

# Maize Weekly Research Report

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## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Agriwatch expects that maize would trade in a range bound zone with a firm bias for coming term. Also, reduced or no arrivals accompanied with no near future arrivals of any new maize crop in coming month will provide support to maize market. Along with this, spoilage of maize crop in U.P. , M.P and Rajasthan due to uneven rainfall and floods in some parts of these states is increasing the value of maize crop in market, as there are chances of reduced production of maize in current scenario.

### **MAIZE TRADE SCENARIO**

Sources revealed that maize in Nizamabad market is being traded at Rs. 1900 per quintal. Maize is being supplied to Hyderabad at Rs. 2000 per quintal for feed purpose sourced from Nizamabad. At present there are no to very little arrivals in Nizamabad market.

Sources revealed that maize is being traded in Bihar between Rs.1800 to Rs. 1850 per quintal. Low quality maize sourced from Bihar is being exported to Bangladesh. Whereas, maize is being supplied to Kolkata and siliguri for poultry purpose at the rate of Rs.1850 per quintal and to southern India at Rs. 2000 per quintal, sourced from Dalkhola.

### **KHARIF MAIZE SOWING**

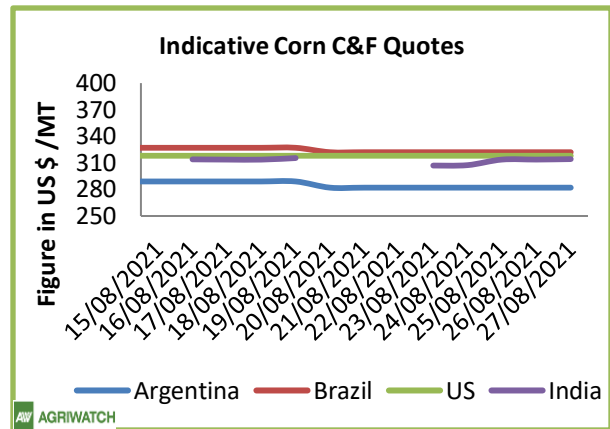
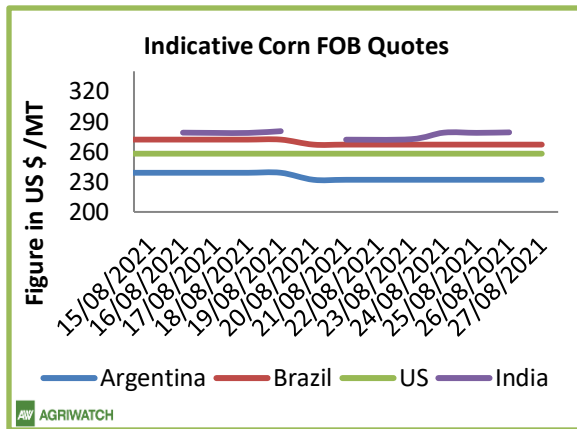
According to sources till 27th August 2021, maize crop covered 80.36 lakh hectare of area in India against 78.73 lakh hectare of area during same period previous year. Till 27th August 2021 largest area covered by maize till date, was in M.P, that is 15.13 lakh hectare followed by Karnataka and Maharashtra.

### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 7.58 USD/MT to 219.68 USD/MT for September '21 contract compared to previous week. Agriwatch expects corn crop conditions related concerns in U.S will support Corn on CBOT.

U.S. Maize exports have reached 66.17 MMT in the 2020-21 marketing year, at 0.76 MMT (for the period 12 August – 19 August, 2021). U.S. Maize exports were down by 8 percent from the previous week and down by 35 percent from the prior 4-week average; primarily to destinations like China (340,800 MT), Mexico (265,800 MT), Nicaragua (30,100 MT), Guatemala (28,100 MT), and Venezuela (25,000 MT).

#### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1=Rs.74.27)				
As on 26.08.2021	Argentina	Brazil	US	India
FOB	232.00	267.00	258.00	278.71
C&F	282.00	322.00	318.00	313.71

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 FOR THE MONTH OF JULY'21

As per the trade sources, India exported around 1,21, 912 MT of Maize in July 2021 at an average FoB of US\$ 255.36 per MT, out of which, 7,118 MT was exported to Vietnam at an average FoB of US\$ 275.04 per MT and around 35,036 MT was exported to Nepal at an average FoB of US\$ 250.99 per MT. Around 73,460 MT was exported to Bangladesh at an average FoB of US\$ 254.43 per MT.

#### VESSEL POSITION

As per the sources 23,100MT of Maize Vessel AQUALEO is waiting at berth for discharge at Hazira port since 23rd August, 2021 .Also 25,000MT of Maize Vessel CHARLENE is waiting at berth for loading, at Gangavaram port since 19th August, 2021. And 50,000MT of Maize Vessel FORTUNE WING, and 30,000 MT of Maize Vessel OCEAN CROWN have completed loading at Vizag port on 5th August, 2021.

### KHARIF MAIZE SOWING

According to sources till 27th August 2021, maize crop covered 80.36 lakh hectare of area in India against 78.73 lakh hectare of area during same period previous year. Till 27th August 2021 largest area covered by maize till date, was in M.P, that is 15.13 lakh hectare, followed by Karnataka and Maharashtra at 13.48 lakh hectare and 8.54 lakh hectares respectively. Acreage cover under Maize has increased in Karnataka as compared to previous year for same time period, whereas it has declined in M.P and Maharashtra for same time period as compared to last year.

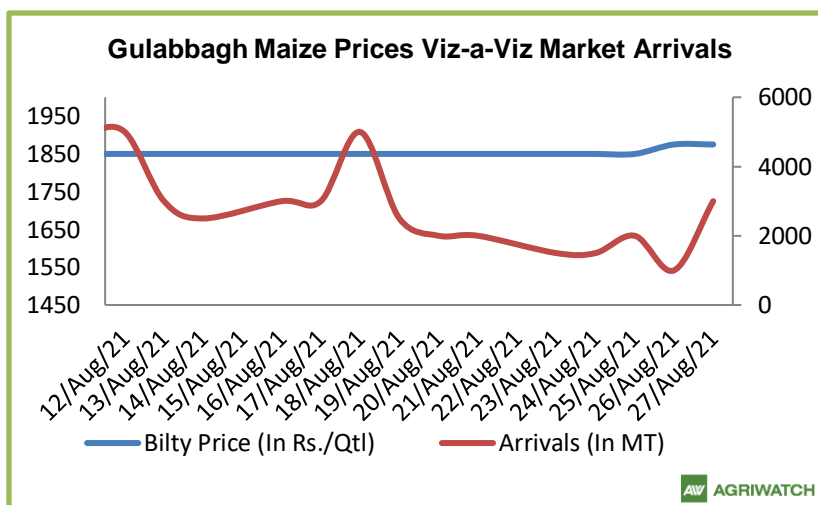
As per the sources upcoming kharif maize crop has been damaged due to floods in mid and south U.P due to floods, although exact amount of loss cannot be estimated at present. In the current situation, the Fall Army Worm has attacked 30% of the maize crop in Punjab and Himachal Pradesh.

### CURRENT MARKET DYNAMICS

During the week under review, steady to range bound price sentiments were reported in most of the major cash markets of Maize. The various key spot markets dynamics areas under:

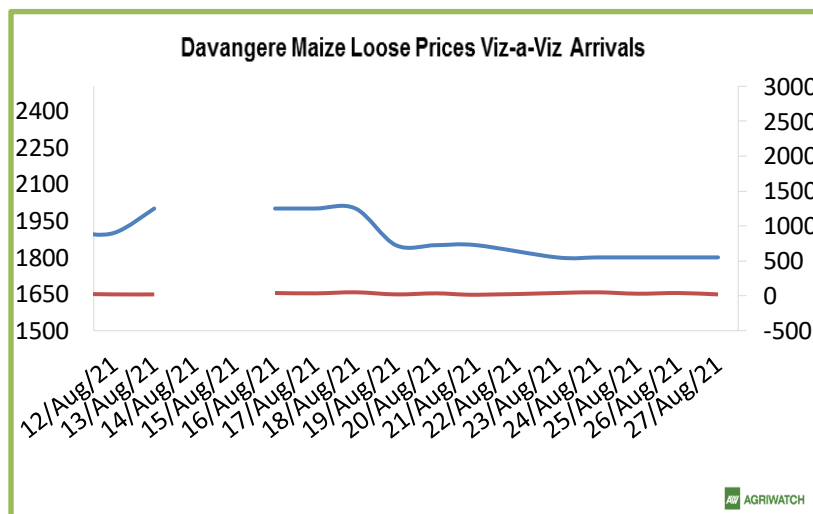
#### BIHAR:

In Gulabghat region of Bihar, Maize is being traded at Rs. 1,875 per quintal (Bilty Price). Maize in Gulabghat would trade in the range of Rs.1,750 – 2,100 per quintal for this week with steady to narrow range bound bias in near term, on the expectation of sluggish demand to be maintained in coming few days. Also, decreased arrival in the market might support the maize market.



#### KARNATAKA:

In Davangere region of Karnataka Market, maize is being traded between Rs. 1,800 - Rs.1,850 per quintal. Maize in Davangere region would trade in the range of Rs. 1,750-2,200 per quintal, with steady to narrow range bound bias in near term, on the expectation of sluggish demand to be maintained in coming few days. Also, little arrivals in the markets might support the Maize market.



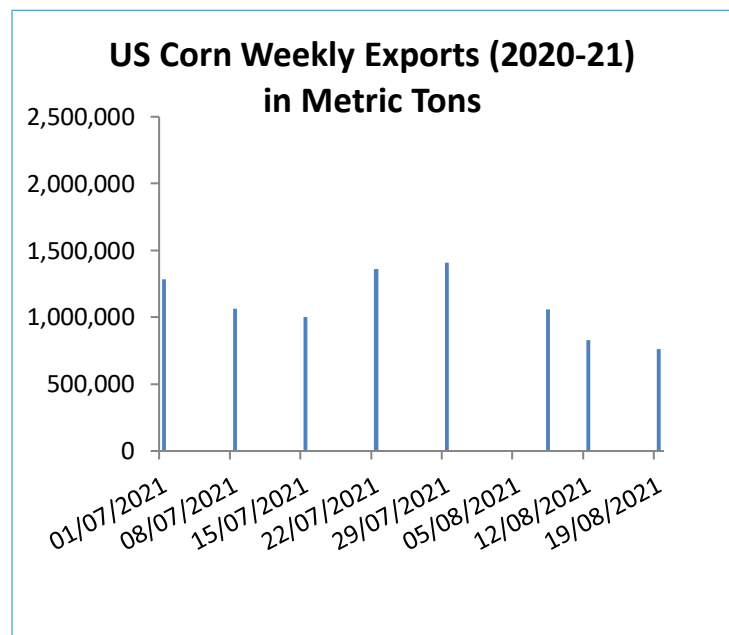


### DOMESTIC MAIZE OUTLOOK:

Agriwatch expects that maize would trade in a range bound zone with a firm bias for coming term. Also, reduced or no arrivals accompanied with no near future arrivals of any new maize crop in coming month will provide support to maize market. Along with this, spoilage of maize crop in U.P. , M.P and Rajasthan due to uneven rainfall and floods in some parts of these states is increasing the value of maize crop in market, as there are chances of reduced production of maize in current scenario.

### INTERNATIONAL MARKET HIGHLIGHT:

U.S. Maize exports have reached 66.17 MMT in the 2020-21 marketing year, at 0.76 MMT (for the period 12 August – 19 August, 2021). U.S. Maize exports were down by 8 percent from the previous week and down by 35 percent from the prior 4-week average; primarily to destinations like China (340,800 MT), Mexico (265,800 MT), Nicaragua (30,100 MT), Guatemala (28,100 MT), and Venezuela (25,000 MT). However, Agriwatch expects that decreased production estimates and ending stock estimates as per USDA August report, will support on CBOT Corn.



### PREVIOUS UPDATES

USDA decreased its World Maize Ending Stock Estimate by 6.55 MMT to 284.632 MMT for August'21/ 2021-22, USDA also decreased its World Maize Production Estimates by 8.68 MMT to 1186.117 MMT for August'21/ 2021-22, estimates will support the global Maize market. USDA also decreased the Ending stock estimates for U.S at 31.55 MMT for August'21/ 2021-22. USDA decreased its Ending Stock Estimates for Argentina, to 2.42 MMT for August'21/ 2021-22 and Brazil to 8.43 MMT for August'21/ 2021-22.

In the U.S, as of 22nd August, 2021, 60% crop is in good + excellent condition, which is 2% less than that of in last week but 4% less as compared to previous year for same time period. Also, 4% of the crop is mature, 85% crop is in doughing stage and 41% crop is dented.



#### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 7.58 USD/MT to 219.68 USD/MT for September '21 contract compared to previous week. Agriwatch expects corn crop conditions related concerns in U.S will support Corn on CBOT.

#### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS./QUINTAL)

Maize (Corn) Weekly Prices:						
Market	Grade	27-Aug-21	20-Aug-21	27-Jul-21	26-Aug-20	27-Aug-19
Naugachia	Bilty	1900	1850	1850	1275	2175
Delhi	Hybrid Maize(U.P.)	1850	1800	1760	1250	2150
Davangere	Loose	1800	1850	1900	1300	NA
Shimoga	Bilty	2150	NA	1940	1300	NA
Ranebennur	Bilty	NA	NA	NA	NA	2400
Bagalkot	Hybrid/Local	NA	NA	1835	NA	NA
Gadag	Local	NA	NA	NA	NA	NA
Nizamabad	Bilty	1900	Closed	1895	1370	2450
Khanna	Bilty	1700	1750	1550	1150	1940
Sangli	Feed	2080	2063	2055	1423	2581
Ahmedabad	Feed	2050	2100	2050	1370	2250

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Aug-21	20-Aug-21	Change
Corn CBOT Prices	Sep-21	219.68	212.10	+7.58
	Dec-21	218.00	211.41	+6.59
	Mar-22	220.56	214.36	+6.20
	May-22	222.14	216.23	+5.91
	July-22	221.05	215.64	+5.41

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