

## Maize Outlook – May 2019

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 34.86 MMT in 2018-19 marketing year. At 1.37 MMT (for the period 19<sup>th</sup> Apr - 25<sup>th</sup> Apr, 2019) US corn exports were up 9 percent from the previous week and 16 percent from the previous 4-week average; mainly for the destinations like Japan (362,300 MT), South Korea (264,600 MT), Mexico (262,500 MT), Taiwan (90,000 MT), and Colombia (76,300 MT).

India exported 13,610 MT of maize for the month of March 2019 at an average FoB of \$310.23/ MT. Indian maize is exported mainly to Nepal mainly through Raxaul followed by Jogbani ICD and Bhimnagar ICD port.

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

|                           | 2016-17<br>(Estimated) | 2017-18<br>(Forecasted) | 2018-19<br>(Projection) |
|---------------------------|------------------------|-------------------------|-------------------------|
| <b>Opening Stocks</b>     | 323.9                  | 364.0                   | 335.8                   |
| <b>Production</b>         | 1131.1                 | 1089.6                  | 1118.0                  |
| <b>Imports</b>            | 137.4                  | 151.9                   | 160.2                   |
| <b>Total Availability</b> | 1455.0                 | 1453.6                  | 1444.9                  |
| <b>Food</b>               | 121.0                  | 123.0                   | 125.7                   |
| <b>Industrial</b>         | 291.9                  | 302.9                   | 307.4                   |
| <b>Feed</b>               | 635.5                  | 654                     | 674.5                   |
| <b>Others</b>             | 42.6                   | 37.9                    | 39.8                    |
| <b>Total Consumption</b>  | 1091.0                 | 1117.8                  | 1147.4                  |
| <b>Exports</b>            | 137.4                  | 151.9                   | 160.2                   |
| <b>Ending Stocks</b>      | 364.0                  | 335.8                   | 297.4                   |

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

**Table 2: International Grain Council's Indian Corn Projections (in million metric tonnes)**

|                           | 2016-17<br>(Estimated) | 2017-18<br>(Forecasted) | 2018-19<br>(Projection) |
|---------------------------|------------------------|-------------------------|-------------------------|
| <b>Opening Stocks</b>     | 1.2                    | 1.8                     | 2.0                     |
| <b>Production</b>         | 25.9                   | 28.7                    | 26.5                    |
| <b>Imports</b>            | 0.1                    | -                       | 0.1                     |
| <b>Total Availability</b> | 27.2                   | 30.6                    | 28.6                    |
| <b>Food</b>               | 6.8                    | 6.9                     | 7.0                     |
| <b>Feed</b>               | 12.4                   | 14.7                    | 14.1                    |
| <b>Industrial</b>         | 4.5                    | 4.7                     | 4.8                     |
| <b>Other</b>              | 1.1                    | 1.3                     | 1.2                     |
| <b>Total Consumption</b>  | 24.9                   | 27.6                    | 27.1                    |
| <b>Exports</b>            | 0.5                    | 0.9                     | 0.5                     |
| <b>Ending Stocks</b>      | 1.8                    | 2.0                     | 1.1                     |

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

IGC increased its global corn production forecast for 2019-20 by 1 MMT to 1125 MMT compared to previous month's forecast; driven by upward projection for Argentina and Brazil. Forecast for global corn ending stock was also increased by 9 MMT to 275 MMT for 2019/20.

In India, rabi maize was sown in around 15.56 lakh hectares as of 22<sup>nd</sup> February, 2019 which was lower than 17.28 lakh hectares during corresponding period of last year. In Bihar, maize was sown in around 4.75 lakh hectares which was almost equal to 4.70 lakh hectares during corresponding period of last year. All India Rabi maize production is estimated by at 5.67 MMT for the year 2018-19.

In Telangana, Maize sowing for the Rabi season as of 13<sup>th</sup> March'19 reported at 1.15 lakh a hectare which is lower than 1.46 lakh hectares in the corresponding period last year.

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

| Market                  | Apr-19 | Mar-19 | Apr-18 | % Change from Prev. Month | % Change from Prev. Year |
|-------------------------|--------|--------|--------|---------------------------|--------------------------|
| Delhi                   | 2246   | 2191   | 1442   | <b>2.51</b>               | <b>55.76</b>             |
| Davangere (Bilty Price) | 2193   | 1990   | 1245   | <b>10.20</b>              | <b>76.14</b>             |
| Shimoga                 | 2213   | 2009   | 1360   | <b>10.15</b>              | <b>62.72</b>             |
| Bagalkot                | 2131   | 1952   | 1188   | <b>9.17</b>               | <b>79.38</b>             |
| Gadag                   | 2049   | 1739   | 1102   | <b>17.83</b>              | <b>85.93</b>             |
| Nizamabad               | 1958   | 1917   | 1278   | <b>2.14</b>               | <b>53.21</b>             |
| Khanna                  | 2178   | 2065   | 1457   | <b>5.47</b>               | <b>49.49</b>             |
| Sangli (NCDEX Quality)  | 2332   | 2128   | NA     | <b>9.59</b>               | -                        |
| Gulabgh (NCDEX Quality) | 2071   | 2043   | 1286   | <b>1.37</b>               | <b>61.04</b>             |
| Naugachia               | 1925   | 1942   | 1234   | <b>-0.88</b>              | <b>56.00</b>             |
| Erode (NCDEX Quality)   | 2360   | 2171   | NA     | <b>8.71</b>               | -                        |

Source: [www.agriwatch.com](http://www.agriwatch.com)

In Ahmedabad region of Gujarat, poultry feed makers quoted maize (monthly average) firm by 5.69% to Rs. 2304 per quintal while Starch feed makers quoted it firm by 8.70% to Rs. 2312 per quintal compared to last month.

From Devangere region of Karnataka, maize is moving towards Bangalore at Rs. 2100 per quintal, Namakkal at Rs. 2200 per quintal, Chitradurga at Rs. 2100-2150 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 2100 per quintal (Delivered price); sourced from Devangere.

**Table 4: Maize arrivals and prices in Kesamudram Market for the month of April 2019**

| Date | Arrivals (Tonnes) | Minimum price (Rs/quintal) | Maximum price (Rs/quintal) | Modal price (Rs/quintal) |
|------|-------------------|----------------------------|----------------------------|--------------------------|
| 3    | 3248              | 1965                       | 2007                       | 1983                     |
| 4    | 2378              | 1609                       | 2020                       | 2013                     |
| 8    | 2660              | 1895                       | 2048                       | 2041                     |
| 9    | 2354              | 1689                       | 2061                       | 2054                     |
| 10   | 1180              | 1975                       | 2074                       | 2021                     |
| 12   | 1794              | 2074                       | 2153                       | 2121                     |
| 15   | 3259              | 1651                       | 2165                       | 2135                     |
| 16   | 3010              | 2030                       | 2183                       | 2134                     |
| 17   | 2280              | 1985                       | 2172                       | 2143                     |
| 18   | 2852              | 2039                       | 2191                       | 2139                     |
| 22   | 2952              | 1801                       | 2139                       | 2087                     |
| 23   | 1684              | 1951                       | 2120                       | 2069                     |
| 24   | 1750              | 1619                       | 2099                       | 2055                     |
| 25   | 1559              | 1688                       | 2107                       | 2029                     |
| 26   | 2197              | 1800                       | 2115                       | 2019                     |
| 29   | 3086              | 1759                       | 2071                       | 2016                     |

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

Maize modal price at Kesamudram market ranged between Rs. 1983-2139 per quintal during April 2019. The central government has increased the minimum support price of maize for the year 2018-19 by 19.3% from Rs. 1425 to Rs. 1700 per quintal. Due to demand from feed makers and unfavorable weather conditions, maize market prices ruling above MSP.

### Maize Price Outlook

Corn prices on CBOT fall by 1.28 USD/MT to 139.07 USD/MT for May 2019 contract compared to last month due to high U.S corn ending stock estimates. It is likely to trade firm on the concern over yield loss due to delay in spring planting on the forecasts for more rain throughout this week in U.S Midwest. However, competition from South America could weigh on market sentiments.

In Nizamabad region, maize is likely to trade steady to range bound in the near term despite new crop arrival pressure as demand from Hyderabad feed makers is supporting the market. Maize is moving towards Hyderabad at Rs. 2250 per quintal. Good quality maize could trade steady to slightly weak during the month of May 2019 due to crop arrival pressure from Bihar but in a long run; it would trade firm amid high feed makers demand.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1800-1950 per quintal during the month of May, 2019.