

Maize Outlook – October 2020

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. As per USDA, an U.S corn exports have reached 2.74 MMT in the 2020-21 marketing year. At 0.75 MMT (for the period 18th Sep - 24th Sep, 2020) US corn exports were down 11.24 percent from the previous week; mainly for the destinations like China (269,900 MT), Mexico (230,100 MT), Japan (139,800 MT), South Korea (65,100 MT), and Canada (21,800 MT). It expects that decrease in export demand for U.S corn and new crop arrivals in coming weeks would weigh on CBOT corn. In U.S, 61% of corn crop is in good to excellent condition as of 27th September'20, same percentage points from last week. 15% of crop has been harvested as of 27th September'20, up 5 percentage points from corresponding period of last year.

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

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	342.6	324.4	300.5
Production	1129.3	1121.1	1160.4
Imports	164.6	173.3	178
Total Availability	1471.9	1445.5	1460.9
Food	127.3	129.7	131
Feed	674.9	685.2	703.1
Industrial	303.9	291.3	303.1
Others	41.5	38.9	39
Total Consumption	1147.5	1145	1176.2
Exports	164.6	173.3	178
Ending Stocks	324.4	300.5	284.7

Source: <https://www.igc.int>

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

	2018/19 (Estimated)	2019/20 (Forecast)
Opening Stocks	2.5	6.42
Production	27.72	28.64
Imports	0.21	0.33
Total Supply	30.43	35.39
Export	0.58	0.84
Domestic Consumption	23.43	22.62
Total Demand	24.01	23.46
Ending Stock	6.42	11.93
Monthly Use	2	1.96
Stock to Use Ratio	5.92%	15.62%

Source: www.agriwatch.com

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

Market	2020-September	2020-August	2019-September	% Change from Prev. Month	% Change from Prev. Year
Delhi	1290	1246	2118	3.53	-39.09
Devangere (Bilty Prices)	1385	1345	2348	2.97	-41.01
Shimoga	1339	1339	2453	Unchanged	-45.41
Bagalkot	1203	1253	1993	-3.99	-39.64
Gadag	1107	1235	1953	-10.36	-43.32
Nizamabad	1300	1300	2135	Unchanged	-39.11
Khanna	1148	1135	1922	1.15	-40.27
Sangli (NCDEX Quality)	1460	1442	2551	1.25	-42.77
Gulabgh (NCDEX Quality)	1335	1247	2117	7.06	-36.94
Naugachia	1243	1198	2087	3.76	-40.44
Erode (NCDEX Quality)	1556	1526	2542	1.97	-38.79

Source: www.agriwatch.com

In India, kharif maize has been sown in around 82.71 lakh hectares (204.37 lakh acres) as on 18th September 2020 which is higher than 81.19 lakh hectares (200.62 lakh acres) covered during corresponding period of last year. Major maize growing states are Madhya Pradesh 15.38 lakh ha (38 lakh acres), Karnataka 13.91 lakh ha (34.37 lakh acres), Rajasthan 9.34 lakh ha (23.08 lakh acres), Maharashtra 8.81 lakh ha (21.77 lakh acres), Uttar Pradesh 7.41 lakh ha (18.31 lakh acres), Bihar 3.99 lakh ha (9.86 lakh acres), Himachal Pradesh 2.90 lakh ha (7.17 lakh acres), Jammu Kashmir 2.08 lakh ha (5.14 lakh acres) and Telangana 0.89 lakh ha (2.20 lakh acres).

In Telangana, it has been sown in 91200 hectares (2.25 lakh acres) as on 30th September 2020 which is lower than 4.09 lakh hectares (10.11 lakh acres) covered during corresponding period of last year. The major growing districts are Kamareddy 13500 ha (33358 acres), Jagityal 12472 ha (30818 acres), Mahabubabad 9726 ha (24034 acres), Rangareddy 9020 ha (22290 acres) and Nizamabad 8673 ha (21431 acres).

As per trade sources, India exported around 2,35,436 MT of maize in the month of Aug'20 at an average FoB of \$182.24/MT, out of which, 1,65,704 MT was exported to Bangladesh at an average FoB of \$190.18/MT and around 65,160 MT was exported to Nepal at an average FoB of \$177.46/MT.

Table 4: Maize arrivals and prices in Kesamudram Market for the month of September 2020

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
10	173	1,339	1,419	1,339
14	42	1,349	1,404	1,404
15	115	1,109	1,405	1,389
16	69	1,301	1,397	1,391
18	199	1,219	1,429	1,392
21	465	1,209	1,415	1,359
22	274	1,129	1,395	1,392
23	343	1,059	1,409	1,389
24	519	1,100	1,409	1,382
25	750	1,081	1,468	1,375
28	985	1059	1429	1405
29	1516	1050	1419	1350

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

India has authorized imports of up to 5 lakh tonnes of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction from poultry feed industry on the fear of corona virus, hence there has been negligible imports. But it could limit the upside in the long run.

Maize Price Outlook

Corn on CBOT rose by 8.37 USD/MT to 149.21 USD/MT for Dec'20 contract compared to previous month. Expectation of new crop arrivals pressure in coming weeks would weigh on CBOT corn.

Maize cash markets showed a mixed trend during the month of September'20 compared to previous month and was weak compared to corresponding period of last year, due to sluggish feed makers demand. For the month of October'20, it expects that maize would trade steady to slightly weak despite export demand from Bangladeshi and Nepalese feed makers, especially if the Government releases subsidized maize to poultry feed makers before the new crop arrivals in the coming weeks.

In Bihar, maize is being traded at Rs. 1350-1400 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1450-1500 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1500 per quintal; sourced from Nizamabad region. It is also moving towards Bangalore and Namakkal at Rs. 1500 and Rs. 1550 per quintal respectively; sourced from Devangere region of Karnataka.

In Karnataka, maize is likely to trade steady to slightly weak in near term. Expectation of new crop arrivals in coming weeks would weigh on market sentiments. It expects that maize would trade in a range of Rs. 1250-1350 per quintal (loose price) during the month of October'20 amid sluggish feed makers demand.

In Visakhapatnam, Vizianagaram, Guntur, Ananthapuram, Kurnool, Chittoor, Krishna and YSR Kadapa districts of Andhra Pradesh, around **6750** hectares area of maize has been affected by fall-armyworm; out of which 4972 hectares has been treated.

As per trade sources, in M.P. region, there could be 4-5% crop loss due to heavy rains three weeks ago. However, in Gujarat and M.P., crop loss assessment would only be possible in the next few days. In M.P. and Karnataka, new crop arrivals have started which are lower in quantity and contain moisture up to 30%. In Warangal region also, new crop arrivals are poor in quantity and contains moisture up to 15%. Some grains are dented and small in size.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in price range of Rs. 1350 - 1500 quintal during the month of October, 2020.