

Maize Outlook – January 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 7.93 MMT in the 2019-20 marketing year. At 0.33 MMT (for the period 13th December to 19th December, 2019) US corn exports were down 54 percent from the previous week and 44 percent from the prior 4-week average; mainly for the destinations like Mexico (154,600 MT), Japan (82,500 MT), Canada (21,800 MT), Panama (19,700 MT), and Colombia (16,300 MT). USDA increased its world corn ending stock estimates by 4.61 MMT to 300.56 MMT for 2019-20 compared to previous month due to increase in production 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	2019-Dec	2019-Nov	2018-Dec	% Change from Prev. Month	% Change from Prev. Year
Delhi	2200	2088	1793	5.36	22.70
Davangere	1944	1794	1642	8.36	18.39
Shimoga	1861	1740	1624	6.95	14.59
Bagalkot	1981	1810	1668	9.45	18.76
Gadag	1917	1745	1677	9.86	14.31
Nizamabad (Bilty Price)	2024	2103	1603	-3.76	26.26
Khanna	2070	NA	1679	-	23.29
Sangli (NCDEX Quality)	2048	1916	1776	6.89	15.32
Gulabgh(NCDEX Quality)	2348	2145	1775	9.46	32.28
Naugachia	2160	2083	1741	3.70	24.07
Erode (NCDEX Quality)	2084	1993	1859	4.57	12.10

Source: www.agriwatch.com

In India, rabi maize has been sown in around 13.69 lakh hectares as on 03rd January 2020 which is higher than 12.86 lakh hectares covered during corresponding period of last year. Major maize growing states are Tamilnadu (1.42 lakh ha), Bihar (4.30 lakh ha), West Bengal (0.98 lakh ha), Maharashtra (1.61 lakh ha), Gujarat (1.24 lakh ha), Telangana (0.95 lakh ha) and Andhra Pradesh (1.21 lakh ha).

In Telangana, it has been sown in 0.95 lakh hectares as on 03rd January 2019 which is higher than 0.90 lakh hectares covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 1.21 lakh hectares as of 03rd January 2020 which is higher than 0.95 lakh hectares covered during corresponding period of last year.

As per trade sources, India exported around 40,720 MT of maize for the month of November'19 at an average FoB of \$319.80/ MT. Out of which, around 35,062 MT Indian maize was exported mainly to Nepal at an average FoB of \$316.88/MT. As per trade sources, India imported around 6,393 MT of maize for the month of November'19. Out of which, around 4,675 MT was imported from Myanmar at Tuticorin port at an average value of \$268.15 USD/ MT and at Chennai sea port at an average value of \$216.04 USD/ MT.

Corn prices on CBOT rose by 2.56 USD/MT to 152.65 USD/MT for March'20 contract compared to last month and is likely to trade firm with an expectation of increase in demand for US corn.

Table 4: Maize arrivals and prices in Nagarkurnool Market in the month of December 2019

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	1562	1606	1816	1786
3	1256	1751	1829	1815
4	675	1772	1843	1843
5	361	1732	1856	1856
6	1047	1739	1891	1803
7	681	1776	1869	1869
9	1198	1455	1881	1819
10	1303	1759	1931	1826
11	594	1780	1966	1966
12	515	1782	1989	1989
13	686	1826	2000	1988
14	815	1926	2016	2006
15	1591	1439	1756	1586
16	1557	1796	2036	2036
17	888	1906	2046	2009
18	932	1915	2048	2029
19	772	1936	2033	1973
20	665	1921	2038	1989
21	408	1906	2028	2028
23	737	1809	2026	2020
24	285	1806	2000	2000
27	421	1876	1969	1966
28	469	1859	1988	1970
30	454	1869	2010	1969
31	200	1919	1988	1919

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

Maize modal price at Nagarkurnool market ranged between Rs. 1586 - 2036 per quintal during December 2019. Maize market prices are ruling above MSP due to increased demand from feed makers.

Maize Price Outlook

In Davangere region of Karnataka, maize arrivals are still containing moisture up to 18% due to cold weather and fungus 3-4%. It is moving towards Namakkal at Rs. 2100 per quintal and towards Bangalore at Rs. 2050 per quintal. In Nizamabad, maize arrivals are containing fungus 5% and damaged grains around 5-7%. 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 January'20.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1900-2100 per quintal during the month of January, 2020.