

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week compared to last week. Demand for good quality material is supporting to the market. Agriwatch expects that maize would trade steady to slightly firm ahead, due to Government procurement and fresh Vietnamese feed makers demand.

Trade sources revealed that in Nizamabad, due to active government buying support, arrivals in open markets are negligible in quantity. In Nizamabad, Government has procured around 25,000 MT of maize as of 25th November'20. In Andhra Pradesh, Government has procured around 44,052.4 MT of maize till 22nd November, 2020.

MAIZE TRADE SCENARIO

In Naugachia region of Bihar, Maize is being traded at Rs.1,550-1,650 per quintal (Bilty Price) and is being delivered to Uttar Pradesh and Kolkata at Rs.1,600-1,700 per quintal each. In Gulabbagh, it is being traded at Rs. 1,650-1,700 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,600 per quintal; sourced from Nizamabad region. It is also moving towards Bengaluru and Nammakal at Rs.1,500 and Rs.1,560-1,580 per quintal, respectively; all sourced from Davangere region of Karnataka. Trade sources revealed that maize is being delivered to Visakhapatnam and Kandla; sourced from M.P. It is being loaded from M.P at Rs. 1475 per quintal.

STATE WISE RABI SOWING COVERAGE

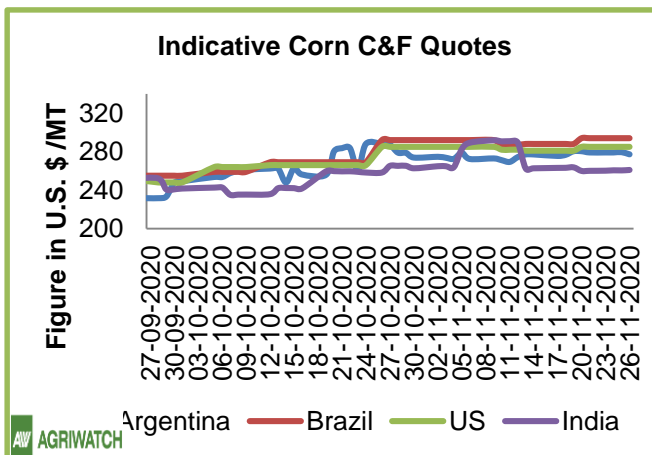
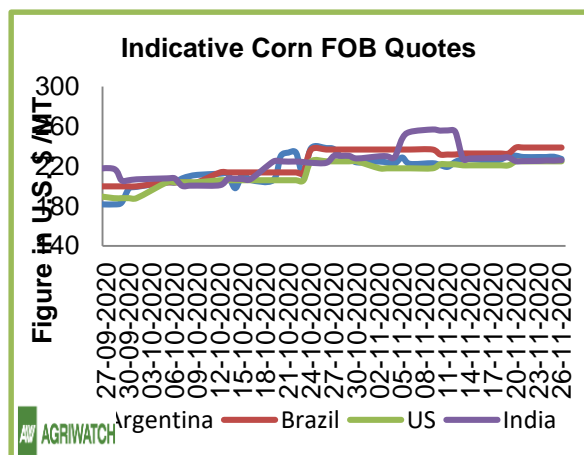
In India, maize has been sown in 3.39 lakh hectares as of 20th Nov'20, lower than corresponding period last year area of 3.50 lakh hectares. In Bihar, it has been sown in 0.40 lakh hectares; lower than 0.64 lakh hectares compared to corresponding period last year. In Tamil Nadu, it has been sown in 1.00 lakh hectares; lower than 1.30 lakh hectares compared to corresponding period last year. However, in Maharashtra, it has been sown in 0.77 lakh hectares; higher than 0.31 lakh hectares compared to corresponding period last year and in Karnataka, it has been sown in 0.28 lakh hectares; higher than 0.26 lakh hectares compared to corresponding period last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.88 USD/MT to 167.51 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn and concern over dry conditions in South America would support to CBOT Corn. However, new crop arrivals could limit the gain.

At 0.87 MMT (for the period November 13 -November 19, 2020) U.S. Maize exports were up 3 percent from the previous week and 15 percent from the prior 4-week average; mainly for the destinations like Mexico (339,300 MT), China (200,900 MT), Colombia (155,200 MT), Japan (116,100 MT), and Guatemala (17,000 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.85)				
As on 26.11.2020	Argentina	Brazil	US	India
FOB	227.36	239.00	225.00	226.13
C&F	277.36	294.00	285.00	261.13

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 2,23,050 MT of maize in the month of October'20 at an average FoB of \$189.01/ MT, out of which, 1,63,851 MT was exported to Bangladesh at an average FoB of \$193.30/MT and around 55,776 MT was exported to Nepal at an average FoB of \$185.16/MT. Sources revealed that demand of Bangladeshi feed makers is still strong but due to some technical issue with Railway, rake loading for Bangladesh has been disrupted in the month of November'20.

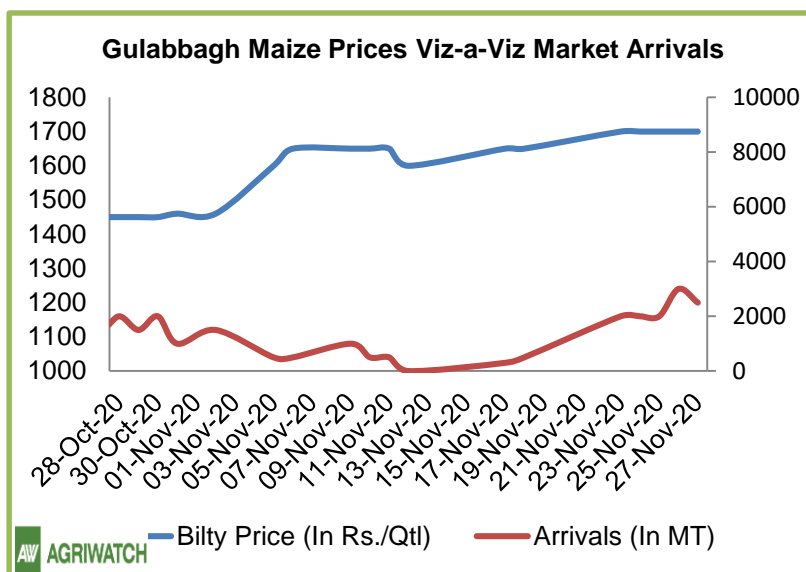
As per Trade Sources, Vessel ATROMITOS L for 27,500 MT of maize, is waiting for berth for loading, at VIZAG/ Visakhapatnam port.

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:

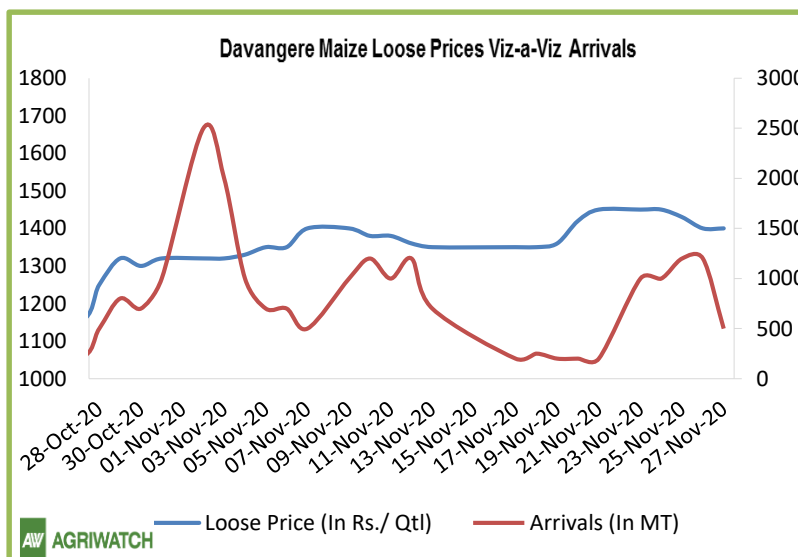
BIHAR:

- In Naugachia region of Bihar, Maize is being traded at Rs.1,550-1,650 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 Gulabbagh, it is being traded at Rs. 1,650-1,700 per quintal (Bilty Price). It is expected that maize in Gulabbagh would trade steady to firm and stay in the range of Rs. 1650-1750 per quintal for the week amid steady demand and low arrival.



KARNATAKA:

- In Davangere, maize prices would depend on market arrival in to the market as farmer are bringing lesser produce into the market on the expectation of increase in prices.

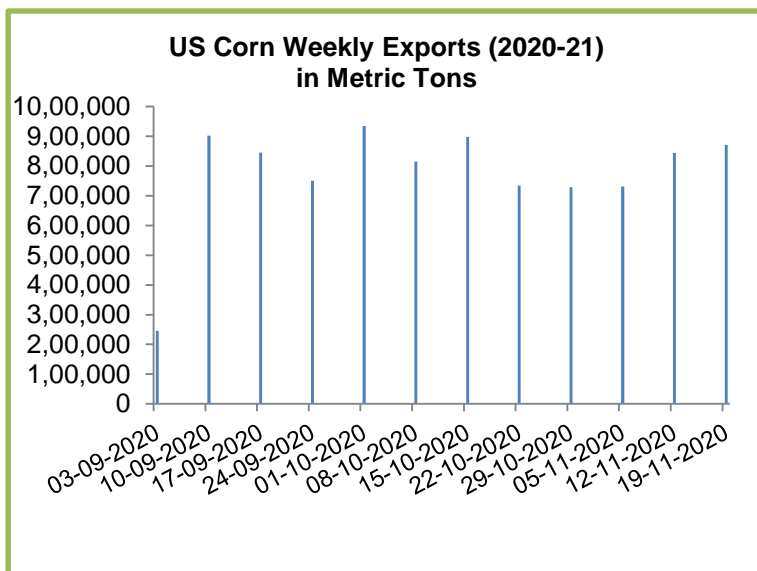


DOMESTIC MAIZE OUTLOOK:

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 9.30 MMT in the 2020-21 marketing year. At 0.87 MMT (for the period November 13 -November 19, 2020) U.S. Maize exports were up 3 percent from the previous week and 15 percent from the prior 4-week average; mainly for the destinations like Mexico (339,300 MT), China (200,900 MT), Colombia (155,200 MT), Japan (116,100 MT), and Guatemala (17,000 MT). Agriwatch expects that increase in export demand for U.S corn and concern over dry condition in South America would support to CBOT corn. However, new crop arrivals could limit the gain.



PREVIOUS UPDATES:

In U.S, 95% of crop has been harvested as of 15th November'20, up 22 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.

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 0.88 USD/MT to 167.51 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn and concern over dry condition in South America 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	27-Nov-20	20-Nov-20	27-Oct-20	27-Nov-19	27-Nov-18
Naugachia	Bilty	1600	Closed	1450	2075	1575
Delhi	Hybrid Maize (U.P.)	1625	1550	1375	2100	1700
Davangere	Loose	1400	1420	1150	1775	1500
Shimoga	Bilty	NA	1350	1350	1710	1480
Ranebennur	Bilty	NA	NA	NA	NA	1560
Bagalkot	Hybrid/Local	1485	1451	1336	1740	1591
Gadag	Local	1385	1389	1240	1690	1551
Nizamabad	Bilty	1500	1500	1350	2000	1500
Khanna	Bilty	1450	1360	1140	NA	NA
Sangli	Feed	1576	1561	1454	1850	1651
Ahmedabad	Feed	1540	1650	1425	2050	1700
	Starch	1500	1650	1450	2000	1750

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Nov-20	20-Nov-20	Change
Corn CBOT Prices	Dec-20	167.51	166.63	0.88
	Mar-21	170.76	168.59	2.17
	May-21	171.94	169.58	2.36
	July-21	172.14	169.58	2.56
	Sep-21	164.36	161.71	2.65

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