

Maize Outlook – October 2018

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. The United States of America is the largest producer of maize with 376.62 million tonnes followed by China (225 mt), Brazil (94.50 mt), European Union (60.80 mt), Argentina (41.0 mt) and India (26.0 mt). In U.S, 69% of corn is in good to excellent condition. About 26% of corn has been harvested, which is 10% higher compared to corresponding period 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	287.4	330.1	299.6
Production	1087.3	1047.2	1074.3
Imports	137.8	151.5	156.7
Total Availability	1374.7	1377.3	1373.9
Food	119.3	121.8	124.2
Feed	603.9	623.3	645.5
Industrial	279.9	295.8	304.9
Other	41.5	36.8	38.2
Total Consumption	1044.6	1077.7	1112.8
Exports	137.8	151.5	156.7
Ending Stocks	330.1	299.6	261.1

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

International Grain Council has increased its global corn production forecast by 10 MMT to 1074 MMT compared to previous forecast for 2018-19. Forecast for global corn ending stock was also increased by 5 MMT to 261 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	1.2	1.8	2.1
Production	25.9	28.7	26.5
Imports	0.1	-	0.1
Total Availability	27.2	30.6	28.7
Food	6.8	6.9	7.0
Feed	12.4	14.7	14.1
Industrial	4.5	4.7	4.7
Other	1.1	1.3	1.2
Total Consumption	24.9	27.6	27.0
Exports	0.5	0.8	0.5
Ending Stocks	1.8	2.1	1.3

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

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

Market	2018- September	2018-August	2017- September	% Change from Prev. Month	% Change from Prev. Year
Delhi	1385	1373	1307	0.87	5.97
Davangere	1450	1341	1427	8.13	1.61
Shimoga	1452	1403	1401	3.49	3.64
Bagalkot	1379	1300	1336	6.08	3.22
Gadag	1188	1265	1018	-6.09	16.7
Nizamabad	1405	1326	1475	5.96	-4.75
Khanna	1275	1281	1191	-0.47	7.05
Sangli	1596	1558	1487	2.44	7.33
Gulabgh	1340	1227	1294	9.21	3.55
Naugachia	1294	1190	1277	8.74	1.33

The demand from feed makers’ and increased minimum support price for new crop supported the market during the month of September as compared to last month. In Sangli market of Maharashtra maize was traded at Rs. 1596/q followed by Shimoga (Rs. 1452/q) and Davangere (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. Maize is at pod development to pod maturity and harvesting stages. Yield may be affected by 5-10% due to pest.

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

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
5	3.40	1494	1494	1494
10	6.30	1380	1411	1380
11	2.50	1451	1451	1451
12	19.60	1080	1380	1201
15	21.80	1020	1380	1380
17	53.20	1060	1209	1150
19	49.30	1001	1320	1236
20	16.30	1001	1151	1016
22	43.10	1009	1361	1261
24	45.70	1080	1351	1080
25	45.50	1270	1359	1349
26	56.90	1012	1365	1121
27	96.90	1291	1380	1291

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

Maize modal price at Badepalli market ranged between Rs. 1016 – 1494 per quintal during September 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

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 to put pressure on international corn market.

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.

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, stock of maize with private traders could be around 10,000 MT, which is almost same as that during the corresponding period of last year. In Nizamabad, Government has started procurement of maize at new MSP.

New crop arrival is likely to put little bit pressure on market sentiments. 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 could trade in a range of **Rs. 1250-1450** per quintal during the month of October, 2018.