

Maize Outlook – April 2019

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. As per USDA, U.S corn exports reached 30.04 MMT in the 2018-19 marketing year. At 1.26 MMT (for the period 22nd Mar- 28th Mar, 2019) US corn exports were up 32 percent from the previous week and 55 percent from the previous 4-week average; mainly for the destination like Mexico (397,000 MT), Japan (180,400 MT), Colombia (163,700 MT), Peru (145,600 MT), and South Korea (72,500 MT).

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

	2016-17 (Estimated)	2017-18 (Forecasted)	2018-19 (Projection)
Opening Stocks	323.9	364.0	335.8
Production	1131.1	1089.6	1109.0
Imports	137.4	151.9	160.2
Total Availability	1455.0	1453.6	1444.9
Food	121.0	123.0	125.7
Industrial	291.9	302.9	307.4
Feed	635.5	654	674.5
Others	42.6	37.9	39.8
Total Consumption	1091.0	1117.8	1147.4
Exports	137.4	151.9	160.2
Ending Stocks	364.0	335.8	297.4

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

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	2.0
Production	25.9	28.7	26.5
Imports	0.1	-	0.1
Total Availability	27.2	30.6	28.6
Food	6.8	6.9	7.0
Feed	12.4	14.7	14.1
Industrial	4.5	4.7	4.8
Other	1.1	1.3	1.2
Total Consumption	24.9	27.6	27.1
Exports	0.5	0.9	0.5
Ending Stocks	1.8	2.0	1.1

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

In India, rabi maize was sown in around 15.56 lakh hectares as of 22nd February, 2019 which was lower than 17.28 lakh hectares during corresponding period last year. In Bihar, maize was sown in around 4.75 lakh hectares which was almost equal to 4.70 lakh hectares during corresponding period last year. Crop conditions are favorable till the time. All India rabi maize production is estimated by at 5.67 MMT for the year 2018-19.

In Nizamabad region, maize is likely to trade steady to range bound in the near term despite new crop arrival pressure as demand of Hyderabad and Pune feed makers supporting to the market. As per trade sources, in Godavari district, new crop quality is good and being delivered to Vijayawada at Rs. 1930- 1950 per quintal while, in Tenali district of Andhra Pradesh, crop arrivals are likely to start soon.

Table 3: Month-wise average prices of Maize at various markets

Market	March 2019	February 2019	March 2018	% Change from Prev. Month	% Change from Prev. Year
Delhi	2191	2185	1360	0.27	61.10
Davangere	1940	1967	1190	-1.37	63.03
Shimoga	2009	1999	1329	0.50	51.17
Bagalkot	1952	1936	1120	0.83	74.29
Gadag	1739	1898	1069	-8.38	62.68
Nizamabad	1917	1932	1287	-0.78	48.95
Khanna	2065	2104	1293	-1.85	59.71
Sangli (NCDEX Quality)	2128	2118	NA	0.47	-
Naugachia	1942	2035	NA	-4.57	-

Source: www.agriwatch.com

Table 4: Maize arrivals and prices in Kesamudram Market for the month of March 2019

Date	Arrivals(Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	537	1830	1941	1901
7	1621	1550	1921	1901
8	1505	1600	1938	1919
11	2056	1830	1939	1911
12	1295	1750	1915	1911
13	1626	1758	1906	1861
14	1837	1741	1901	1869
15	1707	1772	1884	1867
18	3010	1751	1887	1862
19	2313	1782	1904	1894
22	2034	1834	1893	1881
25	4297	1841	1906	1887
26	2917	1857	1913	1906
27	945	1859	1928	1928
28	1674	1888	1939	1931
29	1490	1550	1963	1948
TOTAL	30,864	1,762	1,917	1,899

Source: <http://tsmarketing.in/DailyArrivalsnPricesCommBetweenDates.aspx>

Maize modal price at Kesamudram market ranged between Rs. 1762 – 1917 per quintal during March 2019. 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

Corn prices on CBOT fall by 5.61 USD/MT to 140.35 USD/MT for May contract compared to last month as USDA estimated U.S. stocks and spring plantings above than trade expectations. Further, price direction depends on demand for U.S corn which is expected to be lower due to high competition from South America.

In Nizamabad, maize is moving to Hyderabad at Rs. 2150 per quintal. Meanwhile, maize is moving towards Bangalore at Rs. 2200 per quintal, Namakkal at Rs. 2270-2280 per quintal, Chitradurga at Rs. 2100 per quintal, Chennai at Rs. 2300 per quintal, Sangali at Rs. 2150 per quintal and Ranebennur at Rs. 2100 per quintal (Delivered price); sourced from Devangere. In Bihar, maize is moving towards Kolkata at Rs. 2150 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1750-2000 per quintal during the month of April, 2019.