

# Maize Weekly Research Report

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### EXECUTIVE SUMMARY

#### DOMESTIC MAIZE MARKET SUMMARY

Sentiments remain same as last week, since most of the cash maize markets are closed for Diwali. Government procurement and demand for good quality material could support the market. However, expectation of arrival pressure after festive season could limit the gain.

In Karnataka, crop arrivals still contains moisture of upto 25%. In Maharashtra, it contains moisture of upto 20%.

Trade sources revealed that in Telangana, Government has procured around 1.5 lakh quintal of maize till 11th November, 2020.

#### MAIZE TRADE SCENARIO

In Gulabghat, maize is being traded at Rs. 1,600 per quintal (Bilty Price). It is also moving towards Bengaluru at Rs. 1,500 per quintal, Nammakal and Chennai and Rs. 1,600 per quintal each; all 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.

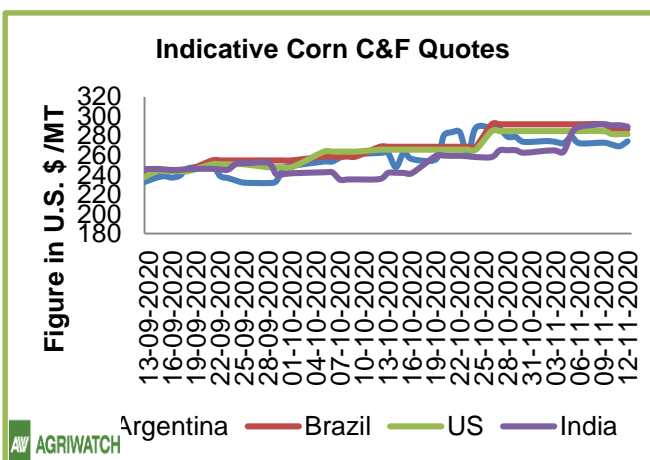
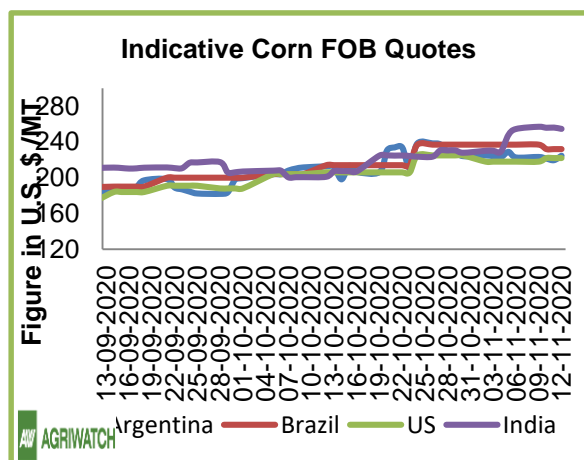
#### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 1.48 USD/MT to 161.61 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 CBOT corn. However, new crop arrivals could limit the gain.

At 0.73 MMT (for the period October 30 -November 05, 2020) U.S. Maize exports were unchanged from the previous week but down 8 percent from the prior 4-week average; mainly for the destinations like Mexico (215,600 MT), China (202,600 MT), Japan (79,100 MT), Honduras (55,600 MT), and Panama (46,900 MT).

USDA decreased its world Maize ending stock estimates by 9.03 MMT to 291.43 MMT for 2020-21 along with a decrease in production estimates which would support the global Maize market.

### EXPORT PARITY TREND



**Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.63)**

As on 12.11.2020	Argentina	Brazil	US	India
FOB	224.51	232.00	222.00	254.59
C&F	274.51	287.00	282.00	289.59

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

### EXPORTS

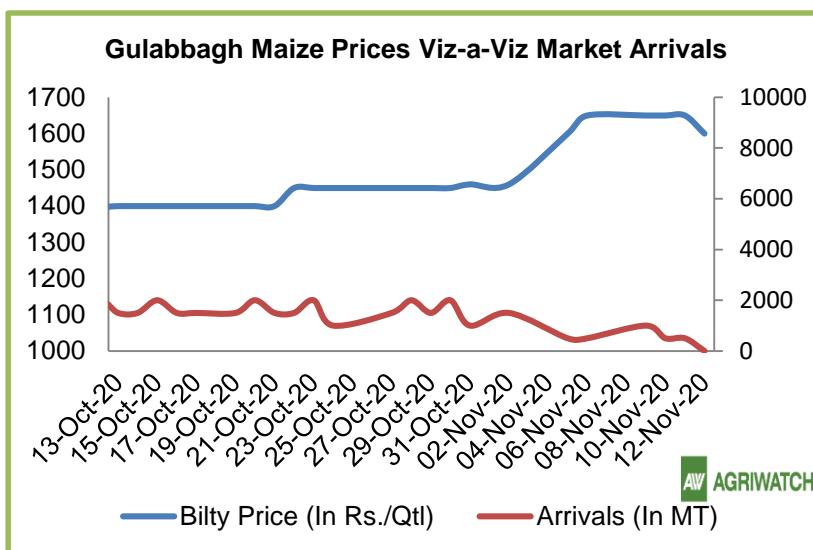
As per trade sources, India exported around 2,23,781 MT of maize in the month of September'20 at an average FoB of \$185.51/ MT, out of which, 1,67,774 MT was exported to Bangladesh at an average FoB of \$190.82/MT and around 52,112 MT was exported to Nepal at an average FoB of \$178.60/MT. Data for the month of October'20 is not available yet.

## 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:

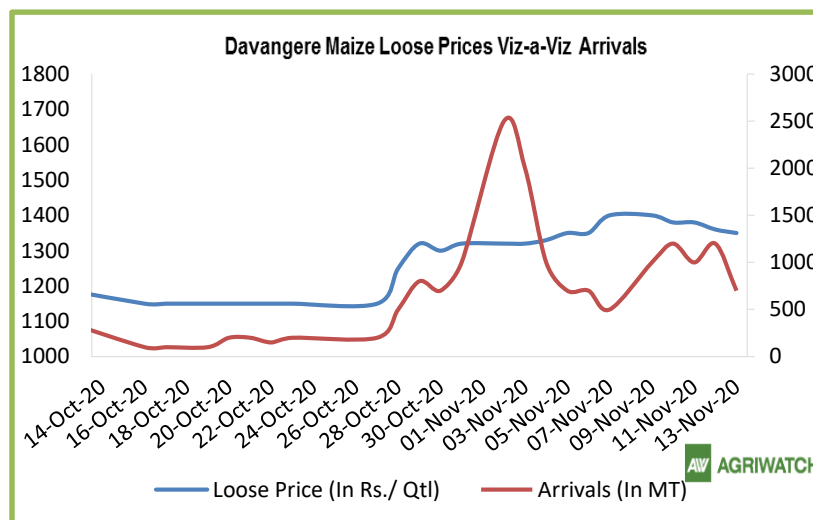
### BIHAR:

- In Naugachia region of Bihar, Maize was being traded at Rs.1,450-1,550 per quintal (Bilty Price). It is being delivered to Uttar Pradesh at Rs. 1,500-1,700 per quintal and Kolkata at Rs.1,600-1,700 per quintal; sourced from Naugachia region of Bihar. In Gulabbagh, it is being traded at Rs. 1,600 per quintal (Bilty Price). It is expected that maize in Gulabbagh would trade steady to firm and stay in the range of Rs. 1600-1700 per quintal for the week amid steady demand and low arrival.



### KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly weak as increase in arrivals in coming weeks would weigh on market sentiments.

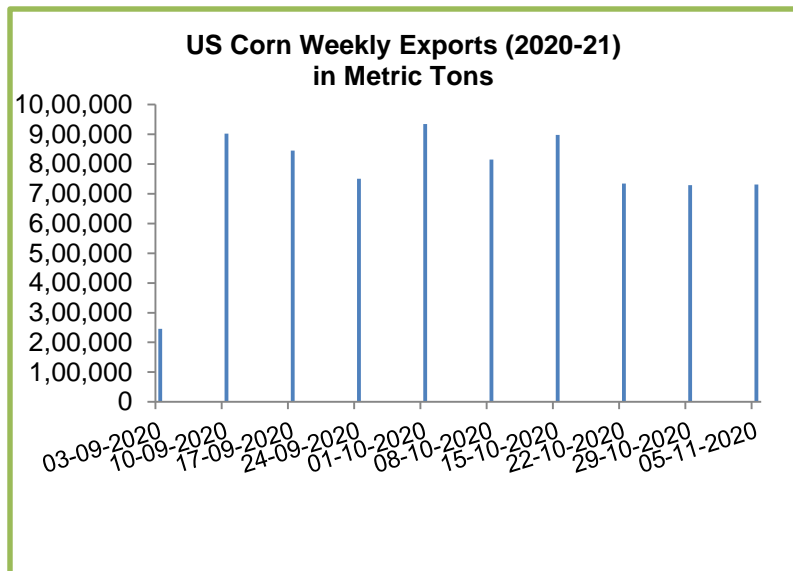


## DOMESTIC MAIZE OUTLOOK:

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 7.58 MMT in the 2020-21 marketing year. At 0.73 MMT (for the period October 30 -November 05, 2020) U.S. Maize exports were unchanged from the previous week but down 8 percent from the prior 4-week average; mainly for the destinations like Mexico (215,600 MT), China (202,600 MT), Japan (79,100 MT), Honduras (55,600 MT), and Panama (46,900 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, 91% of crop has been harvested as of 08th November'20, up 29 percentage points from corresponding period last year.

USDA decreased its world Maize ending stock estimates by 9.03 MMT to 291.43 MMT for 2020-21 along with a decrease in production estimates which would support to global Maize market. Agriwatch expects that increase in export demand for U.S Maize in near term would also support to CBOT Maize. However, crop arrivals pressure could limit the gain.

USDA also revised the ending stock estimates for U.S., down by 11.81 MMT for 2020-21 compared to last month estimates due to decrease in production estimates while for Argentina, Brazil and Ukraine, it kept unchanged at 2.88 MMT, 7.99 MMT and 1.16 MMT, respectively compared to previous month estimates.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 1.48 USD/MT to 161.61 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	13-Nov-20	06-Nov-20	13-Oct-20	13-Nov-19	13-Nov-18
Naugachia	Bilty	Closed	1450	1350	2125	1525
Delhi	Hybrid Maize (U.P.)	1540	1600	1350	2100	1525
Davangere	Loose	1350	1350	Closed	1760	1450
Shimoga	Bilty	NA	1350	NA	1750	NA
Ranebennur	Bilty	NA	1390	1275	1900	1500
Bagalkot	Hybrid/Local	NA	1495	1250	1760	1470
Gadag	Local	NA	1401	1155	1720	1388
Nizamabad	Bilty	Closed	1475	1350	2100	1520
Khanna	Bilty	Closed	1300	1100	NA	NA
Sangli	Feed	1512	1538	1419	1832	1533
Ahmedabad	Feed	Closed	1600	1400	2000	1525
	Starch	Closed	1600	1380	1800	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Nov-20	06-Nov-20	Change
Corn CBOT Prices	Dec-20	161.61	160.13	1.48
	Mar-21	165.15	162.89	2.26
	May-21	166.92	164.46	2.46
	July-21	167.81	165.45	2.36
	Sep-21	159.74	156.00	3.74

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