

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 demand. Procurement by Telangana, Madhya Pradesh, Karnataka, Maharashtra and Haryana governments would also support to the market in near term. 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 22%. In Maharashtra, it contain moisture of upto 20%.

MAIZE TRADE SCENARIO

In Naugachia region of Bihar, Maize is being traded at Rs.1,350-1,450 per quintal (Bilty Price). It is being delivered to Uttar Pradesh and Kolkata at Rs.1,600-1,700 per quintal each; sourced from Naugachia region of Bihar. In Gulabghat, it is being traded at Rs. 1,650 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,550 per quintal; sourced from Nizamabad region. It is also moving towards Bengaluru, Nammakal and Sangli at Rs.1,500 and Rs.1,560-1,570 and Rs. 1,600 per quintal, respectively; sourced from Davangere region of Karnataka.

STATE WISE RABI SOWING COVERAGE

In India, maize has been sown in 1.48 lakh hectares as of 6th Nov'20, lower than corresponding period last year area of 1.62 lakh hectares. In Tamil Nadu, it has been sown in 0.79 lakh hectares; lower than 1.02 lakh hectares compared to corresponding period last year. In Karnataka, it has been sown in 0.16 lakh hectares; lower than 0.19 lakh hectares compared to corresponding period last year. However, in Maharashtra, it has been sown in 0.25 lakh hectares; higher than 0.17 lakh hectares compared to corresponding period last year.

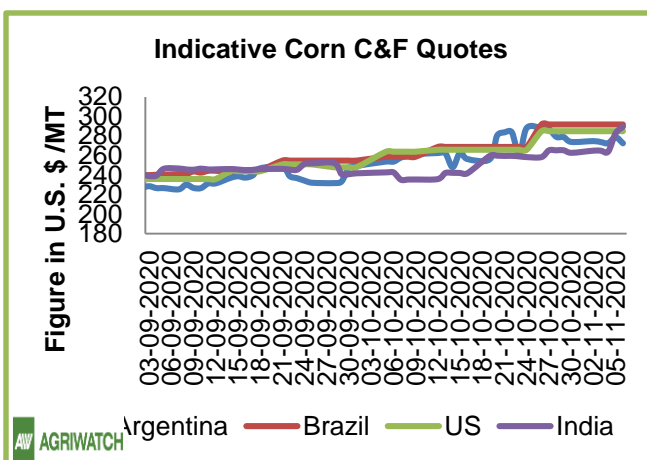
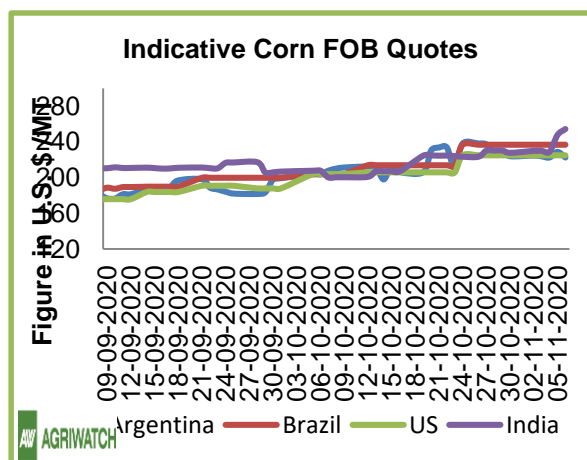
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 3.25 USD/MT to 160.13 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, 82% of crop has been harvested as of 01st November'20, up 33 percentage points from corresponding period last year.

At 0.73 MMT (for the period October 23-29, 2020) U.S. Maize exports were down 1% from the previous week and 14 percent from the prior 4-week average; mainly for the destinations like China (330,300 MT), Mexico (208,600 MT), Colombia (101,100 MT), Honduras (28,100 MT), and Japan (23,600 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.16)				
As on 06.11.2020	Argentina	Brazil	US	India
FOB	222.54	237.00	225.00	254.49
C&F	272.54	292.00	285.00	289.49

As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries has widen.

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. Data for the month of October'20 is not available yet.

IMPORTS

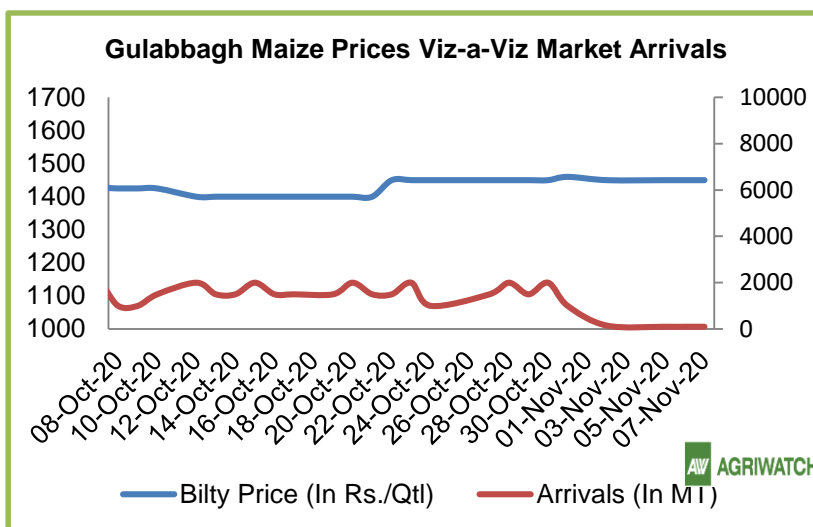
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

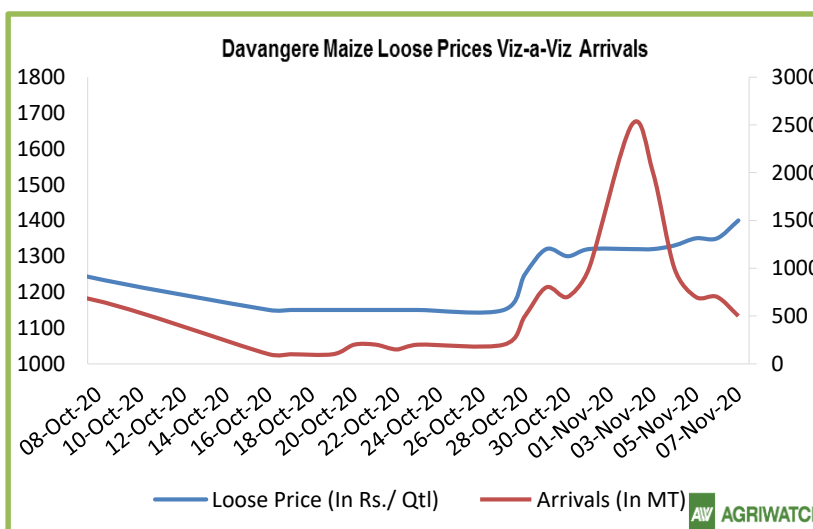
BIHAR:

- In Naugachia region of Bihar, Maize is being traded at Rs.1,350-1,450 per quintal (Bilty Price). It is being delivered to Uttar Pradesh and Kolkata at Rs.1,600-1,700 per quintal each; sourced from Naugachia region of Bihar. In Gulabghat, it is being traded at Rs. 1,650 per quintal (Bilty Price). It is expected that maize in Gulabghat would trade steady to firm and stay in the range of Rs. 1600-1750 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.

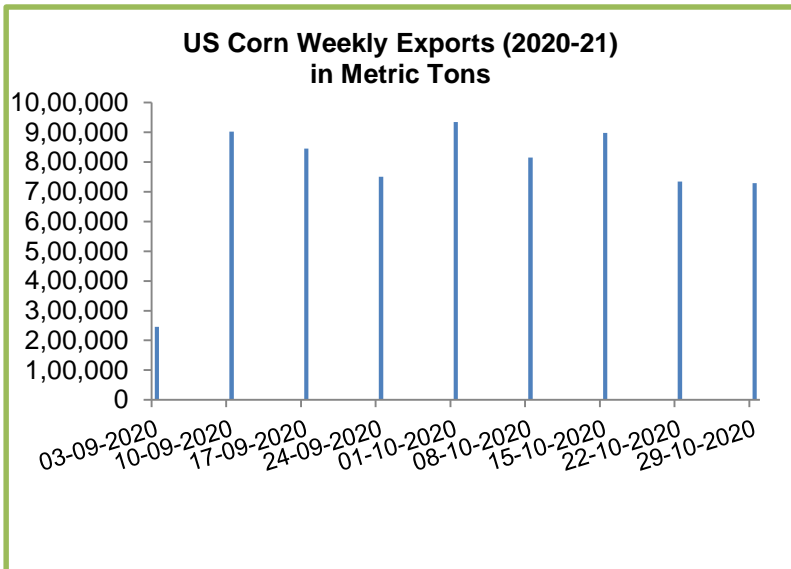


DOMESTIC MAIZE OUTLOOK:

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. Maize exports have reached 6.85 MMT in the 2020-21 marketing year. At 0.73 MMT (for the period October 23-29, 2020) U.S. Maize exports were down 1% from the previous week and 14 percent from the prior 4-week average; mainly for the destinations like China (330,300 MT), Mexico (208,600 MT), Colombia (101,100 MT), Honduras (28,100 MT), and Japan (23,600 MT). Agriwatch expects that increase in export demand for U.S Maize in near term would support to CBOT Maize. However, crop arrivals pressure could limit the gain.



In U.S, 82% of crop has been harvested as of 01st November'20, up 33 percentage points from corresponding period last year.

PREVIOUS UPDATES

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 rose by 3.25 USD/MT to 160.13 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	06-Nov-20	30-Oct-20	06-Oct-20	06-Nov-19	06-Nov-18
Naugachia	Bilty	1450	1450	1300	2150	1525
Delhi	Hybrid Maize (U.P.)	1600	1400	1300	2100	1525
Davangere	Loose	1350	1300	1300	1900	1450
Shimoga	Bilty	NA	NA	NA	1900	NA
Ranebennur	Bilty	NA	NA	1400	2020	1500
Bagalkot	Hybrid/Local	NA	NA	1260	1980	NA
Gadag	Local	1401	NA	1275	1830	1380
Nizamabad	Bilty	1475	1350	1375	2250	NA
Khanna	Bilty	1300	1150	1130	NA	NA
Sangli	Feed	1538	1476	1450	1937	1522
Ahmedabad	Feed	1600	1550	1400	2200	NA
	Starch	1600	1550	1400	2000	NA

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	06-Nov-20	30-Oct-20	Change
Corn CBOT Prices	Dec-20	160.13	156.88	3.25
	Mar-21	162.89	158.75	4.14
	May-21	164.46	159.84	4.62
	July-21	165.45	160.33	5.12
	Sep-21	156.00	152.45	3.55

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