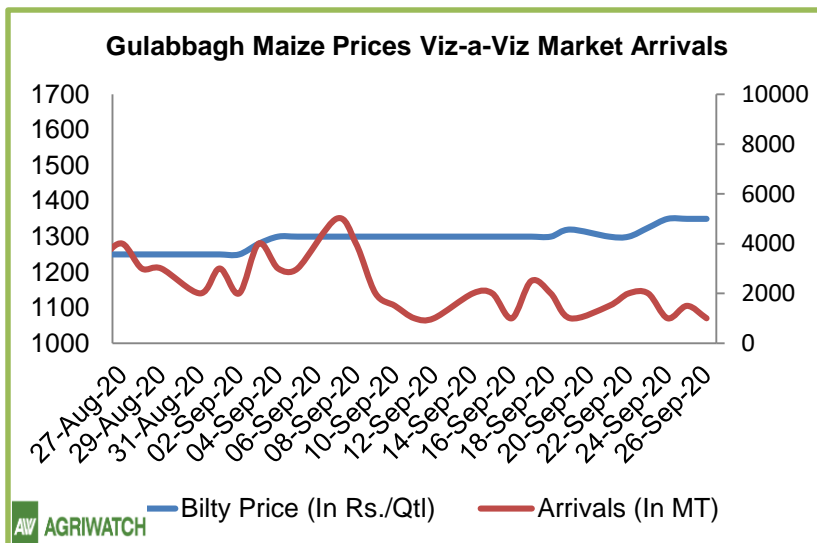
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

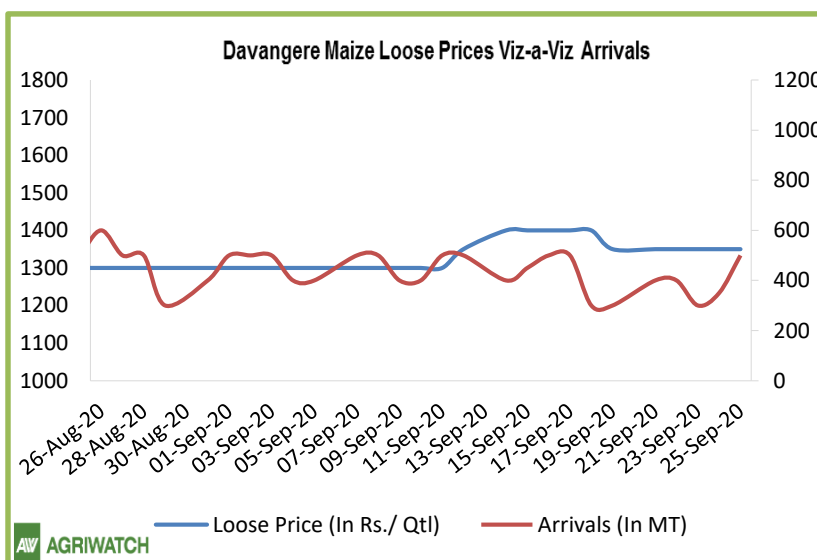
GULABBAGH:

- In Bihar, maize is being traded at Rs.1300-1350 per quintal (Bilty Price) slightly increased due to decrease in arrivals. Maize is being delivered to Kolkata at Rs.1450 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1280-1400 per quintal for the week amid steady demand and low arrival.



KARNATAKA:

- In Karnataka, new crop arrivals have just started, which are lower in quantity and contain moisture upto 30%. Expectation of increase in arrivals in the coming weeks would weigh on market sentiments. It is moving towards Tamil Nadu and Bengaluru at Rs. 1550 and Rs. 1500 per quintal, sourced from Davangere region of Karnataka.



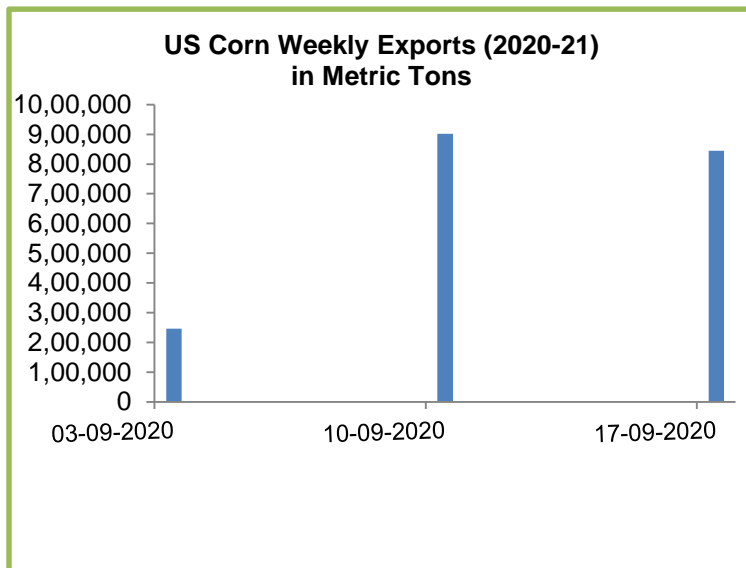
DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 1.99 MMT in the 2020-21 marketing year. At 0.85 MMT (for the period 11th Sep - 17th Sep, 2020) US corn exports were down 6.3 percent from the previous week; mainly for the destinations like China (204,400 MT), Mexico (159,700 MT), Colombia (130,600 MT), Peru (84,400 MT), and South Korea (69,500 MT). Agriwatch expects that decrease in export demand for U.S corn would weigh on CBOT corn.

In U.S, 61% crop of corn is in good to excellent condition as of 20th September'20, up 1 percentage points from last week. 8% of crop has been harvested as of 20th September'20, up 2 percentage points from corresponding period last year.



IGC decreased its global corn production forecast for 2020/21 by 6 MMT to 1160 MMT compared to previous month's forecast due to reduction in production forecast for U.S, China and EU. Forecast for global corn ending stock was also decreased by 3 MMT to 285 MMT for 2020/21. Agriwatch expects that decrease in global corn ending stock estimates would lead to global corn prices.

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.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fell by 5.22 USD/MT to 143.79 USD/MT for December'20 contract compared to previous week due to decrease in demand for U.S corn. Agriwatch expects that expectation of new crop arrivals would weigh on CBOT corn.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	25-Sep-20	18-Sep-20	25-Aug-20	25-Sep-19	25-Sep-18
Naugachia	Bilty	1300	1250	1275	2100	1325
Delhi	Hybrid Maize (U.P.)	1300	1280	1250	2100	1400
Davangere	Loose	1350	1400	1300	NA	1450
Shimoga	Bilty	1350	1300	1350	NA	NA
Ranebennur	Bilty	NA	1410	NA	2450	1400
Bagalkot	Hybrid/Local	NA	1300	NA	NA	1350
Gadag	Local	NA	1260	1250	1460	1177
Nizamabad	Bilty	1375	1375	1370	2300	1410
Khanna	Bilty	Closed	1120	1150	1900	1300
Sangli	Feed	1493	1450	1423	2543	1591
Ahmedabad	Feed	1350	1300	1380	2350	1540
	Starch	1350	1300	1380	2310	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	25-Sep-20	18-Sep-20	Change
Corn CBOT Prices	Dec-20	143.79	149.01	-5.22
	Mar-21	146.94	152.55	-5.61
	May-21	149.11	154.62	-5.51
	July-21	150.58	155.70	-5.12
	Sep-21	149.11	152.85	-3.74

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