



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets showed steady to firm sentiments compared to the previous week due to fresh feed makers and stockists demand. Agriwatch expects that maize would trade steady to slightly firm ahead as demand for good quality material has increased. Announcement by Telangana government to procure the entire quantity of maize and 2 lakh MT by Karnataka government would also support the market to trade firm ahead. However, crop arrival pressure in coming weeks could limit the gain.

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, crop arrivals contain moisture of upto 20%.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1350-1460 per quintal (Bilty Price). It is being delivered to U.P and Kolkata at Rs.1400-1500 per quintal each; 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

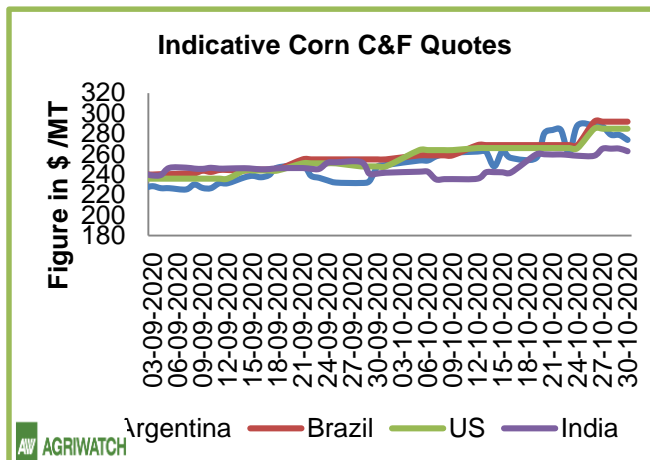
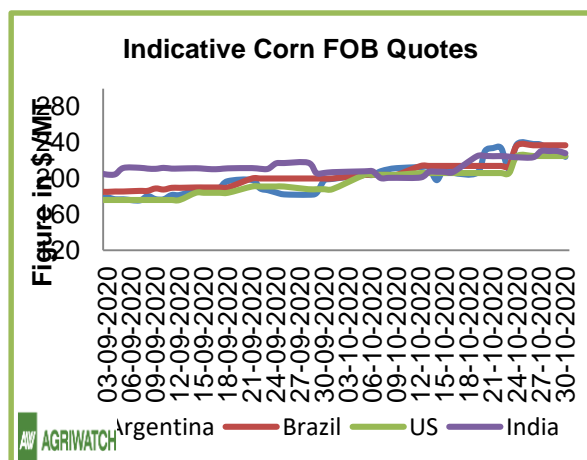
Corn on CBOT fell by 8.17 USD/MT to 156.88 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn in near term would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 72% of crop has been harvested as of 25th October'20, up 34 percentage points from corresponding period last year.

At 0.73 MMT (for the period 16th Oct – 22nd Oct, 2020) US corn exports were down 18 percent from the previous week and 14 percent from the prior 4-week average; mainly for the destinations like Mexico (253,200 MT), China (134,100 MT), Colombia (80,000 MT), Japan (71,400 MT), and Guatemala (62,300 MT).

IGC decreased its global corn production forecast for 2020/21 by 4 MMT to 1156 MMT compared to previous month's forecast due to reduction in production forecast for U.S, Ukraine and European Union.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.60)				
As on 30.10.2020	Argentina	Brazil	US	India
FOB	224.00	237.00	225.00	227.88
C&F	274.00	292.00	285.00	262.88

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

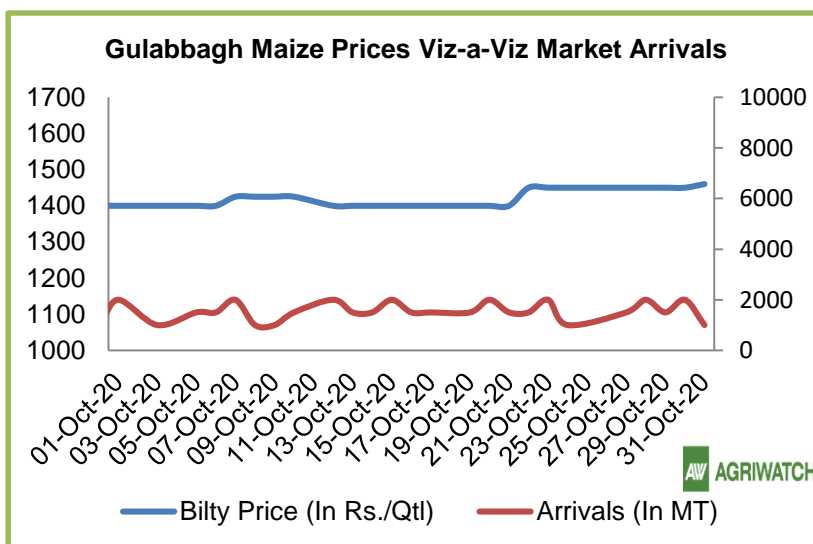
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

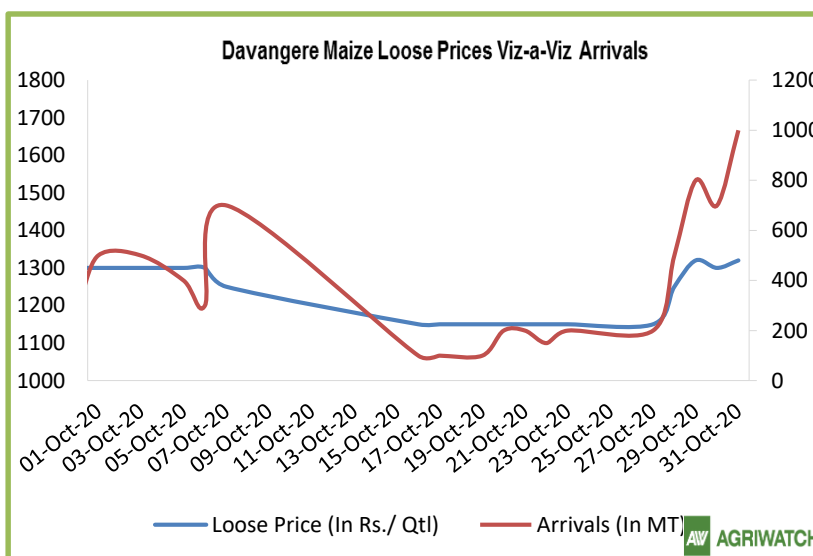
GULABBAGH:

- In Bihar, maize is being traded at Rs.1350-1460 per quintal (Bilty Price) slightly up due to decrease in arrivals. Maize is being delivered to Kolkata and U.P at Rs. 1400-1500 per quintal each; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1400-1570 per quintal for the week amid steady demand and low arrival.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly firm in the coming weeks due to increase in feed makers demand. However, increase in arrivals could limit the firmness.

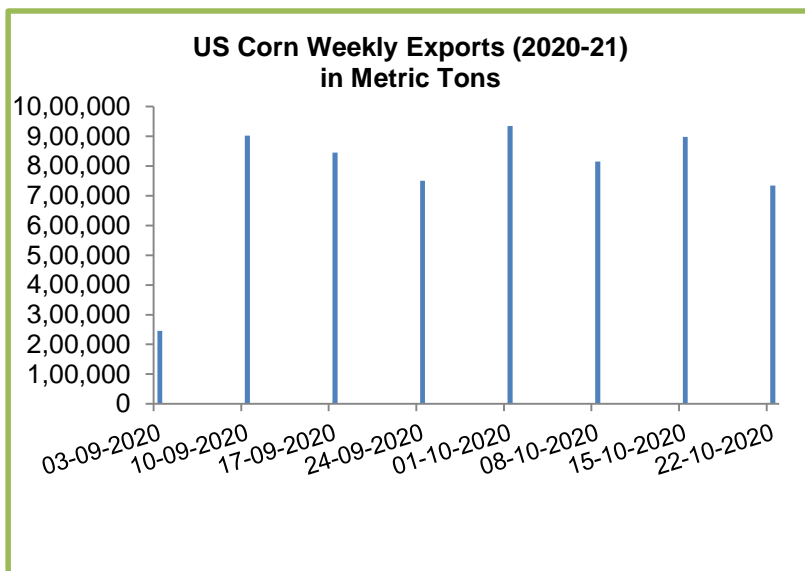


DOMESTIC MAIZE OUTLOOK:

Agriwatch expects that maize would trade steady to slightly firm ahead as demand for good quality material has increased. However, crop arrival pressure in coming weeks could limit the gain.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 6.13 MMT in the 2020-21 marketing year. At 0.73 MMT (for the period 16th Oct – 22nd Oct, 2020) US corn exports were down 18 percent from the previous week and 14 percent from the prior 4-week average; mainly for the destinations like Mexico (253,200 MT), China (134,100 MT), Colombia (80,000 MT), Japan (71,400 MT), and Guatemala (62,300 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, 72% of crop has been harvested as of 25th October'20, up 34 percentage points from corresponding period last year.

IGC decreased its global corn production forecast for 2020/21 by 4 MMT to 1156 MMT compared to previous month's forecast due to reduction in production forecast for U.S, Ukraine and European Union. Forecast for global corn ending stock was also decreased by 6 MMT to 279 MMT for 2020/21. Agriwatch expects that decrease in global corn ending stock estimates would lead to global corn prices.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fell by 8.17 USD/MT to 156.88 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.

ANNEXUREMAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	30-Oct-20	23-Oct-20	30-Sep-20	30-Oct-19	30-Oct-18
Naugachia	Bilty	1450	1450	1350	NR	1450
Delhi	Hybrid Maize (U.P.)	1400	1300	1330	2100	1525
Davangere	Loose	1300	1150	1300	NR	1450
Shimoga	Bilty	1350	1350	1350	NR	1450
Ranebennur	Bilty	NA	NA	NA	NR	NA
Bagalkot	Hybrid/Local	NA	1220	1270	2125	1429
Gadag	Local	1260	1330	1200	NR	1431
Nizamabad	Bilty	1350	1350	1375	2250	1475
Khanna	Bilty	1150	1100	1160	NA	NA
Sangli	Feed	1476	1440	1508	2300	1535
Ahmedabad	Feed	1550	1400	1330	NA	1530
	Starch	1550	1420	1350	NA	1600

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	30-Oct-20	23-Oct-20	Change
Corn CBOT Prices	Dec-20	156.88	165.05	-8.17
	Mar-21	158.75	165.45	-6.70
	May-21	159.84	165.84	-6.00
	July-21	160.33	165.45	-5.12
	Sep-21	152.45	156.88	-4.43

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