

Maize Outlook – June 2018

Maize is the second most important cereal crop in the world in terms of acreage and is called the ‘Queen of Cereals’. The United States of America (USA) is the largest producer of maize contributing nearly 35% of the total production in the world. Other important growing countries are 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, Nirmal, Kamareddy, Warangal (Rural), Warangal (Urban), Medak, Khammam, and Jagtial are the major maize growing districts constituting nearly 85% of total maize production.

Table 1: India’s maize balance sheet

Maize Year-(Oct-Sep)	2016-17 E	2017-18 F	Oct-Dec'17 F	Jan-Mar'18 F	Apr-Jun'18 F	Jul-Sep'18 F
Opening Stocks (MMT)	2.22	3.04	3.04	6.64	3.28	4.21
Production (MMT)	23.84	21.93	12.53	3.13	5.02	1.25
Farmer's Release (MMT)	20.55	18.93	9.3	3.98	3.95	1.69
Govt. Procurement (MMT)	0.06	0.06	0.02	0.04		
Pvt. Trade Release (MMT)	20.49	18.87	4.63	8.59	3.39	2.26
Seed Retention (MMT)	0.26	0.26	0.05		0.21	
Imports (MMT)	0.08	0.05	0	0.05	0	0
Total Supply (MMT)	26.14	25.02				
Quarterly Add On(MMT)			12.53	3.18	5.02	1.25
Export (MMT)	0.54	0.78	0.18	0.21	0.2	0.19
Domestic Consumption (MMT)	22.56	21.55	8.75	6.34	3.88	2.59
Total Demand (MMT)	23.1	22.33	8.93	6.55	4.08	2.78
Ending Stock (MMT)	3.04	2.69	6.64	3.28	4.21	2.69

E= Agriwatch Estimate F= Agriwatch Forecast

Source: Agriwatch maize monthly research report, June 2018

Table 2: Domestic Consumption Break Up For 2017-18 F (in Million Metric Tonnes)

Poultry & Cattle feed	14.20
Starch & Brewery	4.24
Human Consumption	1.78
Seed	0.26
Shortage & Wastage	0.64
Storage and Moisture Loss	0.43

Source: Agriwatch maize monthly research report, June 2018

Corn prices on Chicago Board of Trade (CBOT) rose by 2.56 USD/MT to 157.47 USD/MT for July contract compared to last month and are likely to trade firm in near term too due to reduction in global corn ending stock estimates amid increase in demand for U.S corn. USDA decreased its global corn ending stocks estimates by 35.70 MMT to 159.15 MMT for 2018/19 compared to last year due to increase in domestic consumption estimates by 22.69 MMT to 1086.75 MMT for 2018/19 compared to last year. In U.S, 92% corn has been planted as of 27th May, 2018, higher by 2% compared to last year and last 5 year average period.

Table 3: Month-wise Average Prices of Maize at Various Markets

Market	2018-May	2018-April	2017-May	% Change from Prev. Month	% Change from Prev. Year
Delhi	1336	1441	1468	-7.29	-8.99
Davangere	1191	1195	1623	-0.33	-26.62
Shimoga	1386	1360	1601	1.91	-13.43
Bagalkot	1242	1188	1529	4.55	-18.77
Gadag	1171	1101	1518	6.36	-22.86
Nizamabad (Bilty)	1344	1334	1511	0.75	-11.05
Khanna	1310	1457	1463	-10.09	-10.46
Sangli	NA	NA	1591	-	-
Gulabgh (Bilty)	1164	1291	1265	-9.84	-7.98
Naugachia	1102	1233	1191	-10.62	-7.47

Source: Agriwatch maize monthly research report, June 2018

Overall maize cash markets traded mixed during the month of May'18 compared to previous month but lower than the corresponding period of last year, due to high carry forward stock amid sluggish stockiest demand. In Ahmedabad region of Gujarat, poultry feed makers quoted maize (monthly average) firm by 1.11% to Rs. 1365 per quintal, while starch feed makers quoted it firm by 0.43% to Rs. 1396 per quintal compared to last month.

We are expecting that maize could trade steady to firm during the month of Jun'18 as new crop arrival pressure in Bihar and Andhra Pradesh has reduced. Besides, demand of stockists and industrial users for maize is also likely to support the market. In Bihar, firmness could be slightly limited as demand from Punjab and Uttar Pradesh is likely to reduce on the expectation of new crop arrival pressure after mid of June. In Davangere, maize is likely to trade steady too as demand of feed makers of Tamil Nadu has shifted towards Bihar as quality of maize in and around Davangere regions is not good.

At the demand side, maize is moving towards Punjab and Haryana at Rs. 1450 per quintal and to Uttar Pradesh at Rs. 1400 per quintal by truck; sourced from Naugachia region of Bihar. While, 4 rakes of maize for Erode and 2 rakes of maize for Tiruppur has been moved at Rs. 1385

per quintal, sourced from Bihar. In Nizamabad, poultry feed makers are buying maize at Rs. 1350 per quintal, while starch feed makers are buying at Rs. 1275 per quintal. Maize is moving towards Hyderabad at Rs. 1430 per quintal. Meanwhile, maize from Davangere region is moving to Bangalore at Rs. 1380-1420 per quintal, Nammakal and Chennai at Rs. 1420-1450 per quintal each.

Table 4: Prices and Arrivals of Maize at Badepalli Market in the Month of May 2018

Date	Arrivals	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	18.4	1101	1222	1192
4	14.6	1103	1225	1163
8	15.1	1160	1226	1219
9	36.2	1101	1226	1150
10	10.4	1061	1201	1164
11	20.0	1110	1220	1171
12	19.6	1143	1221	1175
14	35.0	1121	1201	1172
16	60.5	1103	1223	1130
17	8.9	1143	1150	1150
19	8.6	1105	1223	1223
21	37.0	1060	1222	1135
22	20.4	1129	1239	1239
23	16.5	1150	1225	1191
24	33.6	1085	1240	1160
25	30.7	1155	1226	1171
26	24.5	1040	1236	1213
28	22.3	1020	1237	1229
29	5.0	1171	1236	1231
30	16.0	1179	1226	1210
31	13.1	1180	1238	1227

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

During the month of Apr'18, India exported 69,160 MT of maize at an average FoB of \$235.83/ MT. Indian maize is exported mainly to Vietnam followed by Malaysia mainly through JNPT Sea and Tondiapet ICD.

Under these circumstances, it is expected that maize domestic market could trade steady to slightly weak during the month of June 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. 1200-1350 per quintal during the month of June, 2018.