

Maize Outlook – November 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 3.62 MMT in 2019-20 marketing year. At 0.49 MMT (for the period 18th- 24th October, 2019) US corn exports were up 1 percent from the previous week but unchanged from the prior 4-week average; mainly for the destinations like Mexico (204,600 MT), Japan (112,800 MT), Saudi Arabia (73,300 MT), Honduras (37,800 MT), and Colombia (24,400 MT).

In US, corn has matured 93% as of 27th October, 2019 which is lower by 7% compared to last year. It has harvested 41% which is also lower by 20% compared to last year. However, 58% crop of corn is in good to excellent condition which is higher than 2% compared to last week.

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	365.9	338.4	317.9
Production	1090.4	1130.1	1098.4
Imports	153.3	164.7	167.5
Total Availability	1456.3	1468.5	1416.2
Food	125.2	127.8	128.0
Industrial	302.8	301.7	307.9
Feed	653.2	679.9	664.7
Others	36.8	41.2	37.6
Total Consumption	1117.6	1150.6	1138.2
Exports	153.3	164.7	167.5
Ending Stocks	338.4	317.9	278.0

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	2.0	1.1
Production	28.7	27.2	28.4
Imports	-	0.3	0.3
Total Availability	30.6	29.5	29.8
Food	6.9	7.0	7.0
Feed	14.7	15.0	15.2
Industrial	4.7	4.8	5.0
Other	1.3	1.1	1.2
Total Consumption	27.6	27.9	28.4
Exports	0.9	0.5	0.4
Ending Stocks	2	1.1	1.0

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

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

Market	2019-Oct	2019- Sep	2018-Oct	% Change from Prev. Month	% Change from Prev. Year
Delhi	2146	2118	1464	1.32	46.58
Devangere (Bilty Price)	2328	2348	1504	-0.85	54.79
Shimoga	2292	2453	1470	-6.56	55.92
Bagalkot	2077	1993	1419	4.21	46.37
Gadag	2036	1953	1369	4.25	48.72
Nizamabad	2259	2333	1464	-3.17	54.30
Khanna	2017	1922	1300	4.94	55.15
Sangli (NCDEX Quality)	2392	2551	1540	-6.23	55.32
Gulabgh (NCDEX Quality)	2132	2117	1416	0.71	50.56
Naugachia	2101	2087	1367	0.67	53.69
Erode (NCDEX Quality)	2383	2542	1657	-6.25	43.81

Source: www.agriwatch.com

In India, kharif maize has been sown in around 81.91 lakh hectares as on 27th September 2019 which is higher than 79.94 lakh hectares covered during corresponding period of last year. Major maize growing states are Madhya Pradesh (15.42 lakh ha), Karnataka (12.15 lakh ha), Rajasthan (8.84 lakh ha), Uttar Pradesh (7.38 lakh ha), Bihar (3.96 lakh ha), Telangana (3.92 lakh ha) Jammu & Kashmir (1.97 lakh ha), Punjab (1.60 lakh ha) and Andhra Pradesh (0.91 lakh ha).

In Telangana, it has been sown in 3.92 lakh hectares as on 25th September 2019 which is lower than 4.62 lakh hectares covered during corresponding period of last year. In Telangana, fall army worm and locust are below ETL level in Mahbubnagar, Gadwal, Jangoan, Siddipet, Medak and Khammam districts.

In Andhra Pradesh, maize has been sown in around 0.91 lakh hectares as of 25th September 2019 which is lower than 0.99 lakh hectares covered during corresponding period of last year. In Ananthapur, Krishna, Vizianagaram and Srikakulam districts of A.P, around 4,084 hectare area is affected by fall army worm and stem borer, out of which 3,625 hectares area was treated.

As per trade information, in Mahbubnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in Jangoan district; crop yield could be affected around 5-10%. In Hubli, Dharbad and Belgaum districts of Karnataka the crop loss due to heavy rainfall could be around 15 to 20%. While the same in Shimoga, Bagalkot and

Bijapur districts could be around 5%. In Sangli region of Maharashtra, around 15% crop loss could be due to floods, while in Aurangabad around 5-10% yield could be affected due to dry spell.

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

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	552	1600	2205	2155
3	1272	1701	2176	2039
4	2201	1700	2202	2090
10	4360	1716	2122	2094
11	6546	1600	2131	2021
14	9067	1502	2039	1950
15	5424	1601	2038	1955
16	3253	1600	2061	1951
17	4235	1579	2089	1969
18	5771	1605	2086	1929
21	9397	1750	2094	1922
22	6923	1689	2071	1932
23	3584	1550	2066	1942
24	2078	1650	2066	1956
25	4724	1650	2068	1931
29	10604	1589	2041	1906

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

Maize modal price at Nizamabad market ranged between Rs. 1906 - 2155 per quintal during October 2019. Maize market prices are ruling above MSP due to increased demand from feed makers.

Maize Price Outlook

Corn prices on CBOT rose by 0.79 USD/MT to 153.54 USD/MT for December'19 contract compared to last month as USDA decreased its world corn ending stock estimates. Further, price direction depends on the export demand for U.S corn.

As per trade sources, India imported around 60,384.79 MT of maize for the month of September'19 at an average value of \$283.35/ MT. Out of which, around 52,711 MT was imported from Ukraine mainly for the Tuticorin port followed by Kandla port at an average value of \$247.73/ MT and \$198.48/ MT respectively. India exported around 11,343 MT of maize for the month of September'19 at an average FoB of \$326.99/ MT. Out of which, around 8,040 MT Indian maize was exported mainly to Nepal mainly through Jogbani ICD followed by Sonauli ICD and Bhimnagar port.

In Davangere region of Karnataka, due to recent rains, new crop arrivals are containing high moisture around 20-30% and being traded in a range of Rs. 1700-1900 per quintal (loose price). Arrival pressure is likely to increase in coming weeks which could weigh on market sentiments. In Chhindwara region of Madhya Pradesh, new crop arrivals of maize contains

moisture around 14 to 22%; being traded in a range of Rs. 1600-1900 per quintal (loose price). In Nizamabad, maize arrivals are also containing high moisture due to recent rains and being traded at Rs. 1500 per quintal (loose price) at lower side.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1550-1900 per quintal during the month of November, 2019.