

## Maize Outlook – April 2020

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 18.31 MMT in the 2019-20 marketing year. At 1.26 MMT (for the period 20<sup>th</sup>- 26<sup>th</sup> March, 2020) US corn exports were up 49 percent from the previous week and 42 percent from the prior 4-week average; mainly for the destinations like Japan (478,700 MT), Mexico (299,200 MT), Colombia (202,500 MT), South Korea (129,500 MT), and Costa Rica (33,100 MT). During the month of March, USDA increased its world corn ending stock estimates by 0.51 MMT to 297.34 MMT for 2019-20 compared to previous month due to increase in production estimates for 2019-20 which could weigh on global corn market.

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

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
<b>Opening Stocks</b>	339.3	323.1	289.3
<b>Production</b>	1129.8	1116.3	1157.3
<b>Imports</b>	164.7	168.2	170.2
<b>Total Availability</b>	1469.2	1439.4	1446.6
<b>Food</b>	128.5	129.3	130.2
<b>Industrial</b>	302.7	306.4	315.0
<b>Feed</b>	675.0	675.6	688.5
<b>Others</b>	39.9	38.8	39.0
<b>Total Consumption</b>	1146.1	1150.0	1172.7
<b>Exports</b>	164.7	168.2	170.2
<b>Ending Stocks</b>	323.1	289.3	274.0

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

**Table 2: International Grain Council’s Indian Corn Projections (in million metric tonnes)**

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
<b>Opening Stocks</b>	2.0	1.5	1.1
<b>Production</b>	27.7	28.1	28.9
<b>Imports</b>	0.2	0.3	0.2
<b>Total Availability</b>	30.0	29.9	30.2
<b>Food</b>	7.0	7.0	7.0
<b>Feed</b>	15.1	15.3	15.5
<b>Industrial</b>	4.8	5.0	5.2
<b>Other</b>	1.1	1.1	1.3
<b>Total Consumption</b>	28.0	28.4	28.9
<b>Exports</b>	0.5	0.4	0.4
<b>Ending Stocks</b>	1.5	1.1	1.0

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

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

Market	2020-Mar	2020-Feb	2019-Mar	% Change from Prev. Month	% Change from Prev. Year
<b>Delhi</b>	1738	1885	2191	<b>-7.80</b>	<b>-20.68</b>
<b>Davangere</b>	1381	1743	1940	<b>-20.77</b>	<b>-28.81</b>
<b>Shimoga</b>	1462	1748	2009	<b>-16.36</b>	<b>-27.23</b>
<b>Bagalkot</b>	1482	1709	1952	<b>-13.28</b>	<b>-24.08</b>
<b>Gadag</b>	1434	1710	1898	<b>-16.14</b>	<b>-24.45</b>
<b>Nizamabad</b>	1686	1858	1917	<b>-9.26</b>	<b>-12.05</b>
<b>Khanna</b>	1737	1860	2065	<b>-6.61</b>	<b>-15.88</b>
<b>Sangli (NCDEX Quality)</b>	1595	1807	2128	<b>-11.73</b>	<b>-25.05</b>
<b>Gulabgh(NCDEX Quality)</b>	1806	1997	2043	<b>-9.56</b>	<b>-11.60</b>
<b>Naugachia</b>	NA	NA	1917	-	-
<b>Erode (NCDEX Quality)</b>	1634	1852	2171	<b>-11.77</b>	<b>-24.74</b>

Source: [www.agriwatch.com](http://www.agriwatch.com)

In India, rabimaize has been sown in around 16.98 lakh hectares as on 31<sup>st</sup> January 2020 which is higher than 14.78 lakh hectares covered during corresponding period of last year. Major maize growing states are Tamil Nadu (1.48 lakh ha), Bihar (5.05 lakh ha), West Bengal (1.10 lakh ha), Maharashtra (2.28 lakh ha), Gujarat (1.33 lakh ha), Telangana (1.49 lakh ha) and Andhra Pradesh (1.67 lakh ha) as of 31<sup>st</sup> January 2020.

In Telangana, it has been sown in 2.47 lakh hectares as on 01<sup>st</sup> April 2020 which is higher than 1.28 lakh hectares covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 1.67 lakh hectares as of 31<sup>st</sup> January 2020 which is higher than 1.46 lakh hectares covered during corresponding period of last year.

As per trade sources, India imported around 1,47,554.51 MT of maize for the month of February'20. Out of this, around 1,28,534.51 MT was imported from Myanmar at Kolkata port (1,06,563 MT @ 266.37 USD/MT), Tuticorin (7,175 MT @ 247.01 USD/MT), Chennai (1100 MT @ 284.76 USD/MT), Vizag (4,799 MT @ 250.31 USD/MT) and Mundra port (5,899 MT @ 260.99 USD/MT), while around 19,000 MT was imported from Ukraine at Kandla port at an average value of 199.70 USD/ MT. India exported around 24,835 MT of maize for the month of February'20 at an average FoB of \$306.63/ MT. Out of this, around 21,435 MT of Indian maize was exported to Nepal at an average FoB of \$301.66/MT; through Raxaul, Sonauli ICD and Joghani ICD ports.

Corn prices on CBOT fall by 10.82 USD/MT to 134.15 USD/MT for May'20 contract compared to last month due to uncertainty over economic fallout from corona virus. However, further price direction depends on the demand for US corn.

**Table 4: Maize arrivals and prices in Kesamudram Market in the month of March 2020**

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	1500	1500	1689	1672
3	840	1350	1699	1688
4	1106	1227	1689	1680
5	1170	1510	1662	1626
6	1573	1420	1656	1629
10	837	1251	1619	1469
11	1986	1309	1590	1566
12	2181	1380	1642	1549
16	4476	1300	1455	1412
17	2415	1201	1438	1389
18	2060	1102	1329	1239
19	1405	1151	1345	1269
20	1443	1172	1331	1255
21	1443	1172	1331	1255

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

Maize modal price at Kesamudram market ranged between Rs. 1239-1680 per quintal during March 2020. Maize market prices are ruling below MSP due to decreased demand from feed makers.

### Maize Price Outlook

In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh on market sentiments.

In Nizamabad, maize is likely to trade steady to weak during the month of April'20; due to sluggish poultry feed makers' demand on the fear of corona virus. However, Telangana state government has announced to procure entire rabi season crop of maize at MSP of Rs. 1760 per quintal and started procuring directly from farmers through village procurement centers over a period of 45 days. This procurement by state government could give support to maize prices.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1400-1600 quintal during the month of April, 2020.