

## Maize Outlook – December 2018

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. According to the USDA world agricultural supply and demand estimates report, October 2018 maize production was forecasted 1068.30 million tonnes in 2018-19. Among the countries United States of America was stood first in maize production with 371.52 million tonnes followed by China (256 mt), Brazil (94.50 mt), European Union (59.50 mt), Argentina (42.50 mt) and India (26.50 mt). In US, 90% crop of corn has been harvested as of 18<sup>th</sup> November, 2018, which is higher by 1% compared to corresponding period of last year but lower by 3% from the last 5 year average period.

**Table 1: International Grain Council's World Corn Projections (in million metric tonnes)**

	2016-17 (Estimated)	2017-18 (Forecasted)	2018-19 (Projection)
<b>Opening Stocks</b>	<b>287.40</b>	<b>330.10</b>	<b>303.70</b>
<b>Production</b>	<b>1087.00</b>	<b>1047.60</b>	<b>1073.70</b>
<b>Total Availability</b>	<b>1374.40</b>	<b>1377.70</b>	<b>1377.50</b>
<b>Imports</b>	<b>137.80</b>	<b>151.60</b>	<b>158.40</b>
<b>Food</b>	<b>119.30</b>	<b>122.10</b>	<b>124.20</b>
<b>Feed</b>	<b>603.60</b>	<b>619.50</b>	<b>644.00</b>
<b>Industrial</b>	<b>279.90</b>	<b>295.60</b>	<b>304.80</b>
<b>Other</b>	<b>41.50</b>	<b>36.80</b>	<b>38.60</b>
<b>Total Consumption</b>	<b>1044.30</b>	<b>1074.00</b>	<b>1111.60</b>
<b>Exports</b>	<b>137.80</b>	<b>151.60</b>	<b>158.40</b>
<b>Ending Stocks</b>	<b>330.10</b>	<b>303.70</b>	<b>265.90</b>

Source: <https://igc.int/en/default.aspx>

IGC decreased its global corn production forecast by 1 MMT to 1073 MMT compared to previous month forecast for 2018-19. Forecast for global corn ending stock was kept unchanged at 266 MMT but lower by 39 MMT compared to corresponding period of last year.

In India, rabi maize has been sown in around 7.22 lakh hectares as of 30<sup>th</sup> November, 2018 which is lower than that during corresponding period of last year (8.34 lakh hectares). In Bihar, maize has been sown in around 2.47 lakh hectares which is lower than 3.16 lakh hectares during corresponding period of last year. In Karnataka, it has been sown in around 0.47 lakh hectares which is lower than 0.74 lakh hectares during corresponding period last year.

In Telangana, maize sowing during rabi season as of 28<sup>th</sup> Nov'18 was reported as 0.66 lakh hectares as compared to 0.36 lakh hectares in the corresponding period of last year and normal area of 0.42 lakh hectares. Presently the crop is at vegetative stage. Nizambad, Kamareddy, Medak, Warangal, Nirmal, Karimnagar and Mahabubabad districts are affected by fall armyworm.

**Table 2: International Grain Council's Indian Corn Projections (in million metric tonnes)**

	2016-17 (Estimated)	2017-18 (Forecasted)	2018-19 (Projection)
<b>Opening Stocks</b>	<b>1.20</b>	<b>1.80</b>	<b>2.00</b>
<b>Production</b>	<b>25.90</b>	<b>28.70</b>	<b>26.50</b>
<b>Imports</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>
<b>Total Availability</b>	<b>27.20</b>	<b>30.60</b>	<b>28.60</b>
<b>Food</b>	<b>6.80</b>	<b>6.90</b>	<b>7.00</b>
<b>Feed</b>	<b>12.40</b>	<b>14.70</b>	<b>14.10</b>
<b>Industrial</b>	<b>4.50</b>	<b>4.70</b>	<b>4.70</b>
<b>Other</b>	<b>1.10</b>	<b>1.30</b>	<b>1.20</b>
<b>Total Consumption</b>	<b>24.90</b>	<b>27.60</b>	<b>27.00</b>
<b>Exports</b>	<b>0.50</b>	<b>0.90</b>	<b>0.50</b>
<b>Ending Stocks</b>	<b>1.80</b>	<b>2.00</b>	<b>1.20</b>

Source: <https://igc.int/en/default.aspx>

**Table 3: Average Price of Maize at Various Markets in India**

Market	Grade	22-Nov-18	15-Nov-18	22-Oct-18	22-Nov-17	22-Nov-16
<b>Naugachia</b>	Bilty	1550	1525	1400	1225	1575
<b>Delhi</b>	Hybrid Maize (U.P.)	1550	1550	1500	1325	1625
<b>Davangere</b>	Loose Price	1500	1450	1400	1300	1480
<b>Shimoga</b>	Bilty	1430	1410	1460	1200	1410
<b>Ranebennur</b>	Bilty	NA	1470	NA	1220	1475
<b>Bagalkot</b>	Hybrid/Local	1518	1482	1409	1189	1445
<b>Gadag</b>	Local	1472	1400	1382	1176	1423
<b>Nizamabad</b>	Bilty	1510	1500	1460	1400	1450
<b>Khanna</b>	Bilty	NA	NA	NA	1400	1700
<b>Sangli</b>	Feed	1564	1532	1516	1250	1480
<b>Ahmedabad</b>	Feed	1650	1520	1575	1280	1500
	Starch	1700	1550	1580	1300	1500

Maize from Madhya Pradesh is moving towards Haryana, Delhi and Telangana at Rs. 1700-1780, Rs.1750 and Rs. 1600 per quintal respectively. Till now, around 50% stock of maize in M.P has been traded and is likely to trade firm in the near term. Maize from Davangere is moving to Hyderabad, Bangalore and Nammakal at Rs. 1600, Rs. 1620-1650 and Rs. 1720-1750 per quintal. From Bihar, maize is moving towards Kolkata at Rs. 1700-1725 per quintal.

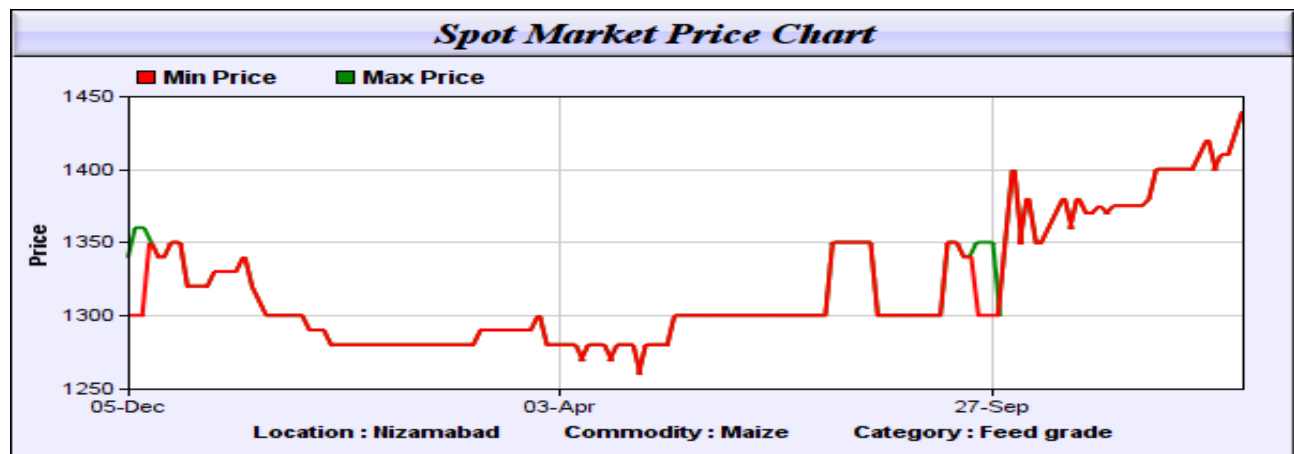


Fig. 1 Spot Market Price Chart of Maize at Nizamabad market

Table 4: Prices and Arrivals of Maize at Badepalli Market in the Month of November 2018

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	2,482	1,101	1,529	1,455
2	3,211	1,200	1,506	1,455
3	3,211	1,200	1,506	1,455
5	2,886	1,230	1,529	1,455
9	2,774	1,206	1,510	1,411
10	847	1,265	1,509	1,480
12	2,173	1,250	1,549	1,536
13	1,672	1,384	1,535	1,531
14	1,449	1,351	1,540	1,501
15	1,359	1,200	1,516	1,503
16	1,545	1,375	1,529	1,501
17	1,609	1,170	1,522	1,521
19	2,530	1,300	1,519	1,511

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Maize modal price at Badepalli market ranged between Rs. 1411 – 1536 per quintal during November 2018. The central government has increased the minimum support price of maize for the year 2018-19 by 19.3% from Rs. 1425 to Rs. 1700 per quintal.

### Maize Price Outlook

In Nizamabad, most of the maize arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Local starch and cattle feed makers are buying at Rs. 1400 per quintal. Maize is moving to Hyderabad at Rs. 1600 per quintal. It is likely to trade steady to firm in near term.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of **Rs. 1350-1550** per quintal during the month of December, 2018.