

Maize Outlook – July 2018

Maize is one of the important foods, green forage and industrial crops of the world. It is called ‘Queen of the cereals’. Maize has highest yield/ha among the cereal crops. The United States of America (USA) is the largest producer of maize followed by China, Brazil, India, Argentina, Ukraine and Mexico. In India, major maize growing states are Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Bihar, Uttar Pradesh, Telangana, Gujarat and Tamil Nadu. In Telangana, Vikarabad, Mahabubnagar, Siddipet, Warangal (Rural), Medak and Mahabubabad are the major maize growing districts.

In India, maize has been sown in around 15.20 lakh hectares as of 29th June 2018 which is lower than that covered during corresponding period last year (16.20 lakh hectares). In Karnataka, it has been sown in 4.53 lakh hectares followed by Himachal Pradesh with 2.34 lakh hectares. In Telangana, maize has been sown in around 2.05 lakh hectares as on 27th June 2018. So far Vikarabad stood first in maize sowing area with 18,815 hectares followed by Mahabubnagar with 12,465 hectares. In Telangana, around 10% maize area is likely to shift towards soybean.

Table 1: International Grain Council World Corn Projections (million tonnes)

	2014/15	2015/16	2016/17 (Estimated)	2017/18 (Forecast)	2018/19 (Projected)
Opening Stocks	252.8	279.7	287.9	330.4	300.4
Production	1026.8	983.1	1086.6	1044.4	1054.9
Imports	125.1	136.3	137.8	146.6	152.1
Total Availability	1279.6	1262.9	1374.5	1374.8	1355.4
Food	117.0	112.7	119.6	121.3	122.5
Feed	576.1	560.7	603.4	621.2	632.4
Industrial	265.4	267.1	279.9	295.1	304.9
Other	41.3	34.6	41.3	36.8	38.1
Total Consumption	999.8	975.0	1044.0	1074.4	1097.9
Exports	125.1	136.3	137.8	146.6	152.1
Ending Stocks	279.7	287.9	330.4	300.4	257.4

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

International Grain Council decreased its global corn production forecast by 3 MMT to 1052 MMT compared to previous forecast for 2018/19. Forecast for global corn ending stock was also decreased by 4 MMT to 253 MMT compared to last forecast for 2018/19 which could support the international corn market to gain.

Table 2: International Grain Council India Corn Projections (million tonnes)

	2014/15	2015/16	2016/17 (Estimated)	2017/18 (Forecast)	2018/19 (Projected)
Opening Stocks	1.5	2.1	1.2	1.8	1.5
Production	24.2	22.6	25.9	27.1	26.5
Imports	-	0.2	0.1	0.1	0.1
Total Availability	25.7	25.0	27.2	29.0	28.1
Food	6.6	6.6	6.8	6.8	6.9
Feed	10.8	11.4	12.4	14.2	13.6
Industrial	4.0	4.2	4.5	4.7	4.7
Other	1.1	1.1	1.1	1.3	1.2
Total Consumption	22.5	23.3	24.9	27.0	26.4
Exports	1.0	0.4	0.5	0.6	0.5
Ending Stocks	2.1	1.2	1.8	1.5	1.1

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

International Grain Council projected Indian corn production forecast as 26.5 MMT for 2018/19 as compared to 27.1 MMT during previous year, 2017/18. As per 3rd advanced estimates of Government of India, maize production is about 26.88 million tonnes during 2017-18 which was record production.

Table 3: Monthly Spot Price Comparison of Maize

Market	2018-June	2018-May	2017-June	% Change from month	% Change from year
Delhi	1269	1336	1343	-5.01	-5.51
Davangere	1250	1191	1600	4.95	-21.88
Shimoga	1406	1386	1601	1.44	-12.18
Bagalkot	1305	1242	1530	5.07	-14.71
Gadag	1237	1171	1370	5.64	-9.71
Nizamabad	1350	1344	1533	0.45	-11.94
Khanna	1175	1310	1216	-10.31	-3.37
Sangli	1307	1286	1607	1.63	-18.67
Gulabgh	1137	1164	1256	-2.32	-9.47
Naugachia	1063	1102	1199	-3.54	-11.34

Source: Agriwatch maize monthly research report, July 2018

Table 4: Prices and Arrivals of Maize at Khammam Market in the Month of June 2018

Date	Arrivals	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
8	19.7	1050	1260	1230
9	8.8	1230	1260	1245
11	15.4	1000	1250	1225
12	9.2	1240	1270	1250
14	18.4	1000	1250	1150
15	4.1	1175	1240	1200
18	16.5	1130	1210	1175
19	20.0	1129	1250	1175
20	11.3	1125	1230	1150
21	2.8	1000	1200	1150
22	7.1	1050	1160	1100
23	5.0	1050	1175	1100
27	7.6	1200	1225	1210
28	2.2	1100	1180	1150
29	4.7	1100	1180	1160
30	8.3	1125	1150	1150

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Maize modal price (Rs/q) at Khammam market ranged between Rs. 1100 – 1250 during June 2018. The central government has increased the minimum support price of maize by 19.3% from Rs. 1425 to Rs. 1700 as compared to previous season.

Maize Price Outlook

USDA decreased its global corn ending stock estimates by 4.46 MMT to 154.69 MMT for 2018/19 compared to last month estimates due to decrease in production estimates by 3.65 MMT to 1052.42 MMT for 2018/19 compared to previous month estimates which could support the international corn market to gain.

Argentina corn ending stock forecast kept unchanged at 5.486 MMT for 2018/19 compared to last month forecast while Brazil corn ending stock forecasted down by 0.9 MMT to 8.72 MMT compared to last month estimates.

As per trade sources, during the month of May 2018, India exported 1,16,279 MT of maize at an average FoB of \$217.44/ MT. Indian maize is exported mainly to Bangladesh followed by Vietnam and Nepal mainly through Vizag Sea followed by Raxaul, JNPT and Tondiapet ICD.

In Nizamabad, poultry feed makers are buying maize at Rs. 1325 per quintal while starch feed makers are buying at Rs. 1250 per quintal. As per trade sources, in Nizamabad, stock of maize could be around 25000 MT which is more or less same compared to corresponding period last year.

Under these circumstances, it is expected that maize domestic market could trade steady to slightly weak during the month of July 2018 due to high carry forward stock amid sluggish stockiest demand. Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1200-1300 per quintal during the month of July, 2018.