

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets showed steady to slightly weak sentiments compared to the previous week as new crop arrivals have started which are lower in quantity and contain huge moisture level. In M.P and Karnataka, they contain moisture of upto 30%. While, in Nizamabad, new crop contains moisture upto 20% and in Warangal region also, new crop arrivals are poor in quality and contains moisture upto 15%. Some grains are dented and small in size. Agriwatch expects that maize would trade steady to slightly weak in near too on the expectation of increase in new crop arrivals in coming weeks.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1350-1425 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.1530 per quintal; sourced from Nizamabad region.

KHARIF SOWING AND HARVESTING SCENARIO

In India, maize had 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 had been harvested as of 25th Sep'20.

As per trade sources, in M.P, around 7% and in Gujarat, around 3-4% crop quality has been affected by recent rains.

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.

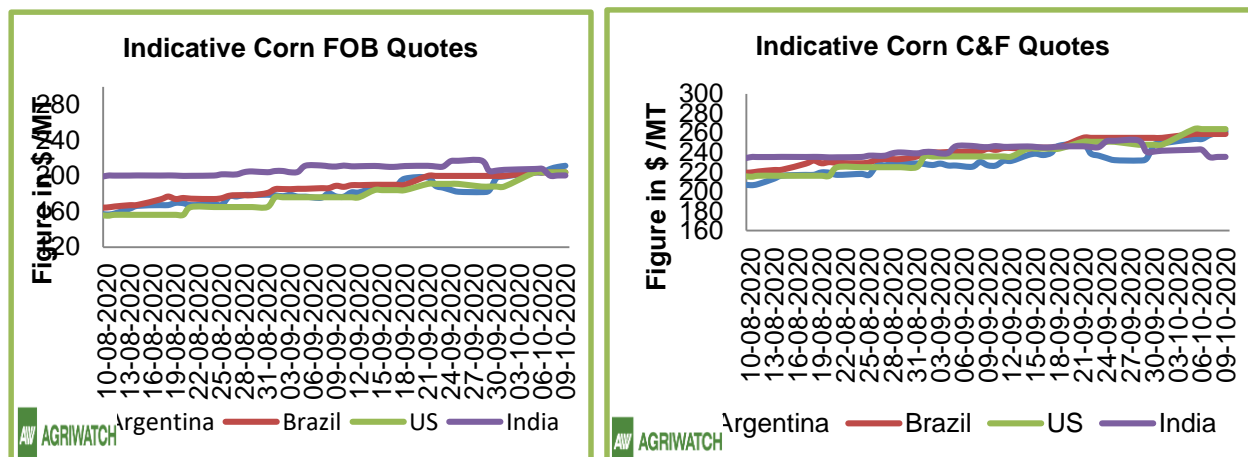
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 6.00 USD/MT to 155.50 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 62% crop of corn is in good to excellent condition as of 4th October'20, up 1 percentage points from last week. 25% of the crop had been harvested as of 4th October'20, up 11 percentage points from corresponding period last year.

At 0.93 MMT (for the period 25th Sep – 01st Oct, 2020) US corn exports were up 24.61 percent from the previous week; mainly for the destinations like China (349,900 MT), Mexico (275,400 MT), Colombia (121,600 MT), Japan (81,600 MT), and Costa Rica (46,200 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.30)				
As on 09.10.2020	Argentina	Brazil	US	India
FOB	211.42	204.00	204.00	200.55
C&F	261.42	259.00	264.00	235.55

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

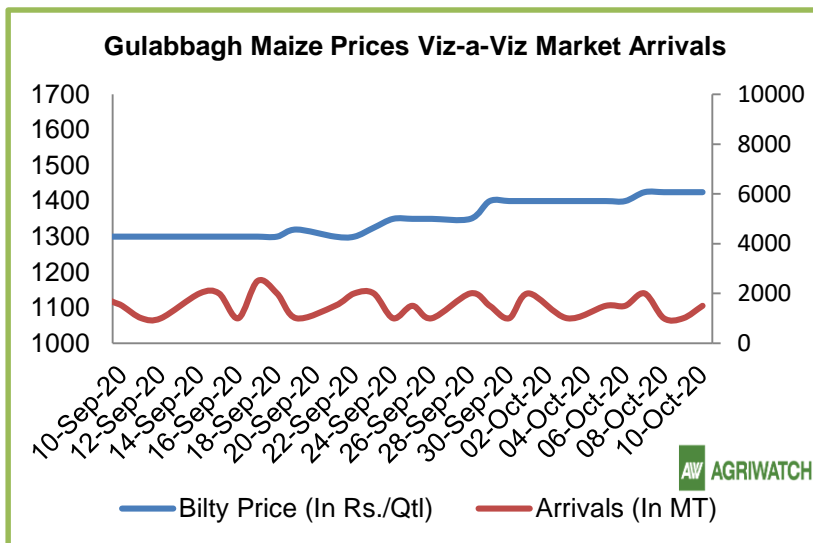
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

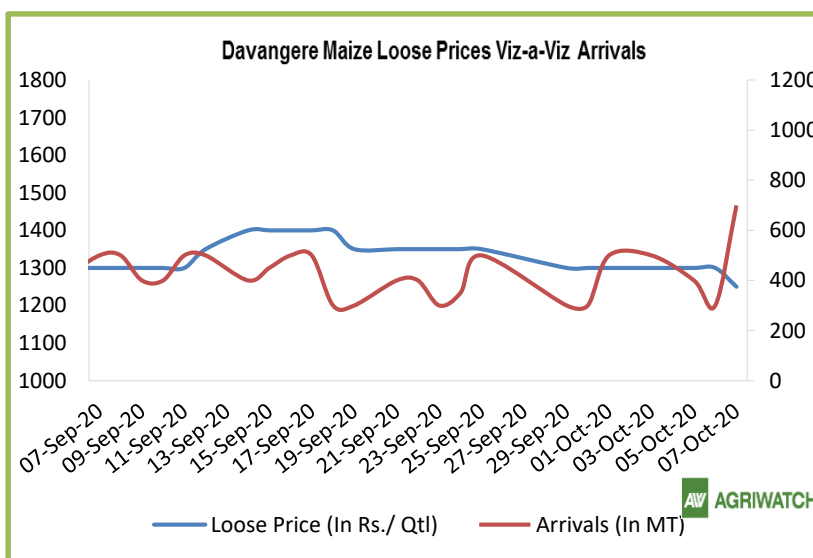
GULABBAGH:

- In Bihar, maize is being traded at Rs.1350-1425 per quintal (Bilty Price) slightly increased due to decrease in arrivals. Maize is being delivered to Kolkata at Rs.1450-1500 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1350-1480 per quintal for the week amid steady demand and low arrival.



KARNATAKA:

- Davangere, Ranebennur and Chitradurga markets have been closed since 8th Oct'20 as laborers are on strike due to decrease in loading charges from Rs. 60 to Rs. 20 per MT.
- In Karnataka, new crop arrivals are lower in quantity and contain moisture of upto 30%. Expectation of increase in arrivals in the coming weeks would weigh on market sentiments.



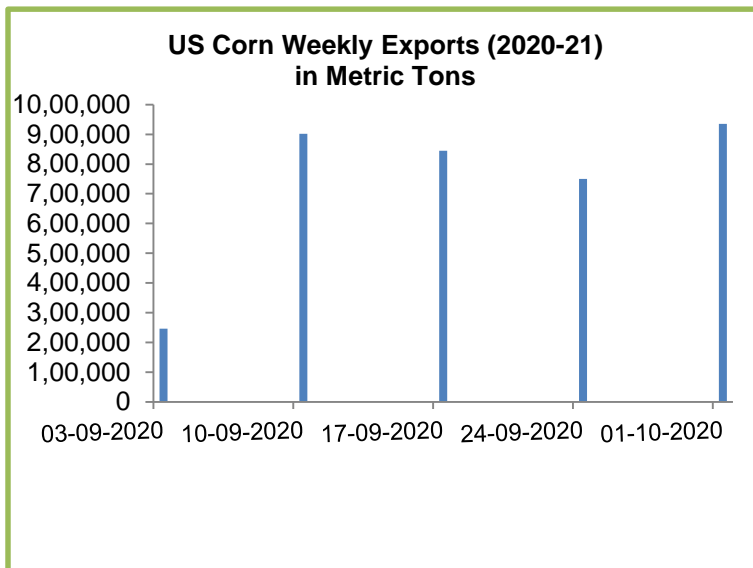
DOMESTIC MAIZE OUTLOOK:

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 3.68 MMT in the 2020-21 marketing year. At 0.93 MMT (for the period 25th Sep – 01st Oct, 2020) US corn exports were up 24.61 percent from the previous week; mainly for the destinations like China (349,900 MT), Mexico (275,400 MT), Colombia (121,600 MT), Japan (81,600 MT), and Costa Rica (46,200 MT). Agriwatch expects that increase in export demand for U.S corn would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 62% crop of corn is in good to excellent condition as of 4th October'20, up 1 percentage points from last week. 25% of crop has been harvested as of 4th October'20, up 11 percentage points from corresponding period last year.



USDA decreased its world corn ending stock estimates by 6.34 MMT to 300.45 MMT for 2020/21 compared to last month due to decrease in production and imports estimates which would support to global corn market.

USDA also revised the ending stock estimates for U.S and Ukraine, down by 8.53 MMT and 0.4 MMT respectively for 2020/21 compared to last month estimates due to decrease in production estimates while for Argentina and Brazil, it kept it unchanged at 2.88 MMT and 7.99 MMT respectively compared to previous month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 6.00 USD/MT to 155.50 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would support to CBOT corn. However, new crop arrivals could limit the gain.



12th October, 2020

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	09-Oct-20	03-Oct-20	09-Sep-20	09-Oct-19	09-Oct-18
Naugachia	Bilty	1350	1350	1300	0	1350
Delhi	Hybrid Maize (U.P.)	1350	1300	1300	2200	1400
Davangere	Loose	Closed	1300	1300	NA	1500
Shimoga	Bilty	1350	1350	1350	NA	1470
Ranebennur	Bilty	NA	1365	1400	NA	1500
Bagalkot	Hybrid/Local	1236	NA	1150	2230	1500
Gadag	Local	1160	1390	1135	1920	1369
Nizamabad	Bilty	1375	1375	1375	NA	1450
Khanna	Bilty	1130	1150	1150	2040	1320
Sangli	Feed	1417	1515	1442	2462	1557
Ahmedabad	Feed	1400	1400	1300	2300	1570
	Starch	1400	1400	1325	2250	1590

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	09-Oct-20	03-Oct-20	Change
Corn CBOT Prices	Dec-20	155.50	149.50	6.00
	Mar-21	158.36	153.24	5.12
	May-21	160.03	155.41	4.63
	July-21	161.21	156.88	4.33
	Sep-21	155.70	152.85	2.85

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