

Maize Outlook – July 2019

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. In U.S, corn has been emerged 94% as of 30th June, 2019 which is lower by 6% compared to previous year and last 5 year average period. 56% of Corn crop is in good to excellent condition. As per USDA, U.S corn exports reached 42.60 MMT in 2018-19 marketing year. At 0.696 MMT (for the period 14th June- 20th Jun, 2019) US corn exports were up 9% from the previous week but down 31% from the previous 4-week average; mainly for the destinations like Japan (241,900 MT), Mexico (197,200 MT), Colombia (63,800 MT), China (61,600 MT), and Costa Rica (30,300 MT). As per trade sources, India exported around 35,016 MT of maize for the month of May'19 at an average FoB of \$288.95/ MT. Indian maize is exported mainly to Nepal mainly through Raxaul followed by Jogbani ICD and Sonauli ICD port.

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	363.5	336.1	317.5
Production	1091.6	1125.8	1118
Imports	152.4	161.9	161.5
Total Availability	1455.1	1461.9	1435.4
Food	124.5	127.4	128
Industrial	654.2	673.3	673.6
Feed	302.9	304.1	310.1
Others	37.4	39.6	39.5
Total Consumption	1118.9	1144.5	1151.2
Exports	152.4	161.9	161.5
Ending Stocks	336.1	317.5	284.3

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

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	1.8	2	1.3
Production	28.7	27.8	28.4
Imports	-	0.5	-
Total Availability	30.6	30.3	29.7
Food	6.9	7	7
Feed	14.7	15.5	15.2
Industrial	4.7	4.8	5
Other	1.3	1.3	1.2
Total Consumption	27.6	28.6	28.4
Exports	0.9	0.5	0.4
Ending Stocks	2	1.3	0.9

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

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

Market	2019-June	2019-May	2018-June	%Change from Prev. Month	%Change from Prev. Year
Delhi	1956	2041	1274	-4.16	53.53
Devangere(Bilty Price)	2350	2252	1300	4.35	80.77
Shimoga	2275	2190	1406	3.88	61.81
Bagalkot	2147	2116	1299	1.47	65.28
Gadag	2085	2102	1203	-0.81	73.32
Nizamabad	1966	1965	1300	0.05	51.23
Khanna	1862	1971	1175	-5.53	58.47
Sangli(NCDEX Quality)	2376	2297	NA	3.44	-
Gulabgh (NCDEX Quality)	1852	1816	1129	1.98	64.04
Naugachia	1767	1759	1063	0.45	66.23
Erode (NCDEX Quality)	2392	2335	1448	2.44	65.19

Source: www.agriwatch.com

In Ahmedabad region of Gujarat, poultry feed makers quoted maize (monthly average) down by 3.17% to Rs. 2076 per quintal, while starch feed makers quoted it down by 3.02% to Rs. 2086 per quintal compared to last month. The Government has increased the MSP of Maize by Rs. 60 per quintal i.e., from Rs. 1700 to Rs. 1760 for 2019-20kharif season.

In India, kharif maize has been sown in around 21.06 lakh hectares as on 05th July'19 which is lower than 30.96 lakh hectares covered during corresponding period of last year. Major maize growing states are Rajasthan (6.79 lakh ha), Uttar Pradesh (2.71 lakh ha), Karnataka (2.19 lakh ha), Jammu & Kashmir (1.60 lakh ha), Madhya Pradesh (1.54 lakh ha), Bihar (1.33lakh ha) and Punjab (0.93 lakh ha)

In Telangana, it has been sown in 0.88 lakh hectares which is lower than 0.96 lakh hectare covered during corresponding period of last year. In Karnataka, it has been sown in 2.19 lakh hectares which is lower than 7.17 lakh hectare covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 0.06 lakh hectares as on 05th July'19 which is lower than 0.27 lakh hectare covered during corresponding period last year. Maize crop is at sowing to vegetative stage. According to third advance estimate of 2018-19, maize production was estimated at 27.82 million tonnes.

As maize has traded at a higher price than MSP many farmers are likely to keep more area under maize during kharif season. In Karnataka, farmers are likely to shift from cotton, groundnut, tur and sugarcane to maize, while certain area under soybean could shift towards maize in Maharashtra, Madhya Pradesh, Rajasthan and Andhra Pradesh.

Table 4: Maize arrivals and prices in Choppadandi Market for the month of June 2019

Date	Arrivals(Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	2	2011	2011	2011
4	349	2055	2165	2144
7	263	2022	2151	2135
8	74	2020	2093	2063
10	64	1966	2133	2133
11	42	2062	2121	2085
12	101	2022	2155	2091
13	19	2035	2121	2091
14	32	2054	2159	2126
17	26	2012	2161	2161
18	7	1766	2031	2031
19	37	2001	2169	2169
20	2	2001	2139	2139
21	11	2051	2166	2166
24	19	2050	2240	2201
25	2	2231	2231	2231
26	2	2154	2154	2154
28	4	2285	2285	2285

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

Maize modal price at Choppadandi market ranged between Rs. 2011-2285per quintal during June 2019.Maize market prices are ruling above MSP due to increased demand from feed makers and unfavorable weather conditions.

Maize Price Outlook

Corn prices on CBOT fall by 5.90 USD/MT to 162.20 USD/MT for July'19 contract compared to last month as USDA pegged U.S. planted acres above than trade expectations despite rains and flooding in this spring.

In Nizamabad region, maize is likely to trade steady to firm as arrival pressure has reduced. Maize is moving towards Hyderabad at Rs. 2400-2425 per quintal. Pune feed makers demand has shifted towards Bihar.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1850-1950 per quintal during the month of July, 2019.