

## Maize Outlook – February 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 17.60 MMT in the 2018-19 marketing year. At 0.899 MMT (for the period 14<sup>th</sup> December - 20<sup>th</sup> December, 2018) US corn exports were down 8 percent from the previous week and 13 percent from the previous 4-week average; mainly for the destinations like. Mexico (234,700 MT), Japan (151,600 MT), South Korea (133,600 MT), Colombia (124,000 MT), and Taiwan (81,800 MT). South African maize farmers are likely to plant lesser crop in the 2018/19 farming season compared to last season due to lower rainfall and warmer temperature. It is expected that crop could be lesser by 2% to 2.269 million hectare in the 2018/19. Prices of maize in South Africa have increased on the concern over less expected yield as dry conditions have delayed crop plantings out of optimum planting window.

**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>287.4</b>	<b>330.4</b>	<b>305.3</b>
<b>Production</b>	<b>1087.0</b>	<b>1047.4</b>	<b>1073.4</b>
<b>Total Availability</b>	<b>1374.4</b>	<b>1377.8</b>	<b>1378.7</b>
<b>Imports</b>	<b>137.8</b>	<b>151.6</b>	<b>158.7</b>
<b>Food</b>	<b>119.3</b>	<b>121.6</b>	<b>124.2</b>
<b>Feed</b>	<b>603.3</b>	<b>618.9</b>	<b>644.0</b>
<b>Industrial</b>	<b>279.9</b>	<b>295.7</b>	<b>305.4</b>
<b>Other</b>	<b>41.5</b>	<b>36.3</b>	<b>38.9</b>
<b>Total Consumption</b>	<b>1044.0</b>	<b>1072.5</b>	<b>1112.4</b>
<b>Exports</b>	<b>137.8</b>	<b>151.6</b>	<b>158.7</b>
<b>Ending Stocks</b>	<b>330.4</b>	<b>305.3</b>	<b>266.3</b>

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)
<b>Opening Stocks</b>	1.2	1.8	2.0
<b>Production</b>	25.9	28.7	26.5
<b>Imports</b>	0.1	-	0.1
<b>Total Availability</b>	27.2	30.6	28.6
<b>Food</b>	6.8	6.9	7.0
<b>Feed</b>	12.4	14.7	14.1
<b>Industrial</b>	4.5	4.7	4.7
<b>Other</b>	1.1	1.3	1.2
<b>Total Consumption</b>	24.9	27.6	27.0
<b>Exports</b>	0.5	0.9	0.5
<b>Ending Stocks</b>	1.8	2.0	1.2

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

In India, rabi maize has been sown in around 14.88 lakh hectares as of 1<sup>st</sup> February, 2019 which is lower than 16.50 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.58 lakh hectare which is slightly lower than 4.66 lakh hectares during corresponding period last year.

In Devangere region of Karnataka, maize is likely to trade firm as demand from Bangalore and Tamil Nadu feed makers is still supporting to maize cash market despite new crop in Tamilnadu has started. As per trade sources, around 40,000 MT of maize has been stocked by stockiests.

In Telangana, maize sowing for the rabi season as of 1<sup>st</sup> February'19 reported at 1.02 lakh a hectare which is lower than 1.20 lakh hectares in the corresponding period of last year. Trade sources revealed that area shifted towards red jowar. Crop is at vegetative stage to knee high stage. Nizambad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.

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

Market	January 2019	December 2018	January 2018	% Change from Prev. Month	% Change from Prev. Year
Delhi	1934	1793	1323	7.86	46.18
Davangere	1822	1635	1232	11.44	47.89
Shimoga	1814	1624	1292	11.7	40.4
Bagalkot	1831	1668	1149	9.77	59.36
Gadag	1762	1677	1130	5.07	55.93
Nizamabad	1753	1500	1298	16.87	35.05
Khanna	1913	1679	1312	13.94	45.81
Sangli (NCDEX Quality)	1937	1776	1276	9.07	51.8
Gulabgh (NCDEX Quality)	1934	1775	1299	8.96	48.88
Naugachia	1903	1741	1200	9.3	58.58
Erode (NCDEX Quality)	1978	1859	NA	6.4	-

Source: www.agriwatch.com

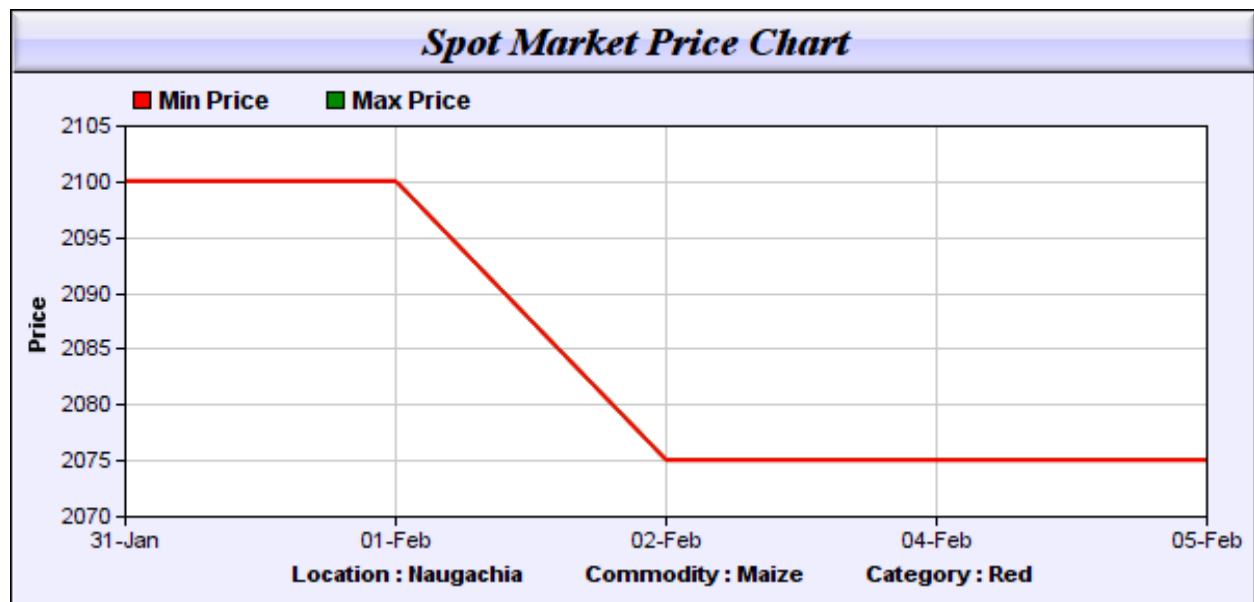


Fig. 1 Spot Market Price Chart of Maize at Naugachia market

**Table 4: Prices and Arrivals of Maize at Badepally Market in the Month of January 2019**

Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	253	1001	1818	1814
3	232	1744	1806	1805
4	294	1646	1786	1769
7	346	1700	1789	1789
8	68	1669	1769	1755
9	112	1669	1749	1729
10	151	1635	1755	1741
11	57	1719	1743	1743
12	24	1651	1745	1745

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

Maize modal price at Badepally market ranged between Rs. 1745 – 1814 per quintal during January 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 rose by 0.59 USD/MT to 148.22 USD/MT for March contract compared to last month. It could get support if demand of China and other importing countries increase for U.S corn. However, improve in crop weather conditions in South America and high global ending stock estimates likely to put pressure on market sentiments.

From the trade point of view, in Nizamabad, maize is moving to Hyderabad at Rs. 2050 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 2050 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2000 per quintal, Sangali at Rs. 1950 per quintal, Ranebennur at Rs. 1975-1980 per quintal each and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata and Jharkhand at Rs. 2250 per quintal each.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1500-1700 per quintal during the month of February, 2019.