



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets showed steady to slightly firm sentiments compared to the previous week. Agriwatch expects that maize would trade steady to slightly weak despite export demand from Bangladeshi and Nepalese feed makers.

In M.P and Karnataka, new crop arrivals have started, which are lower in quantity and contain moisture of upto 30%. In Warangal region also, new crop arrivals are lower in quantity and contains moisture upto 15%. Some grains are dented and small in size.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1350-1400 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1450-1500 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1500 per quintal; sourced from Nizamabad region. It is also moving towards Bengaluru and Nammakal at Rs. 1500 and Rs. 1550 per quintal respectively; sourced from Davangere region of Karnataka.

KHARIF SOWING AND HARVESTING SCENARIO

In India, maize has been sown in 83.27 lakh hectares as of 25th Sep'20, 111.43% of normal area and above than last year area of 82.44 lakh hectares. Around 9.30-9.79 lakh hectares of maize has been harvested as of 25th Sep'20.

As per trade sources, in M.P region, there could be 4-5% crop loss due to heavy rains three weeks ago. However, in Gujarat and M.P, crop loss assessment would only be possible in the next few days.

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 18.33 MMT with average yield of 2.20 MT/ hectare.

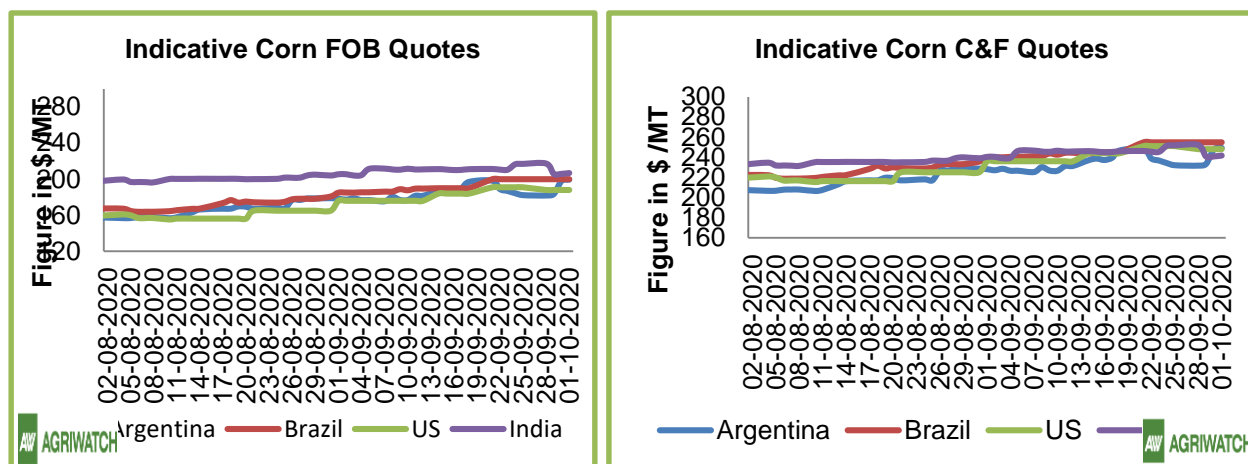
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 5.71 USD/MT to 149.50 USD/MT for December'20 contract compared to previous week. Agriwatch expects that decrease in export demand for U.S corn and new crop arrivals in coming weeks would weigh on CBOT corn.

In U.S, 61% crop of corn is in good to excellent condition as of 27th September'20, same percentage points from last week. 15% of crop has been harvested as of 27th September'20, up 5 percentage points from corresponding period last year.

At 0.75 MMT (for the period 18th Sep - 24th Sep, 2020) US corn exports were down 11.24 percent from the previous week; mainly for the destinations like China (269,900 MT), Mexico (230,100 MT), Japan (139,800 MT), South Korea (65,100 MT), and Canada (21,800 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.72)				
As on 01.10.2020	Argentina	Brazil	US	India
FOB	199.41	200.00	188.00	206.86
C&F	249.41	255.00	248.00	241.86

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. Data for September is not yet available.

IMPORTS

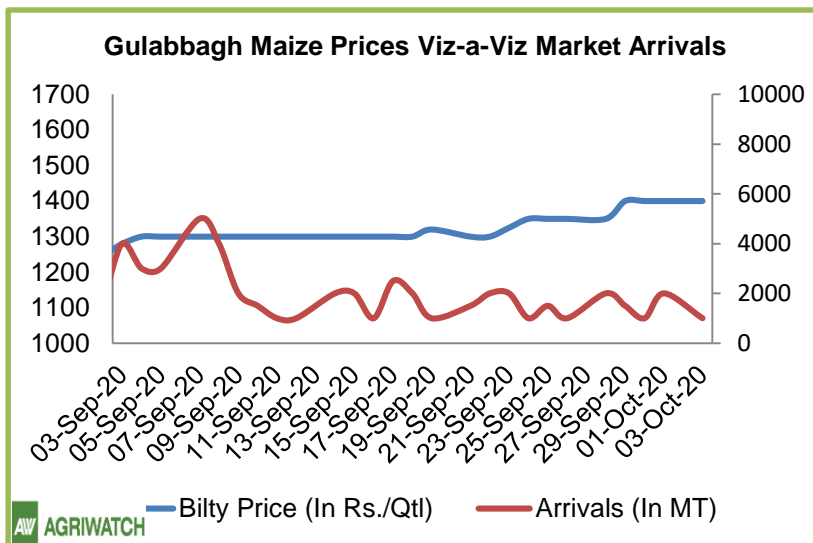
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

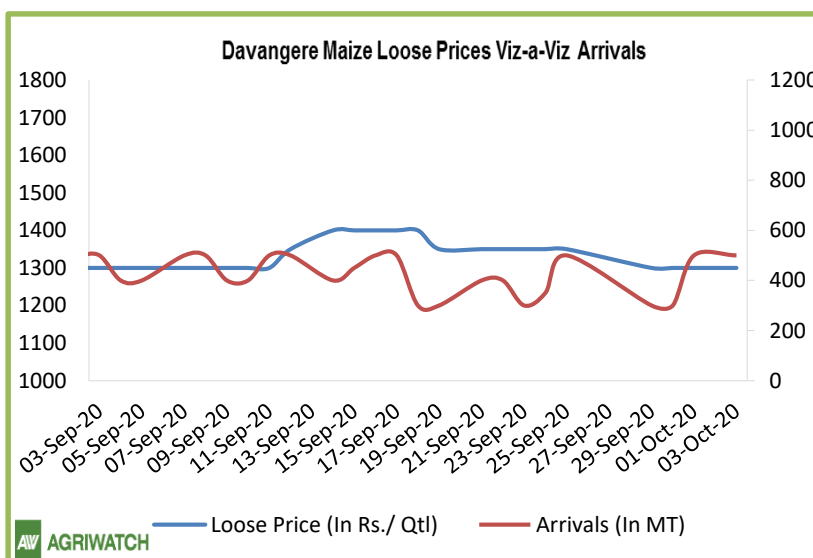
GULABBAGH:

- In Bihar, maize is being traded at Rs.1350-1400 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. 1350-1400 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 of 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.



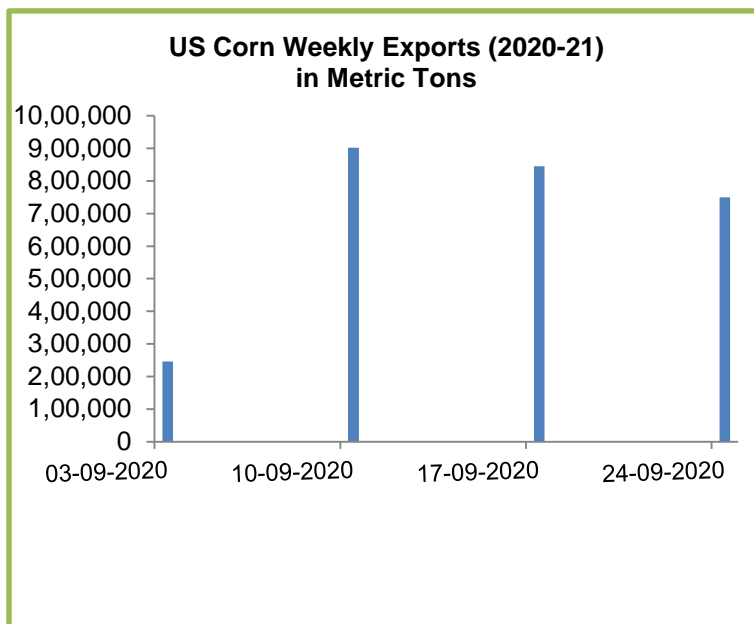
DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to slightly weak for the week on the expectation of new crop arrivals in coming weeks.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 2.74 MMT in the 2020-21 marketing year. At 0.75 MMT (for the period 18th Sep - 24th Sep, 2020) US corn exports were down 11.24 percent from the previous week; mainly for the destinations like China (269,900 MT), Mexico (230,100 MT), Japan (139,800 MT), South Korea (65,100 MT), and Canada (21,800 MT). Agriwatch expects that decrease in export demand for U.S corn and new crop arrivals in coming weeks would weigh on CBOT corn.

In U.S, 61% crop of corn is in good to excellent condition as of 27th September'20, same percentage points from last week. 15% of crop has been harvested as of 27th September'20, up 5 percentage points from corresponding period last year.



PREVIOUS UPDATES:

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.

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 rose by 5.71 USD/MT to 149.50 USD/MT for December'20 contract compared to previous week. Agriwatch expects that decrease in export demand for U.S corn and new crop arrivals in coming weeks would weigh on CBOT corn.



05th October, 2020

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	03-Oct-20	26-Sep-20	03-Sep-20	03-Oct-19	03-Oct-18
Naugachia	Bilty	1350	1300	1225	2150	1325
Delhi	Hybrid Maize (U.P.)	1330	1300	1250	2250	1400
Davangere	Loose	1300	1350	1300	NA	1450
Shimoga	Bilty	1350	1300	1300	2300	1470
Ranebennur	Bilty	NA	1410	NA	1850	NA
Bagalkot	Hybrid/Local	NA	NA	1000	NA	NA
Gadag	Local	1390	940	NA	NA	1124
Nizamabad	Bilty	1375	1375	1375	2300	1450
Khanna	Bilty	1150	1150	1150	1930	1300
Sangli	Feed	1515	1493	1440	2490	1582
Ahmedabad	Feed	1400	1330	1300	2380	1530
	Starch	1400	1350	1330	2300	1510

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	03-Oct-20	25-Sep-20	Change
Corn CBOT Prices	Dec-20	149.50	143.79	5.71
	Mar-21	153.24	146.94	6.30
	May-21	155.41	149.11	6.30
	July-21	156.88	150.58	6.30
	Sep-21	152.85	149.11	3.74

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