



Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Maize Trade Scenario
- ❖ First Advance Estimate of Kharif Production
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of September'20
- ❖ Imports for the Month of September'20
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets showed steady to range bound sentiments compared to the previous week. In Nizamabad, new crop arrivals contain moisture of upto 22% and damaged upto 7% while in Warangal region, it contains damaged upto 20%. In Karnataka, new crop arrivals are lower in quantity and contain moisture of upto 25%. Trade sources are of the opinion that there is possibility of getting dried material in next 12-15 days if weather conditions improved. Agriwatch expects that maize would trade steady to range bound in near term. Increase in new crop arrivals in the coming weeks would weigh on market sentiments. However, expectation of fresh feed makers demand in near term could support the market at lower level.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1400-1450 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1450-1550 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1500 per quintal; sourced from Nizamabad region. Also, it is being loaded at Rs. 1325-1350 per quintal towards Maharashtra, 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.

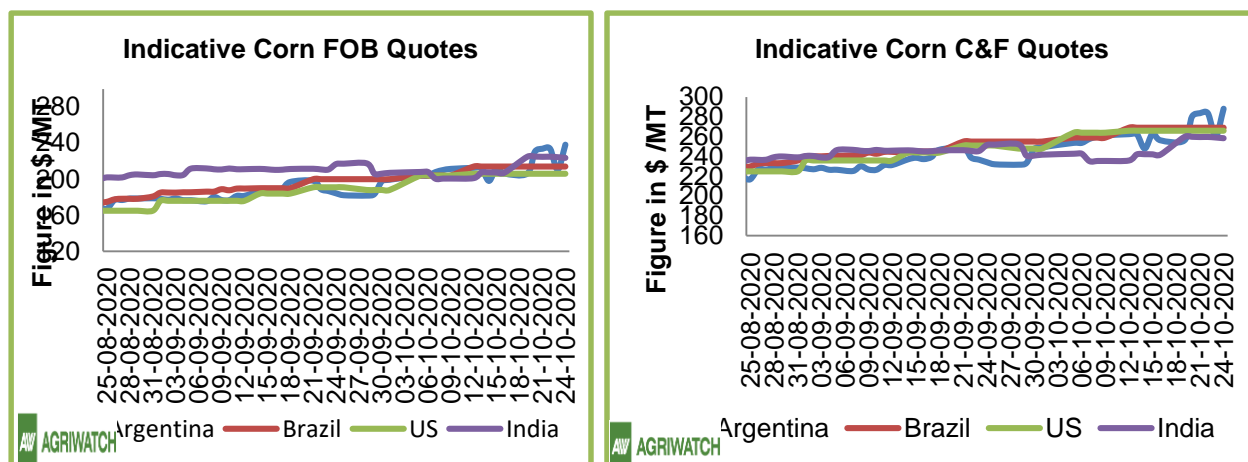
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 6.79 USD/MT to 165.05 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 18th October'20, same percentage points from last week. 60% of crop has been harvested as of 18th October'20, up 32 percentage points from corresponding period last year.

At 0.90 MMT (for the period 9th Oct – 15th Oct, 2020) US corn exports were up 10.17 percent from the previous week and 7 percent from the prior 4-week average; mainly for the destinations like China (364,000 MT), Mexico (168,300 MT), Japan (165,900 MT), Saudi Arabia (70,200 MT), and Colombia (55,000 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.83)				
As on 24.10.2020	Argentina	Brazil	US	India
FOB	238.29	214.00	206.00	223.49
C&F	288.29	269.00	266.00	258.49

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

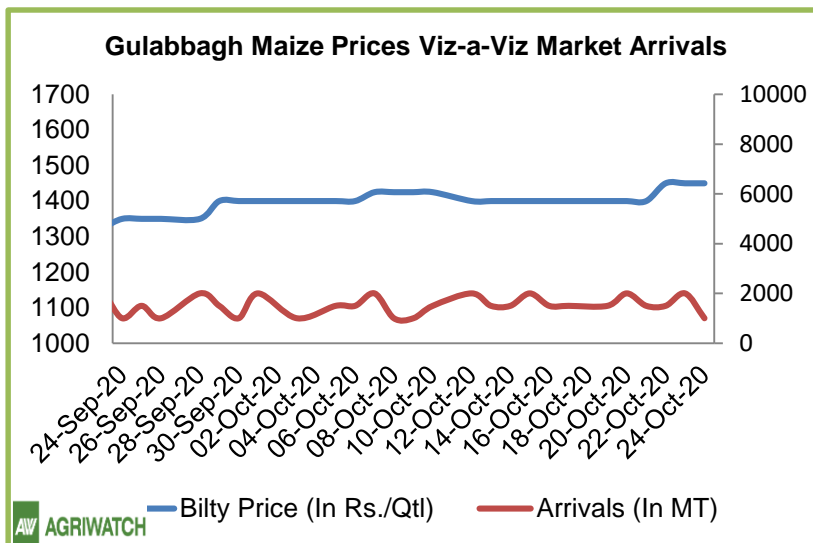
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

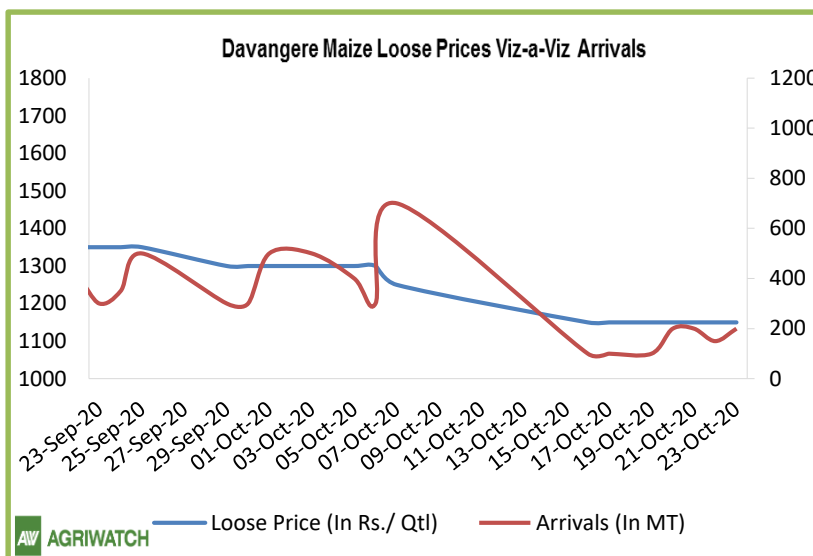
GULABBAGH:

- In Bihar, maize is being traded at Rs.1400-1450 per quintal (Bilty Price) slightly up due to decrease in arrivals. Maize is being delivered to Kolkata at Rs. 1450-1550 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1400-1500 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 25%. Trade sources are of the opinion that there is possibility of getting dried material in next 12-15 days if weather conditions improved.
- 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:

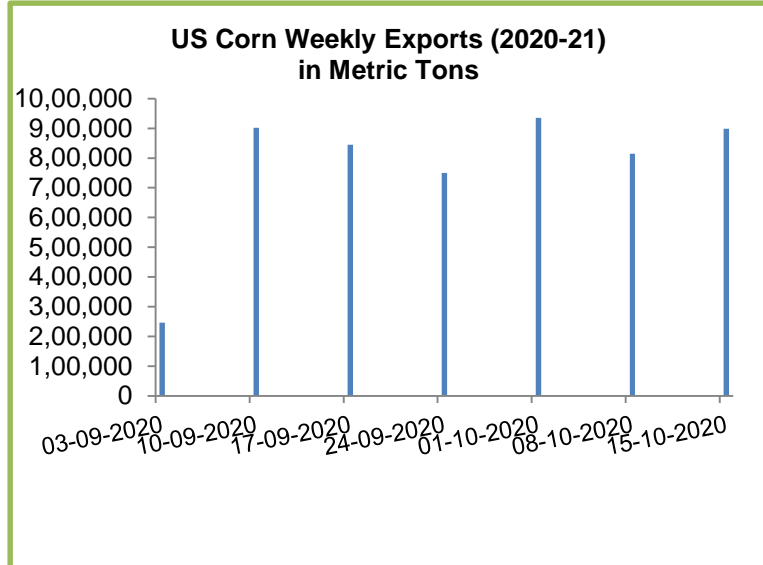
Despite the increase in arrivals, maize prices are likely to be steady to range bound for the week on the expectation of fresh domestic demands in coming weeks.



INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 5.39 MMT in the 2020-21 marketing year. At 0.90 MMT (for the period 9th Oct – 15th Oct, 2020) US corn exports were up 10.17 percent from the previous week and 7 percent from the prior 4-week average; mainly for the destinations like China (364,000 MT), Mexico (168,300 MT), Japan (165,900 MT), Saudi Arabia (70,200 MT), and Colombia (55,000 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.

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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 6.79 USD/MT to 165.05 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	23-Oct-20	16-Oct-20	23-Sep-20	23-Oct-19	23-Oct-18
Naugachia	Bilty	1450	1400	1300	2100	1450
Delhi	Hybrid Maize (U.P.)	1300	1350	1300	2100	1500
Davangere	Loose	1150	1150	1350	1900	1400
Shimoga	Bilty	NA	1350	1350	NA	1460
Ranebennur	Bilty	NA	1250	1400	2150	NA
Bagalkot	Hybrid/Local	1220	NA	1000	NA	1420
Gadag	Local	1330	1175	1215	2016	NA
Nizamabad	Bilty	1350	Closed	1375	2250	1480
Khanna	Bilty	1100	1130	1150	NA	NA
Sangli	Feed	1440	1433	1479	2344	1516
Ahmedabad	Feed	1400	1400	1320	2200	1550
	Starch	1420	1400	1350	2000	1570

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	23-Oct-20	16-Oct-20	Change
Corn CBOT Prices	Dec-20	165.05	158.26	6.79
	Mar-21	165.45	160.23	5.22
	May-21	165.84	160.82	5.02
	July-21	165.45	160.92	4.53
	Sep-21	156.88	155.5	1.38

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