

Maize Outlook – February 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 10.51 MMT in 2019-20 marketing year. At 0.68 MMT (for the period 17th January- 23rd January, 2020) US corn exports were up 74 percent from the previous week and 44 percent from the prior 4-week average; mainly for the destinations like Mexico (277,600 MT), Colombia (242,300 MT), Japan (88,400 MT), Taiwan (21,300 MT), and Nicaragua (20,900 MT). USDA decreased its world corn ending stock estimates by 2.75 MMT to 297.81 MMT for 2019/20 compared to previous month due to increase in consumption estimates for 2019/20.

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	366.6	338.9	317.9
Production	1091.4	1131.0	1102.8
Imports	153.3	164.6	168.1
Total Availability	1458.1	1469.9	1420.7
Food	126.2	128.7	129.0
Industrial	302.8	301.7	306.9
Feed	653.2	679.9	667.8
Others	37	41.7	38.1
Total Consumption	1119.2	1152.0	1141.8
Exports	153.3	164.6	168.1
Ending Stocks	338.9	317.9	278.9

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	2.0	1.1	1.0

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

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

Market	2020-Jan	2019-Dec	2019-Jan	% Change from Prev. Month	% Change from Prev. Year
Delhi	2152	2200	1934	-2.18	11.27
Davangere	1921	1944	1822	-1.18	5.43
Shimoga	1890	1861	1814	1.56	4.19
Bagalkot	1871	1981	1831	-5.55	2.18
Gadag	1911	1917	1762	-0.31	8.46
Nizamabad (Bilty Price)	2044	2024	1846	0.99	10.73
Khanna	2057	2070	1913	-0.63	7.53
Sangli (NCDEX Quality)	2001	2048	1937	-2.29	3.30
Gulabgh (NCDEX Quality)	2346	2348	1934	-0.09	21.30
Naugachia	NA	2160	NA	-	-
Erode (NCDEX Quality)	2008	2084	1978	-3.65	1.52

Source: www.agriwatch.com

In India, rabi maize has been sown in around 16.98 lakh hectares as on 31st January 2020 which is higher than 14.78 lakh hectares covered during corresponding period of last year. Major maize growing states are Tamilnadu (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 (1.64 lakh ha).

In Telangana, it has been sown in 1.49 lakh hectares as on 31st January 2020 which is higher than 1.01 lakh hectares covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 1.64 lakh hectares as of 31st January 2020 which is higher than 1.18 lakh hectares covered during corresponding period of last year.

As per trade sources, India exported around 85,730 MT of maize for the month of December'19 at an average FoB of \$323.64/ MT. Out of which, around 80,202 MT Indian maize was exported mainly to Nepal at an average FoB of \$322.32/MT; mainly through Raxaul followed by Sonauli ICD port. India imported around 58,941 MT of maize for the month of December'19. Out of which, around 53,120 MT was imported from Ukraine for the Kandla port at an average value of \$200 USD/ MT while around 4,416 MT was imported from Myanmar for the Tuticorin, Chennai and Kolkata port at an average value of \$263.95 USD/ MT.

Corn prices on CBOT fall by 3.25 USD/MT to 149.40 USD/MT for March 2020 contract compared to last month. CBOT market could trade down on the concern about an economic hit to China as the corona virus continued to spread. However, further price direction depends on the demand for U.S corn.

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

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	241	1401	1940	1940
3	306	1339	1971	1961
7	516	1459	1926	1921
9	255	1450	1933	1855
10	203	1450	1950	1911
17	182	1899	1959	1905
20	200	1559	1942	1881
21	120	1539	1908	1908
22	175	1332	1922	1922
23	52	1841	1919	1919
27	108	1609	1891	1888
28	12	1569	1869	1869
29	215	1689	1930	1869
30	19	1689	1749	1749
31	111	1769	1605	1705

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

Maize modal price at Nagarkurnool market ranged between Rs. 1705 - 1961 per quintal during January 2020. Maize market prices are ruling above MSP due to increased demand from feed makers.

Maize Price Outlook

In Devangere region of Karnataka, maize arrivals are still containing moisture up to 18% due to cold weather and 3-4% fungus. Maize is likely to trade steady to slightly weak amid sluggish demand of Tamilnadu feed makers as arrival of local produce has increased. Also, arrival of imported goods could also weigh on market sentiments. It could trade in a range of Rs. 1750-1900 per quintal (Loose Price) during the month of February 2020.

In Nizamabad, maize is moving towards Hyderabad at Rs. 2250 per quintal; while it is being bought by local starch feed makers at Rs. 1900 per quintal. It could trade in a range of Rs. 1950-2100 per quintal (Bilty Price) during the month of February 2020.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1850-2050 per quintal during the month of February, 2020.