

## Maize Outlook – July 2020

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 33.88 MMT in the 2019-20 marketing year. At 1.44 MMT (for the period 19<sup>th</sup> June- 25<sup>th</sup> June, 2020) US corn exports were up 10 percent from the previous week and 21 percent from the previous 4-week average; mainly for the destinations like Japan (456,700 MT), Mexico (283,400 MT), South Korea (173,300 MT), China (144,300 MT), and Colombia (101,600 MT). It expects that increase in export demand for U.S corn could give support to CBOT corn market. In U.S, 73% crop of corn is in good to excellent condition, up 1 percentage points from last week due to favorable weather in U.S Midwest.

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

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	340.5	322.8	299.1
Production	1128.9	1116.9	1171.6
Imports	164.8	169.1	174.8
Total Availability	1469.4	1439.7	1470.7
Food	127.8	129.4	130.3
Feed	675.2	680.8	698.5
Industrial	303.9	291.9	306.7
Others	39.7	38.6	39.2
Total Consumption	1146.6	1140.7	1174.6
Exports	164.8	169.1	174.8
Ending Stocks	322.8	299.1	296.1

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

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

	2018/19 (Estimated)	2019/20 (Forecast)
Opening Stocks	2.5	1.42
Production	22.72	28.98
Imports	0.21	0.28
Total Supply	25.43	30.68
Export	0.58	0.38
Domestic Consumption	23.43	22.62
Total Demand	24.01	23.00
Ending Stock	1.42	7.68
Monthly Use	2	1.92
Stock to Use Ratio	5.92%	17.72%

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

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

Market	2020-June	2020-May	2019-June	% Change from Prev. Month	% Change from Prev. Year
Delhi	1350	1382	1956	-2.32	-30.98
Davangere (Bilty Prices)	1435	1356	2350	5.83	-38.94
Shimoga	1300	1376	2275	-5.52	-42.86
Bagalkot	1344	1299	2147	3.46	-37.40
Gadag	1425	1349	2085	5.63	-31.65
Nizamabad	1327	NA	1966	-	-32.50
Khanna	1146	1327	1862	-13.64	-38.45
Sangli (NCDEX Quality)	1489	NA	2376	-	-37.33
Gulabgh (NCDEX Quality)	1250	1229	1852	1.71	-32.51
Naugachia	1188	1206	1767	-1.49	-32.77
Erode (NCDEX Quality)	1587	NA	2392	-	-33.65

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

In India, kharif maize has been sown in around 45.58 lakh hectares (112.63 lakh acres) as on 03<sup>rd</sup> July 2020 which is higher than 23.27 lakh hectares (57.50 lakh acres) covered during corresponding period of last year. Major maize growing states are Madhya Pradesh 10.84 lakh ha (26.79 lakh acres), Maharashtra 6.23 lakh ha (15.39 lakh acres), Rajasthan 5.01 lakh ha (12.38 lakh acres), Karnataka 4.90 lakh ha (12.11 lakh acres), Uttar Pradesh 3.45 lakh ha (8.53 lakh acres), Himachal Pradesh 2.90 lakh ha (7.17 lakh acres), Bihar 2.64 lakh ha (6.52 lakh acres), Jammu Kashmir 1.78 lakh ha (4.40 lakh acres) and Telangana 0.16 lakh ha (0.40 lakh acres) as of 03<sup>rd</sup> July 2020.

In Telangana, it has been sown in 16212 hectares (40061 acres) as on 01<sup>st</sup> July 2020 which is lower than 0.59 lakh hectares (1.46 lakh acres) covered during corresponding period of last year. The major growing districts are Kamareddy 5509 ha (13613 acres), Nizamabad 4085 ha (10095 acres), Jagityal 1915 ha (4732 acres) and Nirmal 1475 ha (3644 acres).

As per trade sources, India exported around 19,934 MT of maize for the month of May'20 at an average FoB of \$205.76/ MT. Out of which, around 15,364 MT Indian maize was exported mainly to Nepal at an average FoB of \$193.74/MT; mainly through Raxaul followed by Sonauli ICD, Jogbani ICD and Nepalgunj Road port.

Imports for the month of May'20 were nil due to low prevailing maize prices in Indian markets. India has authorized imports of 5 lakh ton Non-GM Maize (other than seed quality) at a concessional custom duty of 15% under TRQ Scheme for end users in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets

due to demand reduction from poultry feed industry on the fear of corona virus. But it could limit the firmness in long run.

**Table 4: Maize arrivals and prices in WarangalMarket for the month of June 2020**

Date	Arrival (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	168	1,055	1,357	1,260
3	80	1,225	1,339	1,303
4	98	1,287	1,357	1,305
5	53	1,269	1,352	1,339
6	27	1,305	1,356	1,322
8	48	1,102	1,352	1,334
9	32	1,155	1,389	1,371
10	51	1,341	1,392	1,372
11	11	1,416	1,416	1,416
12	17	1,155	1,413	1,408
13	9	1,055	1,422	1,403
15	60	1,055	1,422	1,341
16	46	1,155	1,429	1,366
17	46	1,009	1,458	1,386
18	56	1,055	1,462	1,456
19	24	1,436	1,471	1,459
20	17	1,452	1,472	1,462
22	53	1,211	1,473	1,468
23	32	1,439	1,475	1,467
24	33	1,155	1,472	1,452
25	26	1,339	1,476	1,421
26	24	1,409	1,476	1,421
27	6	1,469	1,478	1,469
29	26	1,159	1,479	1,442

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

### Maize Price Outlook

Corn on CBOT rose by 6.00 USD/MT to 133.26 USD/MT for July'20 contract compared to previous month due to increase in demand for U.S corn. However, higher corn production prospects in U.S could limit the firmness.

Maize cash markets traded mixed during the month of Jun'20 compared to previous month but weak compared to corresponding period of last year due to sluggish demand from poultry feed industry in the wake of corona virus and new crop arrivals. For the month of July'20, it expects that maize would trade steady to range bound amid limited demand and supply.

In U.P, starch feed makers are buying maize at Rs.1350 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal while it is being delivered to Hyderabad at Rs.1450 per quintal.

Maize is moving towards Bangalore at Rs. 1600 per quintal (delivered price); sourced from Devangere region of Karnataka. In Karnataka, harvesting of rabi crop of maize has been completed while Kharif acreage is likely to be slightly higher than last year as farmers would prefer less labour intensive crops. It expects that maize in Karnataka would trade in a range of Rs. 1300-1480 per quintal (loose price) during the month of July'20 amid sluggish feed makers demand.

In Bihar, despite the local stockiest demand and export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1200-1250 per quintal (Bilty Price). Recent rains in Bihar have affected the arrival quality. It is expected that maize would trade steady to range bound in near term. It expects that maize would trade in a range of Rs. 1200-1330 per quintal in Bihar during the month of July'20 amid limited demand and arrival.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in price range of Rs. 1340 - 1450 quintal during the month of July, 2020.