

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. Agriwatch expects that maize would trade steady to slightly firm ahead, due to Government procurement and improvement in demand from the feed industry and export markets.

Trade sources revealed that in Nizamabad, Government has procured around 20,000 MT of maize till date. In Andhra Pradesh, Government has procured around 59,885 MT of maize till 30th November, 2020. Most of the arrivals are currently at the procurement centers.

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 Gulabghat, it is being traded at Rs. 1,675 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,625 per quintal; sourced from Nizamabad region. Demand from the feed industry in Tamil Nadu has been lower despite the start of local crop arrivals, which could weigh on Karnataka and Andhra Pradesh maize prices also.

STATE WISE RABI SOWING COVERAGE

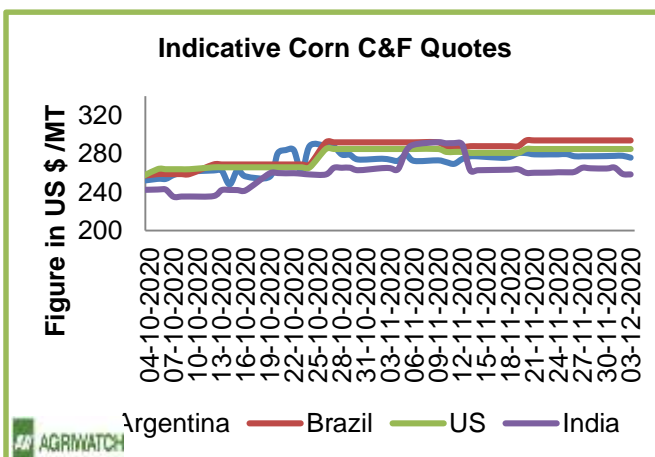
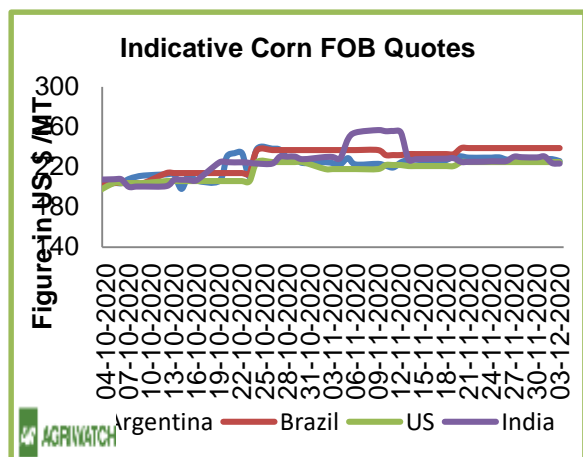
In India, Maize has been sown in 6.65 lakh hectares as of 4th December 2020, lower than corresponding period last year area of 8.11 lakh hectares. In Bihar, it has been sown in 1.94 lakh hectares; lower than the 2.42 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.33 lakh hectares; lower than the 1.52 lakh hectares in the corresponding period, last year. In Karnataka, it has been sown in 0.42 lakh hectares; marginally higher than the 0.40 lakh hectares in the corresponding period, last year and in Maharashtra, has it been sown in 1.08 lakh hectares; higher than 0.58 lakh hectares last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 3.34 USD/MT to 164.17 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term, would continue to support CBOT Maize. However, new crop arrivals in U.S and recent rainfall in South America could limit the gains.

At 1.07 MMT (for the period November 20 -November 26, 2020) U.S. Maize exports were up 23 percent from the previous week and 35 percent from the prior 4-week average; mainly for the destinations like China (475,800 MT), Mexico (312,300 MT), Japan (82,300 MT), Guatemala (59,500 MT), and Honduras (49,700 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.82)

As on 03.12.2020	Argentina	Brazil	US	India
FOB	225.89	239.00	225.00	223.52
C&F	275.89	294.00	285.00	258.52

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 2020 at an average FoB of US\$ 189.01 per MT, out of which, 1,63,851 MT was exported to Bangladesh at an average FoB of US\$ 193.30 per MT and around 55,776 MT was exported to Nepal at an average FoB of US\$ 185.16 per MT. Data for November is not yet available.

Sources revealed that demand from Bangladeshi feed makers is still strong but due to some technical issues with Railways, rake loading for Bangladesh was disrupted in November 2020. Some fresh export enquiries of Bangladeshi feed makers at Rs. 1450 per quintal (Loading price) to be sourced from Telangana, were reported recently.

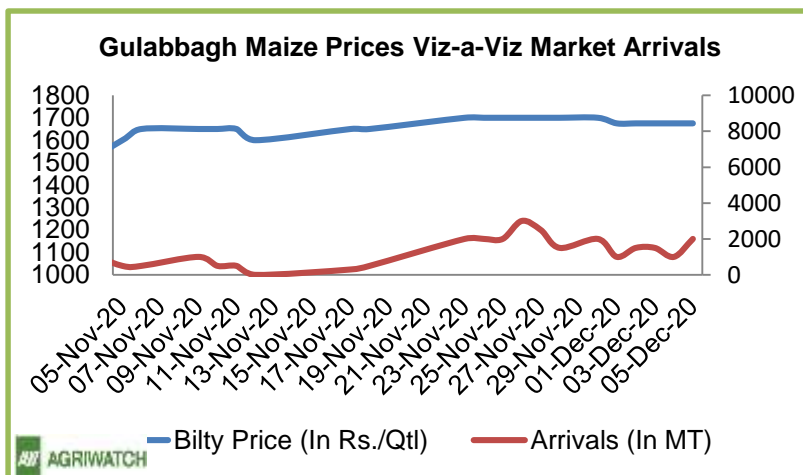
As per Trade Sources, around 27,500 MT of Maize is being loaded onto Vessel, ATROMITOS L, at VIZAG/ Visakhapatnam port and is expected to be completed by 7th December 2020, but mostly sourced from Madhya Pradesh at Rs. 1450 per quintal.

CURRENT MARKET DYNAMICS:

During the week under review, steady to slightly firm sentiments were reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

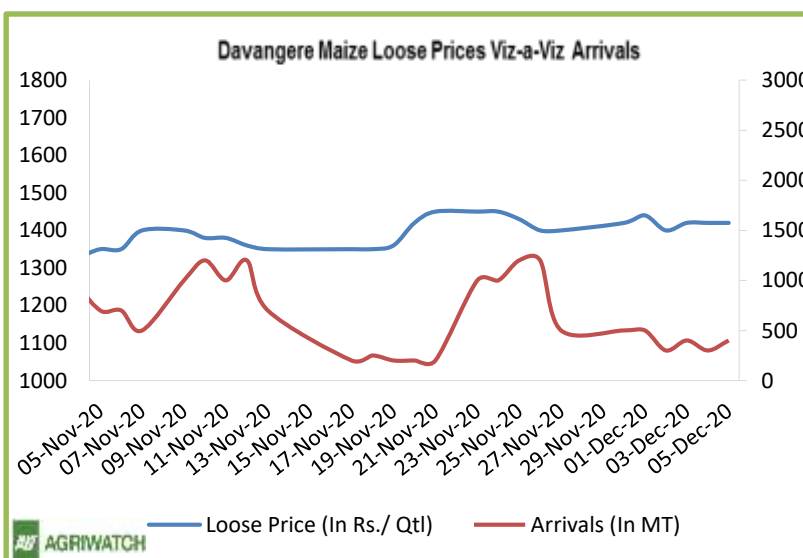
BIHAR:

- 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 Gulabghat, it is being traded at Rs. 1,675 per quintal (Bilty Price). Despite the decrease in export demand for Bihar stock, maize in Gulabghat would trade steady to range bound and stay in the range of Rs. 1650-1700 per quintal for the week.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly firm in near term. However, Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is likely to limit the gain.

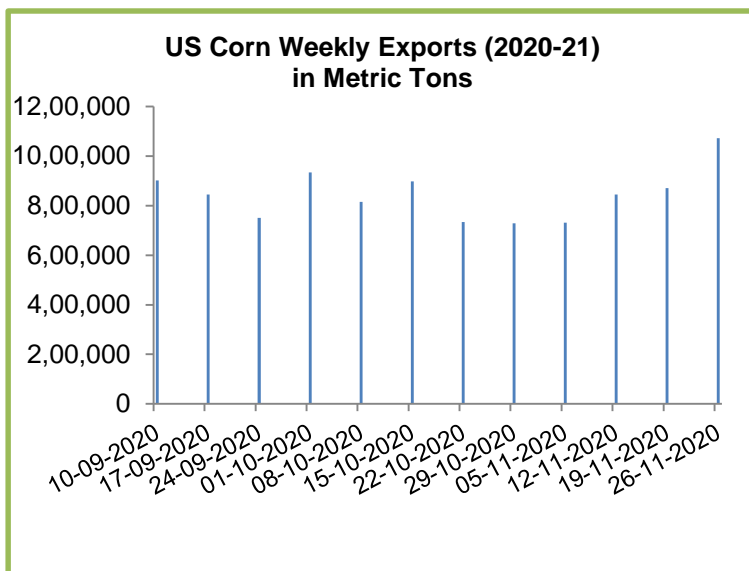


DOMESTIC MAIZE OUTLOOK:

Agriwatch expects that maize would trade steady to slightly firm ahead due to Government procurement and demand from Vietnamese and Bangladeshi feed makers.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S. Maize exports have reached 10.37 MMT in the 2020-21 marketing year. At 1.07 MMT (for the period November 20 -November 26, 2020) U.S. Maize exports were up 23 percent from the previous week and 35 percent from the prior 4-week average; mainly for the destinations like China (475,800 MT), Mexico (312,300 MT), Japan (82,300 MT), Guatemala (59,500 MT), and Honduras (49,700 MT).



PREVIOUS UPDATES:

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 fell by 3.34 USD/MT to 164.17 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term, would continue to support CBOT Maize. However, new crop arrivals in U.S and recent rainfall in South America could limit the gains.

ANNEXUREMAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	04-Dec-20	27-Nov-20	04-Nov-20	04-Dec-19	04-Dec-18
Naugachia	Bilty	1650	1600	1450	2125	1650
Delhi	Hybrid Maize (U.P.)	1600	1625	1600	2100	1750
Davangere	Loose	1420	1400	1330	1980	1550
Shimoga	Bilty	1300	1350	NA	1800	1550
Ranebennur	Bilty	1440	1425	1410	1940	1650
Bagalkot	Hybrid/Local	1449	1490	1490	1940	1640
Gadag	Local	1400	1385	1370	1920	1588
Nizamabad	Bilty	1525	1500	1350	2000	1550
Khanna	Bilty	1500	1450	1200	1970	1540
Sangli	Feed	1550	1576	1524	2000	1712
Ahmedabad	Feed	1550	1540	1600	2100	1700
	Starch	1550	1500	1600	2150	1750

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	04-Dec-20	27-Nov-20	Change
Corn CBOT Prices	Dec-20	164.17	167.51	-3.34
	Mar-21	165.54	170.76	-5.22
	May-21	166.63	171.94	-5.31
	July-21	166.92	172.14	-5.22
	Sep-21	161.61	164.36	-2.75

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