

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Maize Trade Scenario
- ❖ Maize Crop Condition
- ❖ 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 traded steady to range bound during the week compared to last week. Agriwatch expects that Maize would trade steady to slightly firm in near term due to continuous demand from global and domestic feed markets. However, higher stock availability would limit the gain.

MAIZE TRADE SCENARIO

Sources revealed that Maize is being loaded for Chennai and Krishnapatnam port at Rs. 1,695 and Rs. 1,665 per quintal respectively; sourced from Karnataka. Tamil Nadu feed makers are buying Maize at Rs. 1,700 per quintal; sourced from Davangere region of Karnataka. Maize is being loaded for Vizag port at Rs. 1,570 per quintal; sourced from Madhya Pradesh. Hyderabad poultry feed makers are buying Maize at Rs.1,500-1,550 and Rs. 1,550-1,600 per quintal; sourced from Telangana and Andhra Pradesh regions, respectively. While, Kolkata feed makers are buying maize at Rs. 1,550 per quintal, sourced from Gulabghat region of Bihar.

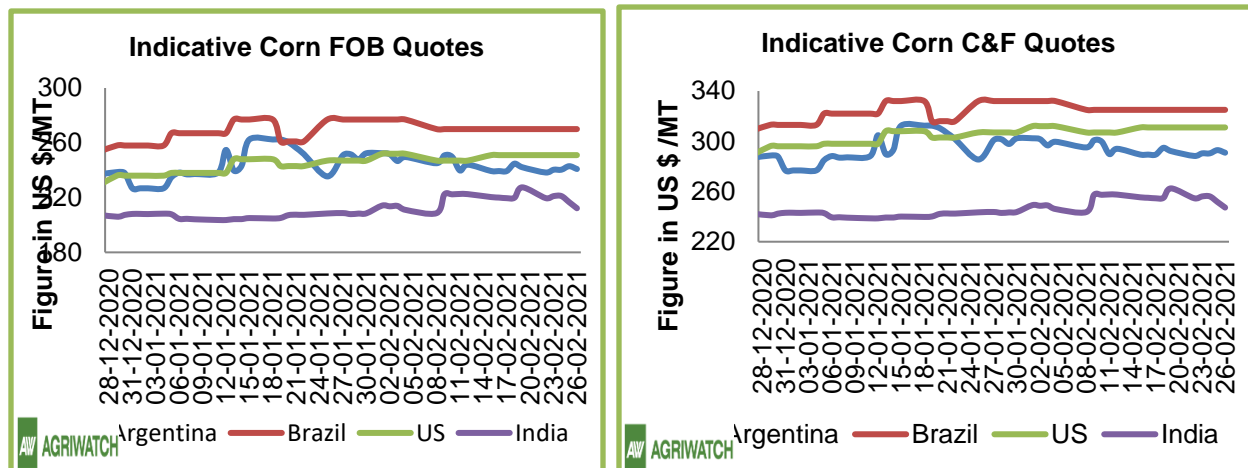
MAIZE CROP CONDITION

In India, Maize has been sown in 16.94 lakh hectares as of January 29, 2021, which is lower than the 17.49 lakh hectares of area during the corresponding period last year. In Telangana, maize crop is at vegetative to flowering stage while, in Andhra Pradesh, it is at vegetative to cob formation stage. In Chittoor, Kurnool, Krishna, West Godavari and Vizianagaram districts, around 46,357 acres area of Maize was affected by FAW; out of which 35,114 acres area of Maize has been treated.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 5.02 USD/MT to 218.69 USD/MT for March'21 contract compared to previous week as storms in major production areas of Brazil disrupted fieldwork, threatening to slow export shipments from one of the world's major suppliers. Agriwatch expects that increase in export demand for U.S. Maize in near term would support CBOT Maize.

At 1.19 MMT (for the period February 12- February 18, 2021) U.S. Maize exports were down 14 percent from the previous week and 11 percent from the prior 4-week average; mainly for the destinations like Mexico (321,100 MT), Japan (226,700 MT), Vietnam (146,200 MT), China (144,300 MT), and Peru (110,300 MT).

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.05)				
As on 26.02.2021	Argentina	Brazil	US	India
FOB	240.85	270.00	251.00	212.18
C&F	290.85	325.00	311.00	247.18

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

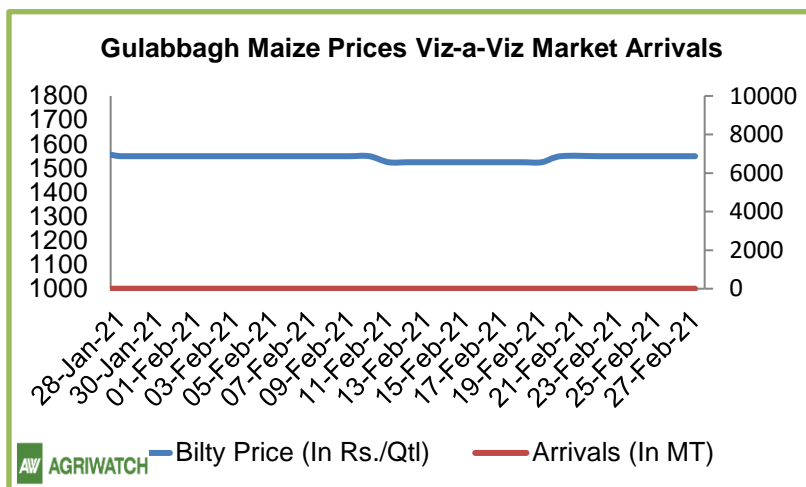
Sources revealed that 28,000 MT of Maize Vessel, OSPREY BULKER, was expected to arrive at Kakinada port on February 27, 2021. Around 32,000 MT of Maize Vessel, MAGPIE SW, was expected to complete loading at Krishnapatnam port on February 28, 2021. And, 22,000 MT of Maize Vessel, VTC GLORY, was expected to complete loading at Vizag port on February 26, 2021. Around 45,000 MT of Maize Vessel, OBE QUEEN, was expected to complete loading at Vizag port on February 22, 2021 while, 6,600 MT of Maize Vessel, PHC MARITIME, was waiting for berth at Vizag port since February 14, 2021. And, 9,500 MT of Maize Vessel, POCHARD S, was waiting for berth at Kandla port since February 15, 2021. Besides, 6,800 MT of Maize Vessel, VSG DREAM, has complete loading at Krishnapatnam port on February 24, 2021.

CURRENT MARKET DYNAMICS:

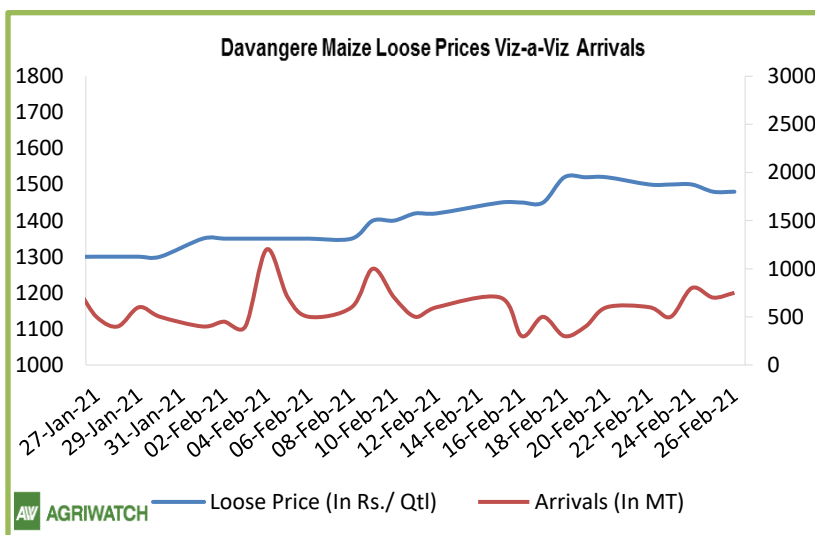
During the week under review, steady to slightly weak sentiments were reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

BIHAR:

- In Gulabghat region of Bihar, Maize is being traded at Rs.1,525-1,550 per quintal (Bilty Price). Maize in Gulabghat would trade steady to range bound and stay in the range of Rs. 1,500-1,570 per quintal for the week.

KARNATAKA:

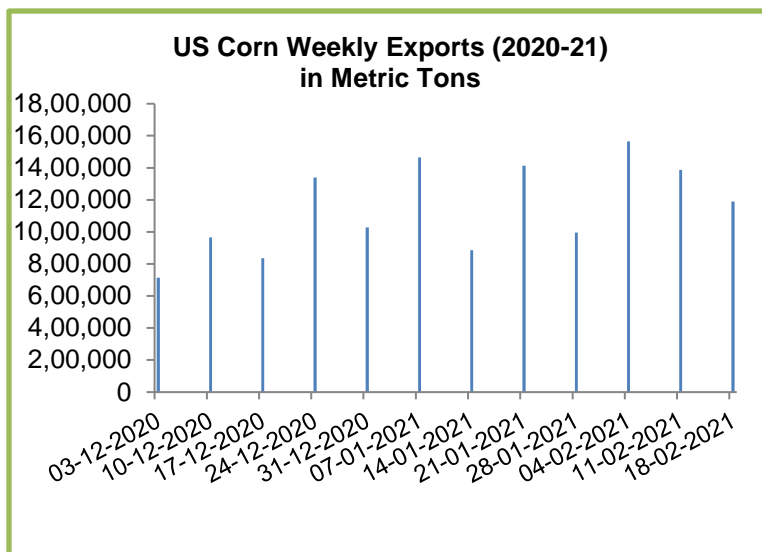
- In Karnataka, maize is likely to trade steady to slightly firm in near term. Tamil Nadu feed makers are buying Maize at Rs. 1,700 per quintal; sourced from Davangere region of Karnataka.

DOMESTIC MAIZE OUTLOOK:

Agriwatch expects that Maize would trade steady to slightly firm due to continuous demand from global feed markets. However, higher stock availability would limit the gain.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S. Maize exports have reached 24.16 MMT in the 2020-21 marketing year. At 1.19 MMT (for the period February 12- February 18, 2021) U.S. Maize exports were down 14 percent from the previous week and 11 percent from the prior 4-week average; mainly for the destinations like Mexico (321,100 MT), Japan (226,700 MT), Vietnam (146,200 MT), China (144,300 MT), and Peru (110,300 MT). However, Agriwatch expects that increase in export demand for U.S. Maize in near term would support CBOT Maize.



PREVIOUS UPDATES:

USDA's initial report suggests corn area to be up 1 million acres to 92 million acres in 2021.

Brazil crop sowing is delayed, which would lead to late maturity.

USDA increased its World Maize Ending Stock Estimate by 2.70 MMT to 286.53 MMT for 2020-21, along with a decrease in Consumption Estimates, which would weigh the global Maize market.

However, USDA decreased its Ending stock estimates for U.S. by 1.27 MMT to 38.15 MMT for 2020-21, along with an increase in Export Estimates, which would support the CBOT Maize. China remains the factor for price changes in future as the imports are projected at 24 MMT for 2020-21, up 6.5 MMT compared to previous month's estimates. It also shows that China's appetite continues to increase, as its feed demand increases for rising swine and poultry populations.

Argentina started its corn harvest, which is pegged at 47.50 MMT for 2020-21, unchanged compared to previous month's estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 5.02 USD/MT to 218.69 USD/MT for March'21 contract compared to previous week as storms in major production areas of Brazil disrupted fieldwork, threatening to slow export shipments from one of the world's major suppliers. Agriwatch expects that increase in export demand for U.S. Maize in near term would support CBOT Maize.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	26-Feb-21	19-Feb-21	27-Jan-21	26-Feb-20	26-Feb-19
Naugachia	Bilty	1450	1425	1400	NA	2025
Delhi	Hybrid Maize (U.P.)	1480	1480	1430	1750	2150
Davangere	Loose	1480	1520	1300	1650	1900
Shimoga	Bilty	NA	1300	1330	NA	NA
Ranebennur	Bilty	NA	NA	NA	1700	2100
Bagalkot	Hybrid/Local	1530	1505	1450	1610	1949
Gadag	Local	1520	NA	1375	1810	1840
Nizamabad	Bilty	1500	1500	1550	1800	2025
Khanna	Bilty	1400	1380	1360	1810	2120
Sangli	Feed	1660	1644	1532	1758	2056
Ahmedabad	Feed	1480	1500	1500	1700	2100
	Starch	1525	1525	1500	1700	2100

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Feb-21	19-Feb-21	Change
Corn CBOT Prices	Mar-21	218.69	213.67	5.02
	May-21	215.54	213.28	2.26
	July-21	210.62	209.83	0.79
	Sep-21	192.71	189.66	3.05
	Dec-21	185.33	181.09	4.24

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