

Maize Outlook – November 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 as 1068.30 million tonnes in 2018-19. Among the countries United States of America stood first in maize production with 375.37 million tonnes followed by China (225 mt), Brazil (94.50 mt), European Union (61.00 mt), Argentina (41.0 mt) and India (26.0 mt). In U.S, 63% crop of corn has been harvested as of 28th October, 2018, which is higher by 11% compared to corresponding period of last year.

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

	2016-17 (Estimated)	2017-18 (Forecasted)	2018-19 (Projection)
Opening Stocks	287.40	330.10	299.60
Production	1087.30	1047.20	1074.30
Total Availability	1374.70	1377.30	1373.90
Imports	137.80	151.50	156.70
Food	119.30	121.80	124.20
Feed	603.90	623.30	645.50
Industrial	279.90	295.80	304.90
Other	41.50	36.80	38.20
Total Consumption	1044.60	1077.70	1112.80
Exports	137.80	151.50	156.70
Ending Stocks	330.10	299.60	261.10

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

International Grain Council has increased its global corn production forecast by 10 MMT to 1074.30 MMT compared to previous forecast for 2018-19. Forecast for global corn ending stock was also increased by 5 MMT to 261.10 MMT compared to last forecast for 2018-19 which could weigh on international corn market.

Across India, maize has been sown in 79.23 lakh hectares as on 20th September 2018 which is slightly lower than 79.28 lakh hectares covered during corresponding period of last year. In Karnataka, it has been sown in 11.60 lakh hectares which is higher than 11.31 lakh hectares covered during corresponding period of last year followed by Madhya Pradesh (13.61 lakh hectares), Rajasthan (8.71 lakh hectares) and Maharashtra (8.29 lakh hectares) as compared to area covered during corresponding period of last year i.e., 13.17 lakh hectares, 8.56 lakh hectares and 9.14 lakh hectares respectively.

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

	2016-17 (Estimated)	2017-18 (Forecasted)	2018-19 (Projection)
Opening Stocks	1.20	1.80	2.10
Production	25.90	28.70	26.50
Imports	0.10	-	0.10
Total Availability	27.20	30.60	28.70
Food	6.80	6.90	7.00
Feed	12.40	14.70	14.10
Industrial	4.50	4.70	4.70
Other	1.10	1.30	1.20
Total Consumption	24.90	27.60	27.00
Exports	0.50	0.80	0.50
Ending Stocks	1.80	2.10	1.30

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

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

Market	Grade	25-Oct-18	18-Oct-18	25-Sep-18	25-Oct-17	25-Oct-16
Gulabgh	Bilty	NR	NR	1350	NA	1525
Davangere	Loose Price	1440	1400	1450	1300	1400
Shimoga	Bilty	1460	1490	NA	1320	NA
Ranebennur	Bilty	1600	NA	1400	1410	1490
Bagalkot	Hybrid/Local	1429	NA	1350	1289	1346
Gadag	Local	1395	1366	NA	NA	1357
Nizamabad	Bilty	1460	Closed	1410	1400	1450
Khanna	Bilty	NA	NA	NA	1290	1550
Sangli	Feed	1523	1507	1591	1380	1400
Ahmedabad	Feed	1550	1575	1540	1380	1420
	Starch	1570	1575	1500	1350	1375

The demand from feed makers and increased minimum support price (Rs. 1700/q) for new crop arrivals supported the market during the month of October as compared to last month. In Khanna market of Punjab maize was traded at Rs. 1550/q followed by Gulabgh (Rs. 1525/q) and Ranebennur (Rs. 1490/q). In Nizamabad market maize was traded at Rs. 1450/q.

In Telangana, maize has been sown in around 4.62 lakh hectares as on 26th September 2018 which is slightly higher than 4.51 lakh hectares covered during corresponding period of last year. So far Siddipet stood first in maize sown area with 78,832 hectares followed by Nagarkurnool (63,418 ha), Rangareddy (46012 ha) and Mahabubnagar (34,454 ha). Current sowing stands at 86% of seasons normal.

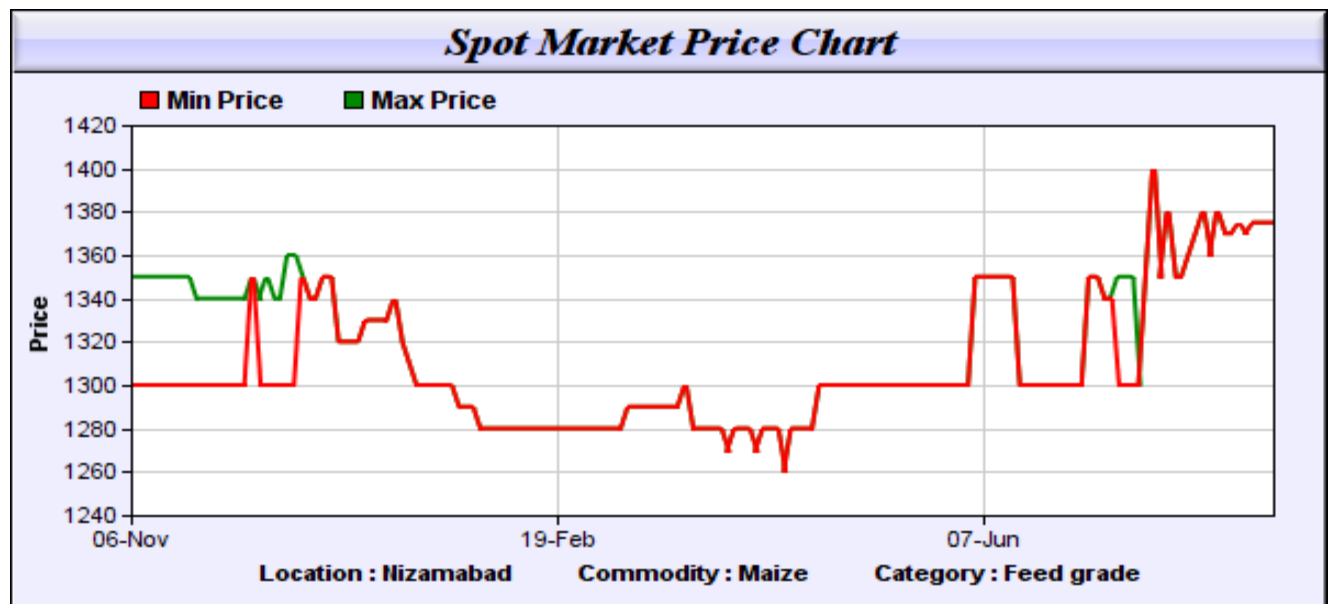


Fig. 1 Spot Market Price Chart of Maize at Nizamabad market

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

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	186.20	1002	1372	1371
3	209.50	1051	1404	1379
4	139.90	1012	1401	1381
5	161.30	1089	1404	1341
6	143.40	1066	1406	1329
8	202.30	1086	1411	1329
10	138.80	1101	1414	1386
11	97.10	1121	1421	1421
12	94.00	1100	1440	1436
13	83.10	1116	1448	1401
15	187.20	1116	1476	1476
20	28.10	1201	1476	1410
22	179.90	1206	1501	1431
23	125.80	1260	1525	1430
24	109.60	1210	1531	1444
25	1990.00	1101	1532	1530

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

Maize modal price at Badepalli market ranged between Rs. 1329 – 1530 per quintal during October 2018, which is less than the MSP Rs. 1700 per quintal announced by Central Government.

Maize Price Outlook

USDA increased its global corn ending stocks estimates by 1.54 MMT to 157.03 MMT for 2018-19 compared to last month due to increase in global corn production estimates by 7.95 MMT to 1069 MMT for 2018-19. Increase in global corn ending estimates may likely put pressure on international corn market.

Corn ending stock estimates for U.S increased by 2.29 MMT to 45.06 MMT for 2018-19 compared to last month forecast due to increase in production estimates by 6.10 MMT to 376.62 MMT for 2018-19.

India exported 28,941 MT of maize in the month of August'18 at an average FoB of \$201.63 / MT. Indian maize was exported mainly to Nepal followed by Sri Lanka, Philippines and Qatar.

On the domestic demand, maize is moving towards Haryana, Punjab at Rs. 1490 per quintal each, while towards Rajasthan and U.P at Rs. 1500 and Rs. 1450 per quintal respectively.

In Nizamabad, poultry feed makers are buying maize at Rs. 1470 per quintal; while local starch feed makers are buying at Rs. 1370 per quintal. Maize is moving towards Hyderabad at Rs. 1650 per quintal. In Nizamabad, new crop contain moisture up to 20%. Stock of maize with private traders could be around 10,000 MT which is almost same as during last year.

In Telangana, 35,726 tonnes of maize was traded in the month of October 2018. In Badepalli, a major market 2,285 tonnes of maize was traded in price range of Rs. 1329 – 1530 per quintal during October 2018.

At present maize is being traded below minimum support price. New crop arrival is likely to put little bit pressure on market. However, feed makers demand and Government procurement at new MSP might support prices in coming months.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize is likely to trade in price range between **Rs. 1350 - 1550** per quintal during the month of November, 2018.