

Maize Outlook – March 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 13.50 MMT in 2019-20 marketing year. At 0.84 MMT (for the period 14th January- 20th February, 2020) US corn exports were up 11 percent from the previous week and 20 percent from the prior 4-week average; mainly for the destinations like Mexico (278,700 MT), Colombia (224,700 MT), Japan (155,500 MT), Guatemala (62,200 MT), and Honduras (59,600 MT). During the month of February, USDA decreased its world corn ending stock estimates by 0.97 MMT to 296.84 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	367.1	339.3	322.7
Production	1091.6	1129.7	1112.2
Imports	153.3	164.7	168.8
Total Availability	1458.7	1469.0	1434.9
Food	126.3	128.5	128.9
Industrial	302.7	302.2	308.3
Feed	652.5	674.9	675.9
Others	37.8	40.7	37.9
Total Consumption	1119.3	1146.3	1151.0
Exports	153.3	164.7	168.8
Ending Stocks	339.3	322.7	284.0

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

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

Market	2020-Feb	2020-Jan	2019-Feb	% Change from Prev. Month	% Change from Prev. Year
Delhi	1885	2152	2185	-12.41	-13.73
Devangere	1743	1921	1967	-9.27	-11.39
Shimoga	1748	1890	1999	-7.51	-12.56
Bagalkot	1709	1871	1936	-8.66	-11.73
Gadag	1710	1911	1898	-10.52	-9.91
Nizamabad	1858	1950	1932	-4.72	-3.83
Khanna	1860	2057	2104	-9.58	-11.60
Sangli (NCDEX Quality)	1807	2001	2118	-9.70	-14.68
Gulabghat(NCDEX Quality)	1997	2346	2064	-14.88	-3.25
Naugachia	NA	NA	2035	-	-
Erode (NCDEX Quality)	1852	2008	2137	-7.77	-13.34

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 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 (1.64 lakh ha).

In Telangana, it has been sown in 1.86 lakh hectares as on 19th February 2020 which is higher than 1.12 lakh hectares covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 1.67 lakh hectares as of 31st January 2020 which is higher than 1.46 lakh hectares covered during corresponding period of last year.

As per trade sources, India imported around 53,962 MT of maize for the month of January 2020. Out of which, around 23,500 MT was imported from Ukraine for the Kandla port at an average value of \$199.31 USD/MT while around 30,462 MT was imported from Myanmar for the Tuticorin, Kolkata, Chennai, Vizag and Mundra port at an average value of \$245.53 USD/MT. India exported around 47,080 MT of maize for the month of January 2020 at an average FoB of \$333.71/MT. Out of which, around 42,335 MT of Indian maize was exported mainly to Nepal at an average FoB of \$331.08/MT; mainly through Raxaul followed by Sonauli ICD port.

Corn prices on CBOT fall by 5.12 USD/MT to 144.28 USD/MT for March 2020 contract compared to last month on the expectation for robust U.S. plantings and on the concern over spread of corona virus beyond China. However, further price direction depends on the demand and corn ending stock estimates for U.S.

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

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	27	1619	1711	1711
10	213	1419	1759	1759
11	147	1455	1691	1642
12	98	1359	1755	1750
13	57	1758	1789	1758
14	179	1695	1789	1751
17	335	1311	1775	1759
18	89	1501	1789	1789
19	196	1589	1809	1809
20	333	1795	1811	1803
24	694	1530	1751	1742
25	486	1695	1742	1742
26	572	1330	1735	1735
27	735	1200	1739	1676
28	819	1622	1692	1680

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

Maize modal price at Kesamudram market ranged between Rs. 1642-1809 per quintal during February 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 fungus (10-20%). Maize is likely to trade steady to slightly weak amid sluggish demand of Tamil Nadu 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. 1700-1800 per quintal (Bilty Price) during the month of March 2020.

From Nizamabad, maize is moving towards Hyderabad at Rs. 2000 per quintal; while it is being bought by local starch feed makers at Rs. 1675 per quintal. It could trade steady to slightly weak in a range of Rs. 1800-2050 per quintal (Bilty Price) during the month of March 2020, due to sluggish demand of bulk buyers on the expectation of new crop arrival in the coming weeks.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1500-1700 per quintal during the month of March, 2020.