

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 steady bias for coming term. Also, reduced or no arrivals accompanied with no near future arrivals of any new maize crop in this month will provide support to maize market. Although current local as well as export demand from feed industry seems to be sluggish.

MAIZE TRADE SCENARIO

Sources revealed that maize in Nizamabad market is being traded at Rs. 1,850 per quintal. Maize is being supplied to Tamil Nadu between Rs. 2,150-Rs.2,200 per quintal for feed purpose sourced from Davangere.

Sources revealed that good quality maize is being traded in Bihar between Rs.1,800 to Rs. 1,850 per quintal. Whereas, maize is being supplied to southern India at Rs. 2,000 per quintal for poultry purpose at sourced from West Bengal. At present local demand for Maize in Northern India is sluggish.

KHARIF MAIZE SOWING

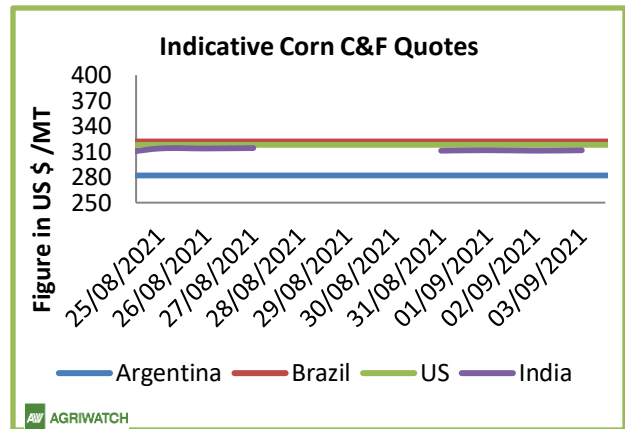
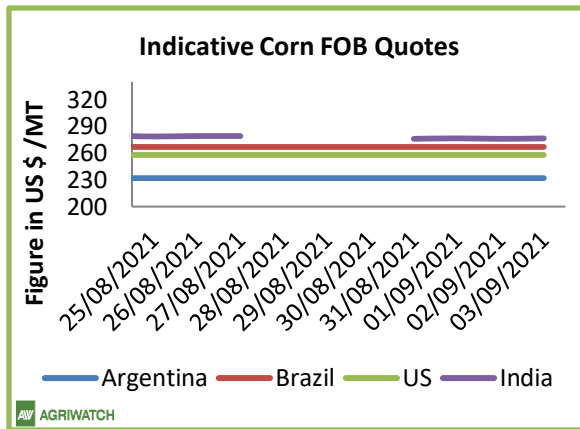
According to sources till 3rd September 2021, maize crop covered 80.98 lakh hectare of area in India against 78.73 lakh hectare of area during same period previous year. Till 3rd September 2021 largest area covered by maize till date, was in M.P, that is 15.13 lakh hectare followed by Karnataka and Maharashtra.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 19.69 USD/MT to 219.68 USD/MT for September '21 contract compared to previous week. However, Agriwatch expects that corn crop will soon regain support on CBOT and corn crop conditions related concerns in U.S will support Corn on CBOT. Also, decreased U.S. Corn Production estimates in USDA, August-21 report seems to be supporting Corn on CBOT.

U.S. Maize exports have reached 66.70 MMT in the 2020-21 marketing year, at 5.29 MMT (for the period 19 August – 26 August, 2021). U.S. Maize exports were down 30 percent from the previous week and 48 percent from the prior 4-week average to destinations of Mexico (258,700 MT), China (138,700 MT), Guatemala (34,600 MT), Colombia (30,400 MT), and Costa Rica (29,600 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1=Rs.73.16)				
As on 31.08.2021	Argentina	Brazil	US	India
FOB	232.00	267.00	258.00	276.11
C&F	282.00	322.00	318.00	311.11

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 13,000MT of Maize Vessel BLUE LOTUS is waiting for arrival at Vizag port since 30th August 2021. And 23,100MT of Maize Vessel AQUALEO has completed loading at Hazira port on 30th August, 2021. Also 25,000MT of Maize Vessel CHARLENE completed 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 3rd September 2021, maize crop covered 80.98 lakh hectare of area in India against 79.48 lakh hectare of area during same period previous year. Till 3rd September 2021 largest area covered by maize till date, was in M.P, that is 15.13 lakh hectare, followed by Karnataka and Maharashtra at 13.83 lakh hectare and 8.60 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.

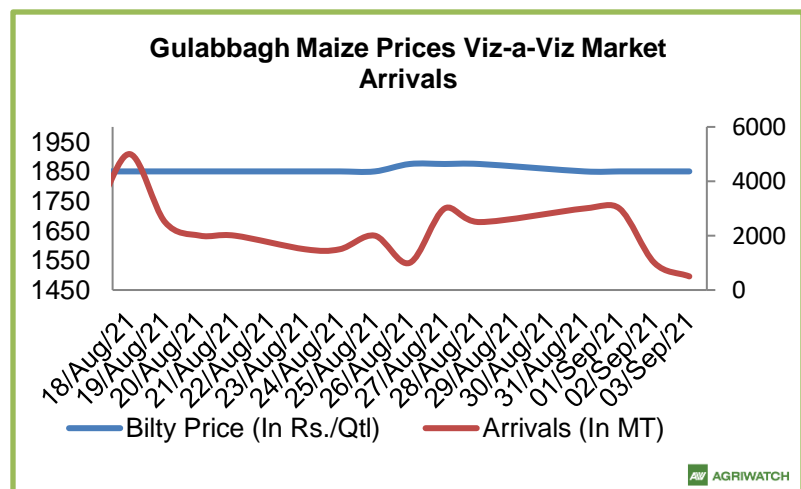
As per the sources upcoming kharif maize crop has been damaged due to floods in mid and south U.P due to floods, although exact amount of loss cannot be estimated at present. In the current situation, the Fall Army Worm has attacked 30% of the maize crop in Punjab and Himachal Pradesh.

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:

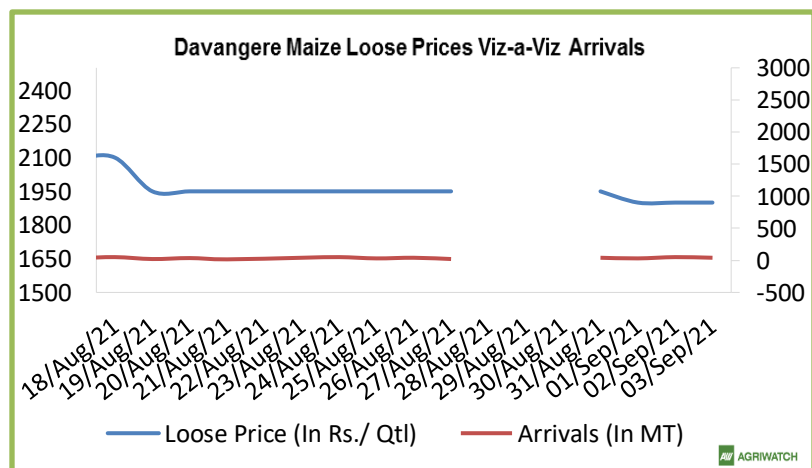
BIHAR:

In Gulabghat region of Bihar, Maize is being traded at Rs. 1,850 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 at Rs. 19800 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.



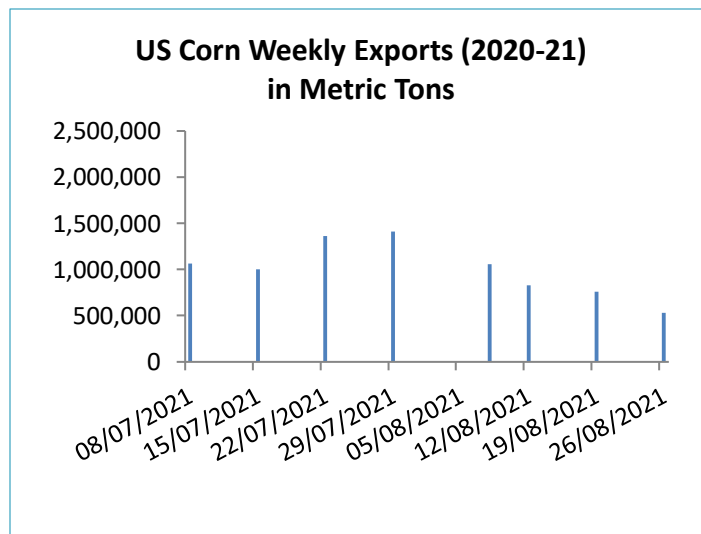


DOMESTIC MAIZE OUTLOOK:

Agriwatch expects that maize would trade in a range bound zone with a steady bias for coming term. Also, reduced or no arrivals accompanied with no near future arrivals of any new maize crop in this month will provide support to maize market. Although current local as well as export demand from feed industry seems to be sluggish.

INTERNATIONAL MARKET HIGHLIGHT:

U.S. Maize exports have reached 66.70 MMT in the 2020-21 marketing year, at 5.29 MMT (for the period 19 August – 26 August, 2021). U.S. Maize exports were down 30 percent from the previous week and 48 percent from the prior 4-week average to destinations of Mexico (258,700 MT), China (138,700 MT), Guatemala (34,600 MT), Colombia (30,400 MT), and Costa Rica (29,600 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 30th August, 2021, 60% crop is in good + excellent condition, which is 2% less than that of in last year for same duration but same as last week. Also, 9% of the crop is mature, 91% crop is in doughing stage and 59% crop is dented.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fell by 19.69 USD/MT to 219.68 USD/MT for September '21 contract compared to previous week. However, Agriwatch expects that corn crop will soon regain support on CBOT and corn crop conditions related concerns in U.S will support Corn on CBOT. Also, decreased U.S. Corn Production estimates in USDA, August-21 report seems to be supporting Corn on CBOT.



6th September, 2021

ANNEXURE

MAIZE SPOT MARKET PRICES (RS./QUINTAL)

Maize (Corn) Weekly Prices:						
Market	Grade	04-Sep-21	28-Aug-21	04-Aug-21	03-Sep-20	04-Sep-19
Naugachia	Bilty	1850	1900	1900	1225	2150
Delhi	Hybrid Maize(U.P.)	1900	1850	1800	1250	2150
Davangere	Loose	1850	Closed	1900	1300	NA
Shimoga	Bilty	NA	NA	2000	NA	NA
Ranebennur	Bilty	NA	NA	NA	NA	2400
Bagalkot	Hybrid/Local	NA	NA	1700	NA	NA
Gadag	Local	NA	1320	1760	NA	2090
Nizamabad	Bilty	Closed	Closed	1910	1375	2400
Khanna	Bilty	1750	1700	1670	1150	1950
Sangli	Feed	2073	2080	2110	1440	2614
Ahmedabad	Feed	2030	2050	2100	1300	2300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	03-Sep-21	27-Aug-21	Change
Corn CBOT Prices	Sep-21	199.99	219.68	-19.69
	Dec-21	206.29	218	-11.71
	Mar-22	209.93	220.56	-10.63
	May-22	212.10	222.14	-10.04
	July-22	212.00	221.05	-9.05

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