

Maize Outlook – December 2020

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. As per USDA, U.S. Maize exports have reached 10.37 MMT in the 2020-21 marketing year. At 1.07 MMT (for the period November 20 - November 26, 2020) U.S. Maize exports were up 23 percent from the previous week and 35 percent from the prior 4-week average; mainly for the destinations like China (475,800 MT), Mexico (312,300 MT), Japan (82,300 MT), Guatemala (59,500 MT), and Honduras (49,700 MT). USDA decreased its world Maize ending stock estimates by 9.03 MMT to 291.43 MMT for 2020-21 along with a decrease in production estimates which would support to global Maize market.

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

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	344.30	326.70	297.70
Production	1129.20	1123.90	1145.90
Imports	164.60	173.60	185.10
Total Availability	1473.50	1450.50	1443.60
Food	127.30	129.70	131.40
Feed	673.70	690.70	696.50
Industrial	304.40	293.40	302.10
Others	41.40	39.00	39.00
Total Consumption	1146.90	1152.80	1169.00
Exports	164.60	173.60	185.10
Ending Stocks	326.70	297.70	274.60

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)
Opening Stocks	2.5	6.42
Production	27.72	28.64
Imports	0.21	0.34
Total Supply	30.43	35.4
Export	0.58	1.11
Domestic Consumption	23.43	22.38
Total Demand	24.01	23.49
Ending Stock	6.42	11.91
Monthly Use	2	1.98
Stock to Use Ratio	5.92%	17.62%

Source: www.agriwatch.com

Table 3: Month-wise average prices of Maize at various markets (Rs/quintal)

Market	2020- November	2020- October	2019- November	% Change from Prev. Month	% Change from Prev. Year
Delhi	1589	1342	2088	18.41	-23.90
Devangere (Bilty Prices)	1383	1226	1794	12.81	-22.91
Shimoga	1360	1344	1740	1.19	-21.84
Bagalkot	1475	1267	1810	16.42	-18.51
Gadag	1399	1202	1745	16.39	-19.83
Nizamabad	1405	1300	1958	8.08	-28.24
Khanna	1333	1123		18.70	-
Sangli (NCDEX Quality)	1539	1446	1916	6.43	-19.68
Gulabghat (NCDEX Quality)	1647	1442	2145	14.22	-23.22
Naugachia	1509	1332	2082	13.29	-27.49
Erode (NCDEX Quality)	1591	1503	1993	5.85	-20.17

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 2,23,050 MT of Maize in the month of October 2020 at an average FoB of US\$ 189.01 per MT, out of which, 1,63,851 MT was exported to Bangladesh at an average FoB of US\$ 193.30 per MT and around 55,776 MT was exported to Nepal at an average FoB of US\$ 185.16 per MT.

Trade sources revealed that demand from Bangladeshi feed makers is still strong but due to some technical issues with Railways, rake loading for Bangladesh was disrupted in November 2020. Some fresh export enquiries of Bangladeshi feed makers at Rs. 1450 per quintal (Loading price) to be sourced from Telangana were reported recently.

Maize on CBOT raised by US\$ 8.37 per MT to US\$ 165.25 per MT for December 2020 contract compared to the previous month. It expects that increase in export demand for U.S. Maize in near term would continue to support CBOT Maize.

Maize cash markets showed a firm trend during the month of November 2020 compared to previous month, due to some improvement in demand from the feed industry and export markets but was weak compared to corresponding period last year. For the month of December 2020 it is expected that Maize would trade steady to slightly firm due to Government procurement and demand from Vietnamese and Bangladeshi feed makers.

Table 4: Average Price of Maize at Major States in India

State	Prices November, 2020	Prices October, 2020	Prices November, 2019	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	1305.96	1184.74	1553.05	10.23	-15.91
Assam			1469.48	—	—
Chhattisgarh	1298.56	1102.24	1740.2	17.81	-25.38
Gujarat	1558.73	1463.8	1932.42	6.49	-19.34
Haryana	1867.84	1850	2281.84	0.96	-18.14
Karnataka	1330.96	1229.61	1702.14	8.24	-21.81
Madhya Pradesh	1320.01	1134.74	1677.86	16.33	-21.33
Maharashtra	1337.91	1259.74	1559.39	6.21	-14.2
Manipur			2654.55	—	—
Nagaland			4790.34	—	—
NCT of Delhi			2225.68	—	—
Odisha	1388.04	1266.19	1752.71	9.62	-20.81
Pondicherry			2370	—	—
Punjab	1533.45	1783.01	2051.49	-14	-25.25
Rajasthan	1477.54	1340.42	1780.71	10.23	-17.03
Tamil Nadu	1496.49	1537.77	1714.16	-2.68	-12.7
Telangana	1598.69	1116.75	1688.68	43.16	-5.33
Uttar Pradesh	1539.47	1224.84	1896.09	25.69	-18.81
Uttrakhand			3492.23	—	—
Average	1465.67	1345.68	2122.79		

Source: www.agmarknet.gov.in

Table 5: Maize arrivals and prices in Kesamudram Market for the month of November 2020

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	978	1,009	1,543	1,434
3	740	1,001	1,541	1,492
5	1,207	1,086	1,531	1,419
6	670	1,009	1,515	1,461
9	1,537	1,132	1,521	1,494
10	1,142	1,009	1,519	1,352
11	1,072	1,001	1,531	1,470
12	794	1,189	1,495	1,449
16	550	1,140	1,479	1,339
17	882	1,116	1,463	1,392
18	800	1,122	1,479	1,459
19	812	1,145	1,480	1,352
20	707	1,081	1,476	1,390
23	737	1,139	1,477	1,432
24	867	1,109	1,475	1,451
25	360	1119	1489	1439
27	48	1421	1421	1421

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

Maize Price Outlook

In Naugachia region of Bihar, Maize is being traded at Rs.1,550 - 1,650 per quintal (Bilty Price) and is being delivered to Uttar Pradesh and Kolkata at Rs.1,600 - 1,700 per quintal each. In Gulabghat, it is being traded at Rs. 1,650 - 1,675 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,625 per quintal sourced from Nizamabad region. Demand from the feed industry in Tamil Nadu has been lower despite the start of local crop arrivals, which could weigh on Karnataka and Andhra Pradesh maize prices also.

In Karnataka, maize is likely to trade steady to slightly firm in near term. Karnataka Co-operative Milk Producer's Federation Ltd (KMF) has announced it will procure 1 lakh MT of Maize at Rs. 1500 per quintal, while the State Government will start its procurement operations shortly at Rs. 1850 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in price range of Rs. 1350 - 1600 quintal during the month of December, 2020.