

Maize Outlook – September 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 48.54 MMT in the 2018-19 marketing year. At 0.61 MMT (for the period 16th - 22nd August, 2019) US corn exports were up 13 percent from the previous week but down 8 percent from the prior 4-week average. In U.S, Corn has been dough 81% as of 01st September, 2019 which is lower by 14% compared to last year and 12% from last 5 year average period. It has dented 41% as of 01st September, 2019 which is lower by 32% compared to last year and 22% from last 5 year average period. Corn has matured 6% as of 01st September, 2019. However, 58% crop of Corn is in good to excellent condition which is 1% higher than previous 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	335.5	322.3
Production	1090.4	1130.4	1091.8
Imports	153.3	164.5	163.1
Total Availability	1453.0	1465.8	1414.1
Food	124.9	127.6	127.8
Industrial	302.9	303.1	308.7
Feed	653.2	672.3	666.4
Others	36.5	40.7	38.5
Total Consumption	1117.5	1143.7	1141.5
Exports	153.3	164.5	163.1
Ending Stocks	362.6	335.5	322.3

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-Aug	2019-July	2018-Aug	%Change from Prev. Month	%Change from Prev. Year
Delhi	2153	2082	1372	3.41	56.92
Devangere (Bilty Price)	2380	2350	1390	Unchanged	71.22
Shimoga	2494	2549	1402	-2.16	77.89
Bagalkot	2151	2161	1300	-0.46	65.46
Gadag	NA`	2101	1265	-	-
Nizamabad	2433	2336	1325	4.15	83.62
Khanna	1933	1919	1281	0.73	50.90
Sangli (NCDEX Quality)	2546	2534	1251	0.47	103.52
Gulabgh (NCDEX Quality)	2175	2155	1226	0.93	77.41
Naugachia	2122	2096	1190	1.24	78.32
Erode (NCDEX Quality)	2613	2610	1545	0.11	69.13

Source: www.agriwatch.com

In India, kharif maize has been sown in around 79.64 lakh hectares as on 06th September 2019 which is higher than 77.73 lakh hectares covered during corresponding period of last year. Major maize growing states are Madhya Pradesh (15.45 lakh ha), Karnataka (11.55 lakh ha), Rajasthan (8.84 lakh ha), Uttar Pradesh (7.38 lakh ha), Bihar (3.98 lakh ha), Telangana (3.79 lakh ha) Jammu & Kashmir (1.97 lakh ha), Punjab (1.60 lakh ha) and Andhra Pradesh (0.85 lakh ha).

In Telangana, it has been sown in 3.79 lakh hectares as on 04th September 2019 which is lower than 4.60 lakh hectares covered during corresponding period of last year. Maize sown area is at 73% of season normal and its sowing is almost completed. Maize crop is at vegetative stage. Fall army worm is below ETL level in Mahbubnagar, Gadwal, Jangoan, Khammam, Rangareddy and Siddipet districts. In Andhra Pradesh, maize was sown in around 0.85 lakh hectares as of 04th September 2019 which is lower than 0.95 lakh hectare covered during corresponding period 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, Dharwad and Blgaum 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%.

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

Date	Arrival (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	2	2350	2350	2350
3	3	2266	2266	2266
5	4	2221	2301	2231
6	3	2200	2311	2311
8	2	2110	2110	2110
9	15	1525	2339	2269
13	17	2211	2381	2321
14	1	2251	2251	2251
16	3	2323	2323	2323
19	23	2311	2386	2381
20	15	2225	2375	2351
21	15	2211	2316	2300
22	7	2339	2339	2339
23	31	2285	2322	2322
26	8	1959	2125	2059
27	47	1959	2345	2259
28	3	2155	2155	2155
29	12	2159	2309	2166

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

Maize modal price at Warangal market ranged between Rs. 2110 – 2381 per quintal during August 2019. Maize market prices are ruling above MSP due to increased demand from feed makers and unfavorable weather conditions.

Maize Price Outlook

Corn prices on CBOT fall by 15.94 USD/MT to 157.57 USD/MT for September 2019 contract compared to last month as USDA increased its world corn ending stock estimates; driven by upward production forecast for U.S. Further, price direction depends on the export demand for U.S corn.

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 of Indian maize was exported mainly to Nepal mainly 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 in Kandla port at an average value of \$207.31/ MT.

In Nizamabad region, maize is trading firm compared to corresponding period of last year and previous month due to high feed makers demand amid low carry forward stock. Despite the new crop is expected from mid of September; it would trade weak after mid of October; at the time of peak arrival. Maize is moving towards Hyderabad at Rs. 2550 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 2050-2200 per quintal during the month of September, 2019.