

Maize Outlook – October 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 1.61 MMT in 2019-20 marketing year. At 0.46 MMT (for the period 20th - 26th September, 2019) US corn exports were up 64.32 percent from the previous week. The destinations were primarily to Mexico (275,600 MT), Japan (138,900 MT), Taiwan (14,400 MT), Canada (11,700 MT), and Colombia (9,200 MT).

In U.S., Corn has been dented by 88% as of 29th September, 2019 which is lower by 12% compared to last year and 10% from last 5 year average period. Corn has matured 43% and harvested 11%. However, 57% crop of Corn is in good to excellent condition which is same compared to last week.

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

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	362.6	335.4	323.8
Production	1090.4	1129.3	1100.0
Imports	153.3	164.6	164.1
Total Availability	1453.0	1465.6	1423.8
Food	124.9	127.5	128.0
Industrial	302.9	303.3	309.1
Feed	653.3	669.6	664.2
Others	36.5	40.5	38.2
Total Consumption	1117.6	1140.8	1139.4
Exports	153.3	164.6	164.1
Ending Stocks	335.4	323.8	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	1.4
Production	28.7	27.2	28.4
Imports	-	0.5	-
Total Availability	30.6	29.8	29.8
Food	6.9	7	7
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	1.4	1.0

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

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

Market	2019-Sep	2019-Aug	2018-Sep	% Change from Prev. Month	% Change from Prev. Year
Delhi	2118	2153	1385	-1.63	52.92
Devangere (Bilty Price)	2348	2380	1500	-1.34	56.53
Shimoga	2453	2494	1452	-1.64	68.94
Bagalkot	1993	2151	1381	-7.35	44.32
Gadag	1953	NA`	1146	NA	70.42
Nizamabad	2333	2433	1405	-4.11	66.05
Khanna	1922	1933	1275	-0.57	50.75
Sangli (NCDEX Quality)	2551	2546	1596	0.20	59.84
Gulabgh (NCDEX Quality)	2117	2175	1339	-2.67	58.10
Naugachia	2087	2122	1294	-1.65	61.28
Erode (NCDEX Quality)	2542	2613	1622	-2.72	56.72

Source: www.agriwatch.com

In India, kharif maize has been sown in around 81.91 lakh hectares as on 27th September 2019 which is higher than 79.94 lakh hectares covered during corresponding period of last year. Major maize growing states are Madhya Pradesh (15.42 lakh ha), Karnataka (12.15 lakh ha), Rajasthan (8.84 lakh ha), Uttar Pradesh (7.38 lakh ha), Bihar (3.96 lakh ha), Telangana (3.92 lakh ha) Jammu & Kashmir (1.97 lakh ha), Punjab (1.60 lakh ha) and Andhra Pradesh (0.91 lakh ha).

In Telangana, it has been sown in 3.92 lakh hectares as on 25th September 2019 which is lower than 4.62 lakh hectares covered during corresponding period of last year. Maize sown area is 78% to season normal and its sowing is almost completed. Maize crops are at tasselling to cob formation stage. Fall army worm and locust is below ETL level in Mahbubnagar, Gadwal, Jangaon, Siddipet, Medak and Khammam districts. In Andhra Pradesh, maize has been sown in around 0.91 lakh hectares as of 25th September 2019 which is lower than 0.99 lakh hectare covered during corresponding period of last year.

As per trade information, in Mahbubnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in Jangoan district; crop yield could be affected around 5-10%. In Hubli, Dharbad and Belgaum districts of Karnataka the crop loss due to heavy rainfall could be around 15 to 20%. While the same in Shimoga, Bagalkot and

Bijapur districts could be around 5%. In Sangli region of Maharashtra, around 15% crop loss could be due to floods, while in Aurangabad around 5-10% yield could be affected due to dry spell.

Table 4: Maize arrivals and prices in Nizamabad Market in the month of September 2019

Date	Arrival (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
5	5	2282	2282	2282
9	31	1459	1459	1459
11	61	1601	1625	1601
14	68	1461	2051	1461
16	42	1350	2121	1700
17	26	1359	2159	2075
18	136	1681	2161	2018
19	435	1300	2151	1959
20	214	1349	2025	2012
23	653	1307	2121	1856
24	807	1347	2136	1966
25	1203	1317	2181	1921
26	1640	1316	2152	1832
27	1603	1309	2160	1859

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

Maize modal price at Nizamabad market ranged between Rs. 1452 - 2282 per quintal during September 2019. Maize market prices are ruling above MSP due to increased demand from feed makers.

Maize Price Outlook

Corn on CBOT fall by 0.10 USD/MT to 146.65 USD/MT for December 2019 contract compared to previous week due to decrease in demand for U.S corn. Further, price direction depends on the demand for U.S corn. At 0.28 MMT US corn exports were down 39.01 percent from the previous week.

As per trade sources, India exported around 21,443 MT of maize for the month of July 2019 at an average FoB of \$330.05 / MT. Out of which, around 18,273 MT Indian maize was exported mainly to Nepal through Jogbani ICD followed by Raxaul and Sonauli ICD port. As per trade sources, India imported around 13,752 MT of maize for the month of July 2019. Out of which, around 11,958 MT was imported from Ukraine for the Kandla port at an average value of \$207.31/ MT.

In Nizamabad, new crop arrivals which are lower in quantity and contain 17 - 22% moisture are being traded in a range of Rs. 1500-2100 per quintal (loose price). Maize is moving towards Hyderabad at Rs. 2450 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1750-1950 per quintal during the month of October, 2019.