

Maize Outlook – August 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 45.99 MMT in 2018-19 marketing year. At 0.70 MMT (for the period 19th July - 25th July, 2019) US corn exports were up 22 percent from the previous week and 5 percent from the prior 4-week average. In U.S, Corn has been silked 58% as of 28th July, 2019 which is lower by 35.56% compared to last year and 30.12% from last 5 year average period. It has been dough 13% as of 28th July, 2019. 58% crop of Corn is in good to excellent condition.

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	363.5	336.1	317.5
Production	1091.6	1125.8	1118
Imports	152.4	161.9	161.5
Total Availability	1455.1	1461.9	1435.4
Food	124.5	127.4	128
Industrial	654.2	673.3	673.6
Feed	302.9	304.1	310.1
Others	37.4	39.6	39.5
Total Consumption	1118.9	1144.5	1151.2
Exports	152.4	161.9	161.5
Ending Stocks	336.1	317.5	284.3

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	1.3
Production	28.7	27.8	28.4
Imports	-	0.5	-
Total Availability	30.6	30.3	29.7
Food	6.9	7	7
Feed	14.7	15.5	15.2
Industrial	4.7	4.8	5
Other	1.3	1.3	1.2
Total Consumption	27.6	28.6	28.4
Exports	0.9	0.5	0.4
Ending Stocks	2	1.3	0.9

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

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

Market	2019-July	2019-June	2018-July	%Change from Prev. Month	%Change from Prev. Year
Delhi	2082	1956	1278	6.05	38.62
Devangere (Bilty Price)	2350	2350	1333	Unchanged	43.28
Shimoga	2549	2275	1429	10.75	43.94
Bagalkot	2161	2147	1308	0.65	39.47
Gadag	2101	2085	1248	0.76	40.60
Nizamabad	2336	2165	1338	7.32	42.72
Khanna	1919	1862	1215	2.97	36.69
Sangli (NCDEX Quality)	2534	2376	1509	6.24	40.45
Gulabghat (NCDEX Quality)	2155	1852	1169	14.06	45.75
Naugachia	2096	1767	1107	15.70	47.19
Erode (NCDEX Quality)	2610	2392	1464	8.35	43.91

Source: www.agriwatch.com

In India, kharif maize has been sown in around 69.27 lakh hectares as on 02nd August'19 which is higher than 69.03 lakh hectares covered during corresponding period of last year. Major maize growing states are Madhya Pradesh (15.01 lakh ha), Karnataka (8.89 lakh ha), Rajasthan (8.61 lakh ha), Uttar Pradesh (7.01 lakh ha), Bihar (3.58 lakh ha), Telangana (3.31 lakh ha), Jammu & Kashmir (1.96 lakh ha), Punjab (1.44 lakh ha) and Andhra Pradesh (0.61 lakh ha). Maize crops are at sowing to vegetative stage. Pests and diseases reported nil till date.

In Telangana, it has been sown in 3.44 lakh hectares as on 07th August'19 which is lower than 4.31 lakh hectares covered during corresponding period of last year. Maize crop is at vegetative stage. Fall army worm is below ETL level in Mahaboobnagar, Gadwal and Khammam districts. In A.P, maize has been sown in around 0.61 lakh hectares as on 31st July'19 which is lower than 0.71 lakh hectares covered during corresponding period of last year.

As per trade information, in Madhya Pradesh, soybean farmers in the Betul- Chhindwara belt have moved to maize this year because of better returns. The Government has increased the MSP of Maize by Rs. 60 per quintal i.e., from Rs. 1700 to Rs. 1760 for 2019-20 kharif season.

Table 4: Maize arrivals and prices in Warangal Market for the month of July 2019

Date	Arrival (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	31	1986	2231	2112
3	55	2154	2375	2322
4	15	2212	2361	2354
5	27	2366	2416	2396
6	6	2392	2401	2401
8	6	2326	2390	2351
9	22	2402	2452	2421
10	18	2061	2461	2452
11	2	1522	2252	2252
15	21	2254	2426	2336
16	8	2352	2396	2396
17	13	2100	2421	2366
18	21	2000	2430	2421
19	51	1550	2438	2259
22	21	2251	2396	2321
23	17	2256	2335	2335
24	5	2251	2351	2351
25	12	2159	2366	2366

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

Maize modal price at Choppadandi market ranged between Rs. 2112 – 2452 per quintal during July 2019. Maize market prices are ruling above MSP due to increased demand from feed makers and unfavorable weather conditions.

Maize Price Outlook

Corn on CBOT fall by 5.90 USD/MT to 157.28 USD/MT for September'19 contract compared to previous week. However, it could trade firm on the expectation of increase in export demand for U.S corn.

As per trade sources, India exported around 35,016 MT of maize for the month of May'19 at an average FoB of \$288.95/ MT. Indian maize is exported mainly to Nepal through Raxaul followed by Jogbani ICD and Sonauli ICD port. India imported around 15,169 MT of maize for the month of June'19. Out of which, around 13,328 MT was imported from Ukraine for the Kandla port at an average value of \$215.16/ MT.

In Nizamabad, maize is moving towards Hyderabad at Rs.2550--2575 per quintal. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.2150 per quintal. Maize is moving towards Haryana at Rs. 2300 per quintal and U.P at Rs. 2200 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1950-2150 per quintal during the month of August, 2019.