

Maize Outlook – December 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 5.21 MMT in the 2019-20 marketing year. At 0.67 MMT (for the period 08th November - 14th November, 2019) US corn exports were up by 12% from the previous week mainly for the destinations like Mexico (375,000 MT), Colombia (134,900 MT), Japan (71,400 MT), Costa Rica (32,800 MT), and Panama (22,900 MT). In U.S, 76% of Corn was harvested as of 17th November, 2019 which is lower by 13% compared to last year.

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	366.6	338.9	317.9
Production	1091.4	1131.0	1102.8
Imports	153.3	164.6	168.1
Total Availability	1458.1	1469.9	1420.7
Food	126.2	128.7	129.0
Industrial	302.8	301.7	306.9
Feed	653.2	679.9	667.8
Others	37	41.7	38.1
Total Consumption	1119.2	1152.0	1141.8
Exports	153.3	164.6	168.1
Ending Stocks	338.9	317.9	278.9

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	2.0	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://igc.int/en/default.aspx>

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

Market	2019-Nov	2019- Oct	2018-Nov	% Change from Prev. Month	% Change from Prev. Year
Delhi	2025	2100	1550	-3.70	23
Devangere (Bilty price)	1700	1900	Closed	-11.76	NA
Shimoga	1700	2250	NA	-32.35	NA
Bagalkot	1860	1890	1518	-1.61	18
Gadag	1620	1926	1472	-18.89	9
Nizamabad	2050	2250	1510	-9.76	26
Khanna	NA	NA	NA	NA	NA
Sangli (NCDEX Quality)	1831	2324	1554	-26.93	15
Naugachia	2075	2100	1550	-1.20	25
Ranebennur	NA	2100	1500	NA	NA
Ahmedabad	2080	2150	1650	-3.37	21

Source: www.agriwatch.com

In India, rabi maize has been sown in around 6.30 lakh hectares as on 28th November 2019 which is lower than 7.15 lakh hectares covered during corresponding period of last year. Major maize growing states are Tamilnadu (1.22 lakh ha), Bihar (1.87 lakh ha), West Bengal (0.410 lakh ha), Maharashtra (0.459 lakh ha), Gujarat (0.501 lakh ha), Telangana (0.260 lakh ha) and Andhra Pradesh (0.180 lakh ha).

In Telangana, it has been sown in 35476 hectares as on 04th December 2019 which is lower than 68531 hectares covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 0.180 lakh hectares as of 28th November 2019 which is lower than 0.560 lakh hectares covered during corresponding period of last year.

As per trade sources, India exported around 11,343 MT of maize for the month of September'19 at an average FoB of \$326.99/ MT. Out of which, around 8,040 MT of Indian maize was exported mainly to Nepal through Jogbani ICD followed by Sonauli ICD and Bhimnagar port. India imported around 36,982 MT of maize for the month of October'19. Out of which, around 27,200 MT was imported from Ukraine for the Kandla port at an average value of \$197.50 USD/MT. Meanwhile, around 9,782 MT was imported from Myanmar for the Chennai and Tuticorin port at an average value of \$263.18/ MT.

Table 4: Maize arrivals and prices in Kesamudram Market in the month of November 2019

Date	Arrivals (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	4516	1502	1935	1835
4	9780	1456	1915	1801
5	6729	1421	1855	1735
6	6602	1359	1852	1728
7	5531	1320	1821	1719
8	4261	1370	1825	1738
11	5781	1332	1817	1739
13	4523	1401	1827	1766
14	4273	1349	1818	1739
15	3812	1331	1802	1739
18	3940	1333	1811	1681
19	3004	1339	1768	1711
20	1983	1303	1788	1726
21	2230	1435	1796	1728
22	1760	1311	1813	1742
24	1425	1555	1826	1741
26	1001	1450	1919	1888
28	590	1403	1910	1889
29	525	1600	1919	1860

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

Maize modal price at Kesamudram market ranged between Rs. 1681 - 1889 per quintal during November 2019. Maize market prices are ruling above MSP due to increased demand from feed makers.

Maize Price Outlook

Corn on CBOT fall by 2.86 USD/MT to 145.07 USD/MT for December'19 contract compared to previous week. However, it could trade firm on the expectation of increase in demand for U.S corn. At 0.67 MMT US corn exports were up by 12 percent from the previous week and 41 percent from the prior 4-week average.

In Devangere area of Karnataka, due to cloudy weather, maize arrivals are still containing moisture up to 30%. Also size of grain is medium; being traded in a range of Rs. 1450-1700 per quintal. In Nizamabad, maize is trading weak due to arrival pressure. However, feed makers demand could support the market at lower level. Due to recent rains, maize arrivals are containing moisture up to 18%, fungus 5% and damaged grains around 10-15%. Maize is moving towards Hyderabad at Rs. 2150-2200 per quintal while, it is being bought by local starch feed makers at Rs. 1800 per quintal. Maize which contains 6% fungus and 2% maize dust, being loaded for Vijayawada region of Andhra Pradesh at Rs. 1850-1870 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1600-1850 per quintal during the month of December, 2019.