

Maize Outlook – June 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 39.60 MMT in 2018-19 marketing year. At 1.72 MMT (for the period 17th May - 23rd May, 2019) US corn exports were up 96 percent from the previous week and 57 percent from the previous 4-week average; mainly for the destination like Japan (931,300 MT), Mexico (245,900 MT), Colombia (219,700 MT), South Korea (61,500 MT), and Saudi Arabia (59,400 MT).

India exported 19,552 MT of maize for the month of April'19 at an average FoB of \$324.81/ MT. Indian maize is mainly exported to Nepal mainly through Sonauli ICD followed by Raxaul and Jogbani ICD port.

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	1119.0
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>

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

Market	2019-May	2019-April	2018-May	% Change from Prev. Month	% Change from Prev. Year
Delhi	2041	2246	1336	-9.13	52.77
Davangere (Bilty Price)	2252	2193	1241	2.69	81.47
Shimoga	2190	2213	1386	-1.04	58.01
Bagalkot	2116	2131	1242	-0.70	70.37
Gadag	2102	2049	1171	2.59	79.50
Nizamabad	1965	1958	1300	0.36	51.15
Khanna	1971	2178	1310	-9.50	50.46
Sangli (NCDEX Quality)	2297	2332	NA	-1.50	-
Gulabghat (NCDEX Quality)	1816	2071	1158	-12.31	56.82
Naugachia	1759	1925	1102	-8.62	59.62
Erode (NCDEX Quality)	2335	2360	1463	-1.06	59.60

Source: www.agriwatch.com

In Ahmedabad region of Gujarat, poultry feed makers quoted maize (monthly average) down by 6.94 % to Rs. 2144 per quintal while starch feed makers quoted it down by 6.96 % to Rs. 2151 per quintal compared to last month.

In Karnataka, farmers are likely to shift from sugarcane to maize as this is short term crop and requires less water in comparison to sugarcane. As maize traded higher than MSP; farmers are likely to sow more maize during kharif season.

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. All India rabi maize production is estimated at 5.67 MMT for the year 2018-19. However, according to third advance estimate of 2018-19, maize production was estimated at 27.82 million tonnes.

In Telangana, rabi maize sown area as of 13th March 2019 was reported at 1.15 lakh hectares, which is lower than 1.46 lakh hectares in the corresponding period of last year.

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

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	2195	1720	2041	1981
3	1786	1755	2036	1986
6	2901	1753	2009	1946
7	614	1675	2016	1977
8	1840	1616	2020	1968
9	735	1777	2022	1956
10	642	1650	2033	1988
15	626	1831	2052	2016
16	931	1731	2071	2005
20	878	1651	2161	2120
21	429	1725	2175	2132
22	301	1950	2169	2131
24	103	1856	2139	1856
28	154	1951	2119	2069
30	189	1600	2125	2029
31	76	1553	2108	2029

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

Maize modal price at Kesamudram market ranged between Rs. 1946-2132 per quintal during May 2019. Due to demand from feed makers and unfavorable weather conditions, maize market prices are ruling above MSP (Rs. 1700).

Maize Price Outlook

Corn prices on CBOT rose by 25.39 USD/MT to 168.10 USD/MT for July'19 contract compared to last month on the concern that more of the crop may go unplanted this year due to waterlogged fields.

In U.S, corn planting has been 58% as of 26th May, 2019, which is lower by 22% compared to previous year and last 5 year average period. It has been emerged 32% as of 26th May, 2019 which is lower by 37% compared to previous day.

In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. Pune and Hyderabad 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. 1850-1980 per quintal during the month of June, 2019.