

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Maize Trade Scenario
- ❖ State Wise Rabi Sowing Coverage
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of December'20
- ❖ Vessel Position
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall Maize cash markets except Bihar traded steady to slightly firm during the week compared to last week. Agriwatch expects that despite continuous export demand, Maize would trade range bound as domestic trade of maize is being impacted due to several widespread cases of bird flu in India.

Trade sources revealed that in Andhra Pradesh, Government has procured around 1,97,481 MT of Maize till January 17, 2021.

MAIZE TRADE SCENARIO

In Gulabghat region of Bihar, Maize is being traded at Rs.1,475 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,500-1,550 per quintal; sourced from Nizamabad region. Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices. Maize is being traded lower in Karnataka and Madhya Pradesh regions as crop arrivals contains fungus upto 10% and 8%, respectively.

STATE WISE RABI SOWING COVERAGE

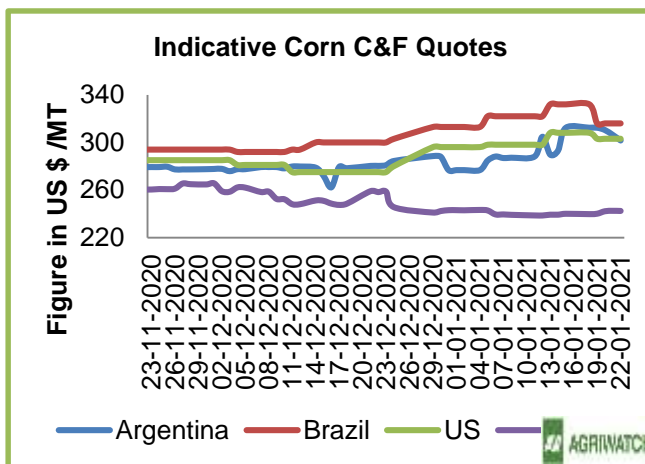
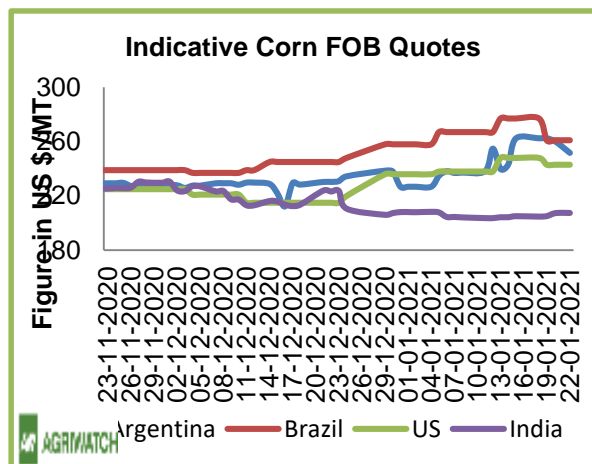
In India, Maize has been sown in 16.61 lakh hectares as of January 22, 2021, which is lower than the 16.96 lakh hectares of area during the corresponding period last year. In Karnataka, it has been sown in 0.76 lakh hectares; lower than the 0.87 lakh hectares in the corresponding period, last year. In Andhra Pradesh, it has been sown in 1.13 lakh hectares; lower than the 1.64 lakh hectares in the corresponding period, last year and in Telangana, it has been sown in 0.90 lakh hectares; lower than the 1.24 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.58 lakh hectares; lower than the 1.64 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 5.26 lakh hectares; higher than the 5.05 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.86 lakh hectares; higher than 2.19 lakh hectares in the corresponding period, last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 12.20 USD/MT to 197.04 USD/MT for March'21 contract compared to previous week as rainfall in South America likely to strengthen the production outlook. However, Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in Global Maize Ending Stock, would support CBOT Maize.

At 0.89 MMT (for the period January 08 - 14, 2021) U.S. Maize exports were down 39 percent from the previous week and 24 percent from the prior 4-week average; mainly for the destinations like Mexico (198,000 MT), Colombia (168,000 MT), Japan (152,800 MT), South Korea (72,500 MT), and China (71,400 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.05)				
As on 23.01.2021	Argentina	Brazil	US	India
FOB	251.67	261.00	243.00	207.39
C&F	301.67	316.00	303.00	242.39

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 3,59,265 MT of Maize in the month of December 2020 at an average FoB of US\$ 221.05 per MT.

VESSEL POSITION

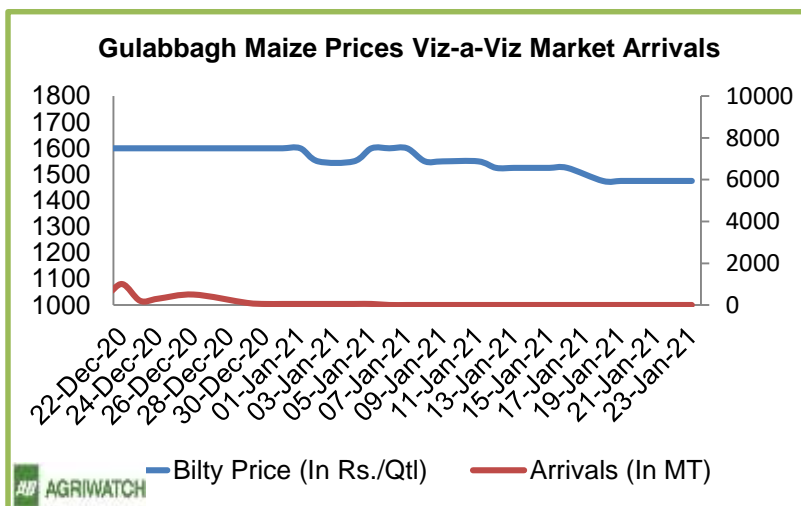
Sources revealed that 27,500 MT of Maize Vessel, EAST AYUTTHAYA, was expected to complete loading at VIZAG/ Visakhapatnam port on January 16, 2021. Besides, 36,000 MT of Maize Vessel, GANT MUSE, has been loaded at Krishnapatnam port, on January 17, 2021. And, 24,600 MT of Maize Vessel, PIONEER FORTUNE, has been loaded at Krishnapatnam port, on January 16, 2021. Earlier, 17,500 MT of Maize Vessel, J K GALAXY, and around 27,500 MT of Maize Vessel, ATROMITOS L, at VIZAG/ Visakhapatnam port has been loaded during the month of December 2020. While, 25,000 MT of Maize Vessel, DMC NEPTUNE, has been loaded at Krishnapatnam port, on January 12, 2021.

CURRENT MARKET DYNAMICS:

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

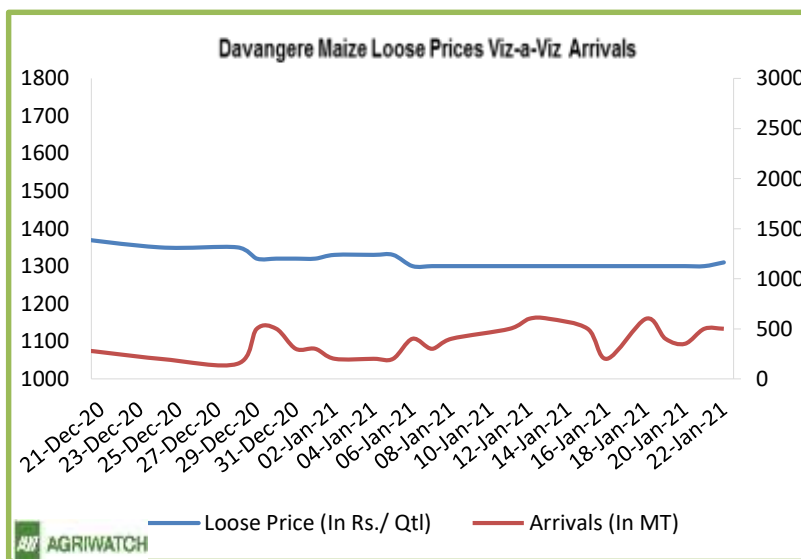
BIHAR:

- In Gulabgh region of Bihar, Maize is being traded at Rs.1,475 per quintal (Bilty Price). Maize in Gulabgh would trade steady to slightly weak and stay in the range of Rs. 1,450-1,530 per quintal for the week.



KARNATAKA:

- In Davangere, maize is likely to trade steady to range bound in near term amid sluggish demand as Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices. Another reason to trade lower as crop arrivals contains fungus upto 10%.

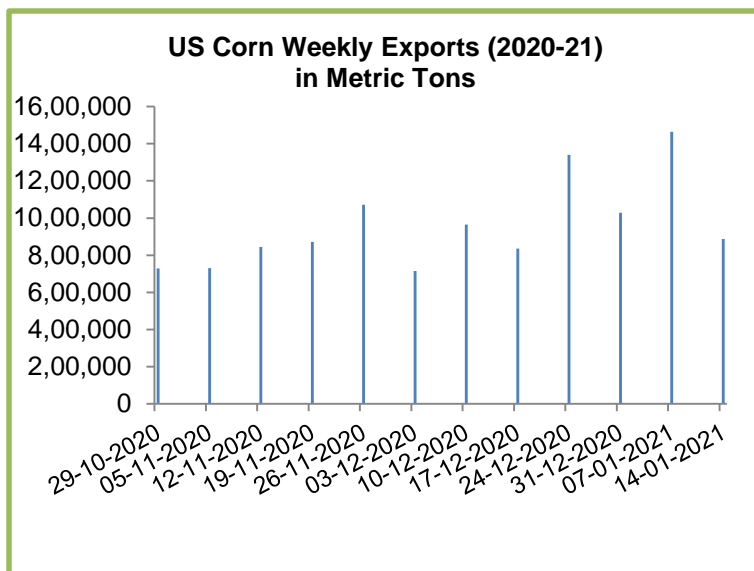


DOMESTIC MAIZE OUTLOOK:

Agriwatch expects that despite continuous export demand, Maize would trade range bound as domestic trade of maize is being impacted due to several widespread cases of bird flu in India.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S. Maize exports have reached 17.61 MMT in the 2020-21 marketing year. At 0.89 MMT (for the period January 08 - 14, 2021) U.S. Maize exports were down 39 percent from the previous week and 24 percent from the prior 4-week average; mainly for the destinations like Mexico (198,000 MT), Colombia (168,000 MT), Japan (152,800 MT), South Korea (72,500 MT), and China (71,400 MT). However, Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in global maize ending stock, would support CBOT Maize.



PREVIOUS UPDATES

Argentina has fixed export limit of 30,000 MT per day to safeguard domestic supply which is another reason to increase.

USDA decreased its world Maize ending stock estimates by 5.13 MMT to 283.83 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 U.S and Brazil, at 39.42 MMT and 6.49 MMT for 2020-21, respectively compared to previous month estimates. While for Argentina and Ukraine, it kept unchanged at 2.88 MMT and 0.89 MMT, respectively compared to last month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fell by 12.20 USD/MT to 197.04 USD/MT for March'21 contract compared to previous week as rainfall in South America likely to strengthen the production outlook. However, Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in Global Maize Ending Stock, would support CBOT Maize.



25th January, 2021

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	22-Jan-21	15-Jan-21	22-Dec-20	22-Jan-20	22-Jan-19
Naugachia	Bilty	1400	1440	1550	NA	2025
Delhi	Hybrid Maize (U.P.)	1450	1450	1520	2125	2000
Davangere	Loose	1310	1300	Closed	1920	1930
Shimoga	Bilty	1320	NA	NA	1880	1880
Ranebennur	Bilty	NA	1350	1390	1870	1950
Bagalkot	Hybrid/Local	1470	1405	1400	1785	1906
Gadag	Local	1380	1365	1290	1810	1792
Nizamabad	Bilty	1500	1480	NA	2050	1850
Khanna	Bilty	1410	1400	Closed	2000	1950
Sangli	Feed	1530	1531	1550	1933	2000
Ahmedabad	Feed	1500	1380	1520	2000	2100
	Starch	1525	1380	1540	2000	2050

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	22-Jan-21	15-Jan-21	Change
Corn CBOT Prices	Mar-21	197.04	209.24	-12.20
	May-21	198.02	210.52	-12.50
	July-21	196.35	209.44	-13.09
	Sep-21	177.75	191.13	-13.39
	Dec-21	169.38	181.09	-11.71

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