



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly weak during the week compared to last week due to low quality arrivals. 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, due to government buying support, arrivals in open markets are negligible in quantity. In Nizamabad, Government has procured around 25,000 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 per quintal (Bilty Price) and is being delivered to Uttar Pradesh and Kolkata at Rs. 1650 per quintal each. In Gulabghat, it is being traded at Rs. 1,625 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 but in very limited quantities, at Rs.1,500 and Rs.1,550 per quintal, respectively; all sourced from Davangere region of Karnataka. Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices.

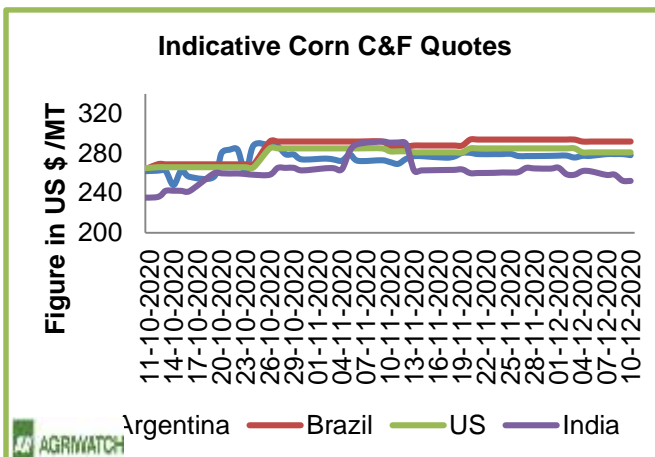
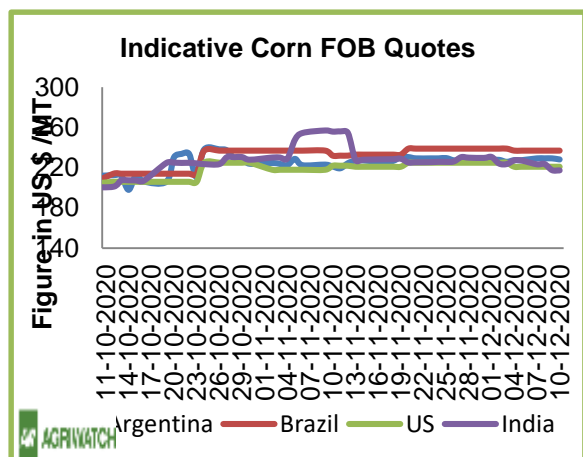
STATE WISE RABI SOWING COVERAGE

In India, Maize has been sown in 8.88 lakh hectares as of 11th December 2020, lower than corresponding period last year area of 9.19 lakh hectares. In Bihar, it has been sown in 3.20 lakh hectares; lower than the 3.39 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.44 lakh hectares; lower than the 1.55 lakh hectares in the corresponding period, last year. In Karnataka, it has been sown in 0.49 lakh hectares; lower than the 0.52 lakh hectares in the corresponding period, last year and in Maharashtra, has it been sown in 1.39 lakh hectares; higher than 0.78 lakh hectares last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 2.85 USD/MT to 167.02 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in global maize ending stock, would continue to support CBOT Maize. However, recent rainfall in South America could limit the gains.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.65)

As on 10.12.2020	Argentina	Brazil	US	India
FOB	228.25	237.00	221.00	217.24
C&F	278.25	292.00	281.00	252.24

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. Sources revealed that due to some technical issues with Railways, rake loading for Bangladesh was disrupted in November 2020. However, Data for November is not yet available.

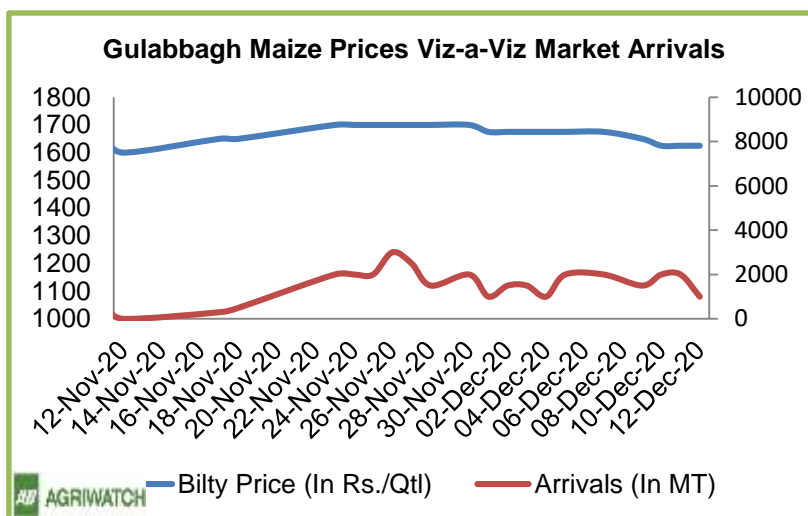
Sources revealed that recently, Indian traders have signed deal to export around 1,00,000 MT of maize to Bangladesh at around \$200 per MT, FOB. Out of which, around 27,500 MT of maize has been loaded onto Vessel, ATROMITOS L, at VIZAG/ Visakhapatnam port.

CURRENT MARKET DYNAMICS:

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

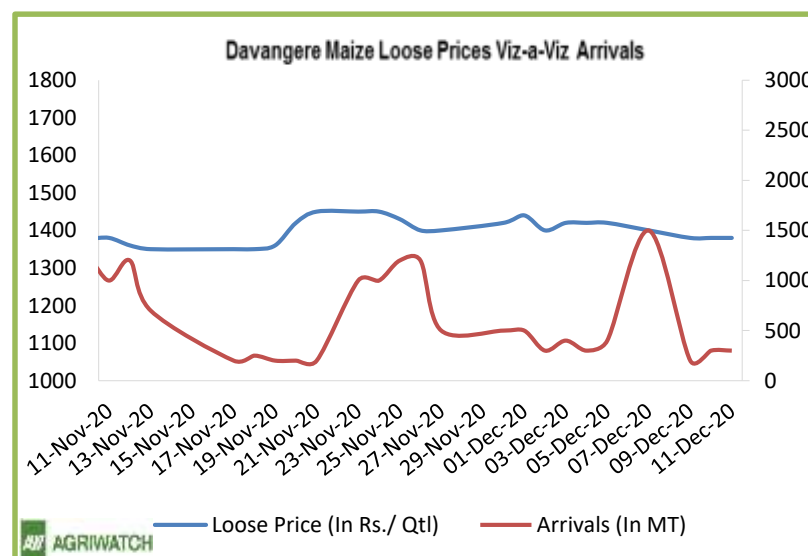
BIHAR:

- In Naugachia region of Bihar, Maize is being traded at Rs.1,550 per quintal (Bilty Price). It is being delivered to Uttar Pradesh and Kolkata at Rs.1,650 per quintal each; sourced from Naugachia region of Bihar. In Gulabbagh, it is being traded at Rs. 1,625 per quintal (Bilty Price). Maize in Gulabbagh would trade steady to range bound and stay in the range of Rs. 1600-1650 per quintal for the week.



KARNATAKA:

- In Davangere, maize is likely to trade steady to range bound in near term amid sluggish demand and low quality arrivals. Maize arrivals still contains moisture upto 19% due to cloudy weather and damage upto 2%.
- It is moving towards Bengaluru and Nammakal but in very limited quantities, at Rs.1,500 and Rs.1,550 per quintal, respectively; all sourced from Davangere region of Karnataka. Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices.

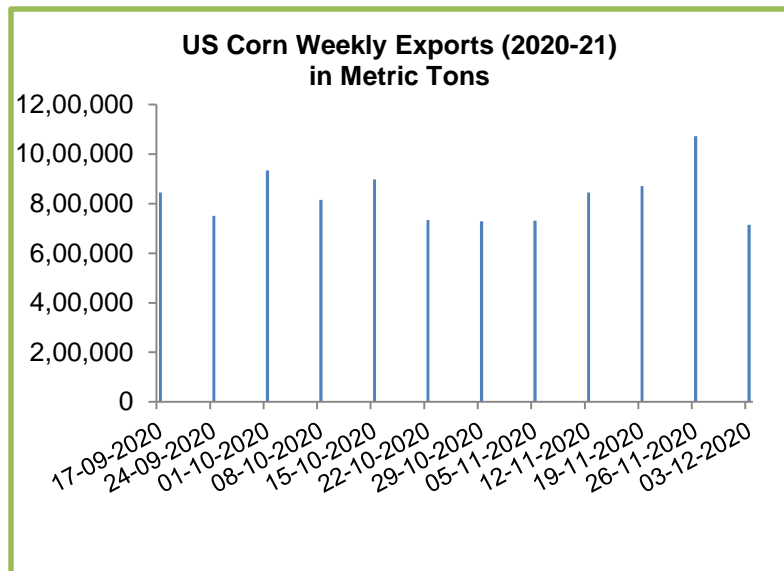


DOMESTIC MAIZE OUTLOOK:

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 11.09 MMT in the 2020-21 marketing year. At 0.71 MMT (for the period November 27 -December 03, 2020) U.S. Maize exports were down 33 percent from the previous week and 19 percent from the prior 4-week average; mainly for the destinations like China (271,300 MT), Mexico (261,200 MT), Saudi Arabia (71,500 MT), Costa Rica (58,900 MT), and Taiwan (21,900 MT). Agriwatch expects that increase in export demand for U.S corn in near term would support to CBOT Corn.



USDA decreased its world Maize ending stock estimates by 2.47 MMT to 288.96 MMT for 2020-21 along with a decrease in production estimates which would support to global Maize market.

USDA also decreased its Maize ending stock estimates for Brazil and Ukraine, at 7.49 MMT and 0.89 MMT for 2020-21, respectively compared to previous month estimates. While for U.S. and Argentina, it kept unchanged at 43.23 MMT and 2.88 MMT, respectively compared to last month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 2.85 USD/MT to 167.02 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in global maize ending stock, would continue to support CBOT Maize. However, recent rainfall in South America could limit the gains.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	11-Dec-20	04-Dec-20	11-Nov-20	11-Dec-19	11-Dec-18
Naugachia	Bilty	1550	1650	1550	2125	1725
Delhi	Hybrid Maize (U.P.)	1550	1600	1540	2200	1750
Davangere	Loose	1380	1420	1380	1950	1600
Shimoga	Bilty	NA	1300	1390	1860	NA
Ranebennur	Bilty	NA	1425	NA	1970	1700
Bagalkot	Hybrid/Local	1441	1449	1470	1930	1635
Gadag	Local	1411	1400	1400	1970	1595
Nizamabad	Bilty	1500	1525	Closed	2025	NA
Khanna	Bilty	1500	1500	1280	2030	1650
Sangli	Feed	1545	1550	1515	2017	1718
Ahmedabad	Feed	1550	1550	1600	2100	1800
	Starch	1580	1550	1600	2100	1800

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	11-Dec-20	04-Dec-20	Change
Corn CBOT Prices	Dec-20	167.02	164.17	2.85
	Mar-21	166.72	165.54	1.18
	May-21	167.91	166.63	1.28
	July-21	168.59	166.92	1.67
	Sep-21	162.98	161.61	1.37

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