



# Maize Weekly Research Report

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**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets showed steady to range bound sentiments compared to the previous week. In India, new crop arrivals have started which are lower in quantity and contain huge moisture level. In Telangana, around 5-7% crop quality has been affected by recent rains. In Karnataka, it contain moisture of upto 30%. 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. 1400 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1500 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1500 per quintal; sourced from Nizamabad region.

**FIRST ESTIMATE OF KHARIF PRODUCTION**

The 1st Advance Estimates of kharif production of maize for 2020-21 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.

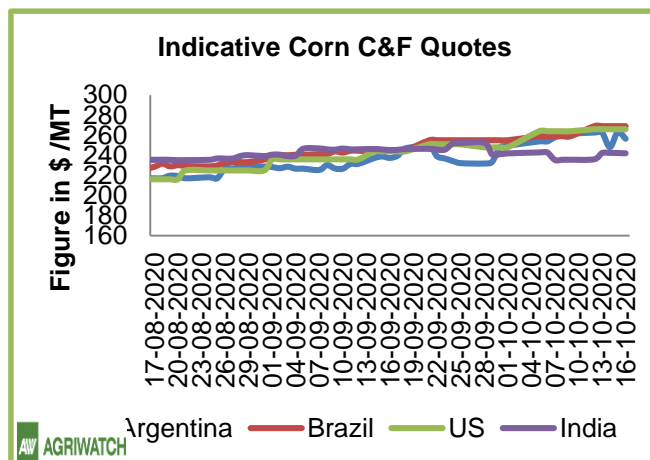
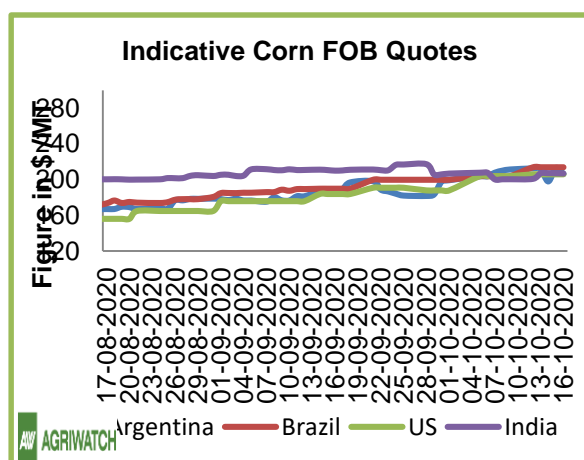
**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 2.76 USD/MT to 158.26 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn in near term would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 61% crop of corn is in good to excellent condition as of 11th October'20, down 1 percentage points from last week. 41% of crop has been harvested as of 11th October'20, up 21 percentage points from corresponding period last year.

At 0.82 MMT (for the period 2nd Oct – 8th Oct, 2020) US corn exports were down 12.80 percent from the previous week; mainly for the destinations like Mexico (306,500 MT), China (269,700 MT), South Korea (58,000 MT), Honduras (49,100 MT), and Colombia (43,200 MT).

## EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.35)				
As on 16.10.2020	Argentina	Brazil	US	India
FOB	206.40	214.00	206.00	206.94
C&F	256.40	269.00	266.00	241.94

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 2,23,781 MT of maize in the month of September'20 at an average FoB of \$185.51/ MT, out of which, 1,67,774 MT was exported to Bangladesh at an average FoB of \$190.82/MT and around 52,112 MT was exported to Nepal at an average FoB of \$178.60/MT.

## IMPORTS

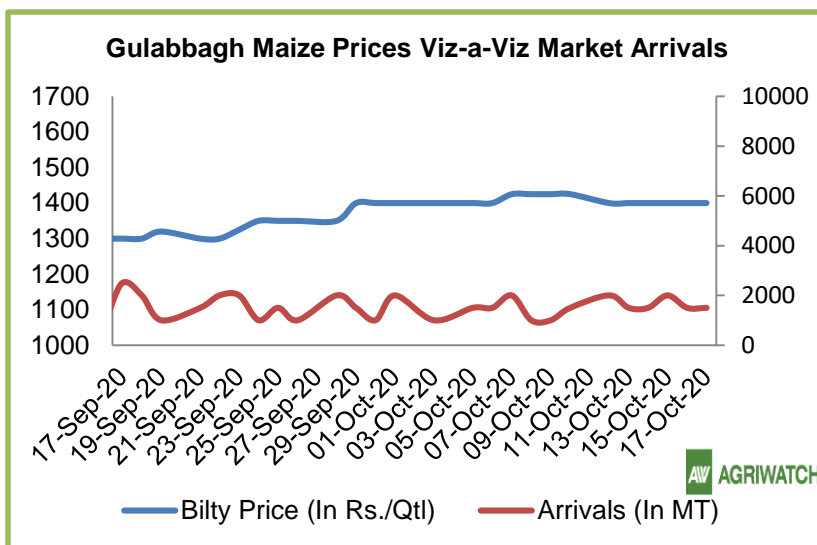
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

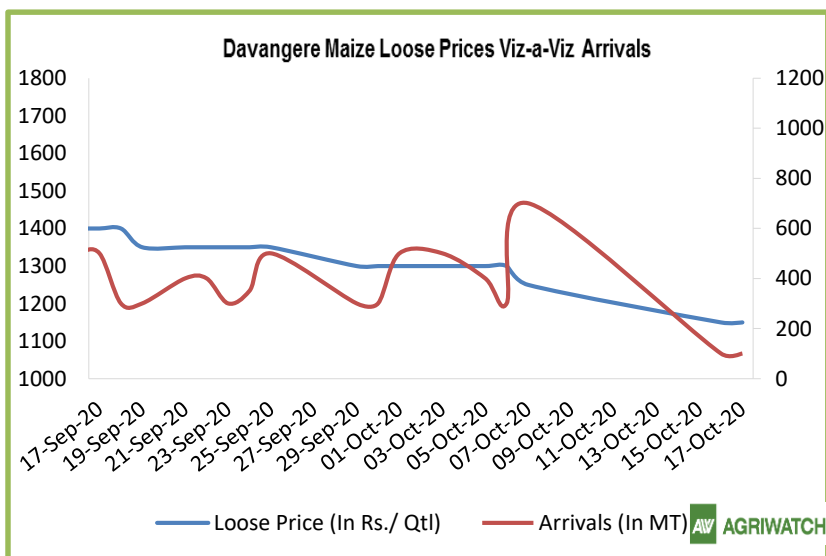
### GULABBAGH:

- In Bihar, maize is being traded at Rs.1400 per quintal (Bilty Price) slightly increased due to decrease in arrivals. Maize is being delivered to Kolkata at Rs.1500 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1400-1480 per quintal for the week amid steady demand and low arrival.



### KARNATAKA:

- In Karnataka, new crop arrivals are lower in quantity and contain moisture of upto 30%. Sources revealed that there is no chance of getting dried material in next 20 days as weather conditions are not favourable for that.
- In Davangere, maize is being traded lower due to low quality arrivals. Expectation of increase in arrivals in the coming weeks amid sluggish demand would weigh on market sentiments.



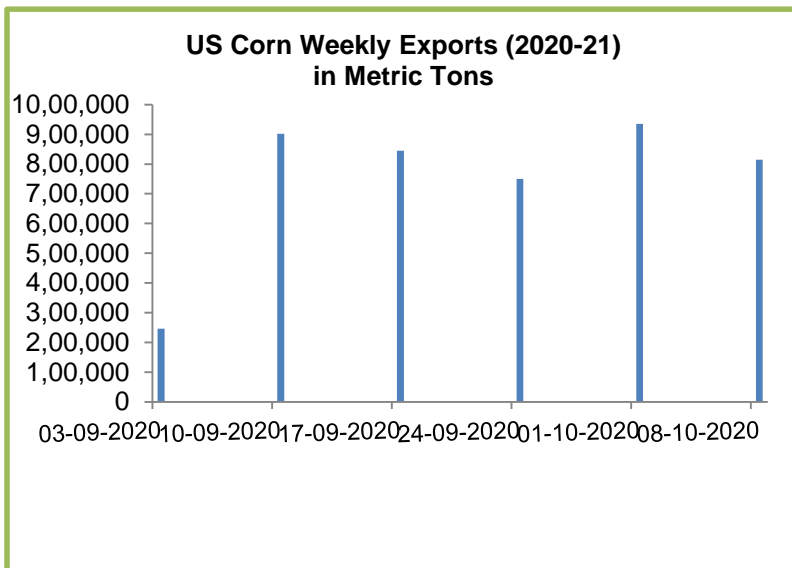
## DOMESTIC MAIZE OUTLOOK:

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

### INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 4.49 MMT in the 2020-21 marketing year. At 0.82 MMT (for the period 2nd Oct – 8th Oct, 2020) US corn exports were down 12.80 percent from the previous week; mainly for the destinations like Mexico (306,500 MT), China (269,700 MT), South Korea (58,000 MT), Honduras (49,100 MT), and Colombia (43,200 MT). Agriwatch expects that increase in export demand for U.S corn in near term would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 61% crop of corn is in good to excellent condition as of 11th October'20, down 1 percentage points from last week. 41% of crop has been harvested as of 11th October'20, up 21 percentage points from corresponding period last year.



### PREVIOUS UPDATES

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 2.76 USD/MT to 158.26 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn in near term would support to CBOT corn. However, new crop arrivals could limit the gain.



### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	16-Oct-20	09-Oct-20	16-Sep-20	16-Oct-19	16-Oct-18
Naugachia	Bilty	1400	1350	1300	2125	1375
Delhi	Hybrid Maize (U.P.)	1350	1350	1280	2125	1450
Davangere	Loose	1150	Closed	1400	0	1500
Shimoga	Bilty	1350	1350	1350	0	1490
Ranebennur	Bilty	NA	NA	1400	2150	1500
Bagalkot	Hybrid/Local	NA	1236	1275	2120	1389
Gadag	Local	1175	1160	1200	1840	1376
Nizamabad	Bilty	Closed	1375	1375	2250	1480
Khanna	Bilty	1130	1130	1150	2050	0
Sangli	Feed	1433	1417	1447	2342	1516
Ahmedabad	Feed	1400	1400	1300	2150	1575
	Starch	1400	1400	1350	2100	1575

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	16-Oct-20	09-Oct-20	Change
Corn CBOT Prices	Dec-20	158.26	155.50	2.76
	Mar-21	160.23	158.36	1.87
	May-21	160.82	160.03	0.79
	July-21	160.92	161.21	-0.29
	Sep-21	155.5	155.70	-0.20

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