

Maize Outlook – November 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 have reached 6.13 MMT in the 2020-21 marketing year. At 0.73 MMT (for the period 16th Oct – 22nd Oct, 2020) US corn exports were down 18 percent from the previous week and 14 percent from the prior 4- week average; mainly for the destinations like Mexico (253,200 MT), China (134,100 MT), Colombia (80,000 MT), Japan (71,400 MT), and Guatemala (62,300 MT). It expects that increase in export demand for U.S corn in near term would support to CBOT corn. However, new crop arrivals could limit the gain. In U.S, 72% of crop has been harvested as of 25th October'20, up 34 percentage points from corresponding period of last year.

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

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	344.3	326.8	296.5
Production	1129.2	1123.6	1155.5
Imports	164.6	173.4	179.9
Total Availability	1473.5	1450.4	1452
Food	127.3	130.3	131.4
Feed	673.7	691.7	699.7
Industrial	304.3	293.7	303.1
Others	41.4	38.2	39
Total Consumption	1146.8	1153.9	1173.2
Exports	164.6	173.4	179.9
Ending Stocks	326.8	296.5	278.8

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	6.42
Production	27.72	28.64
Imports	0.21	0.33
Total Supply	30.43	35.39
Export	0.58	0.84
Domestic Consumption	23.43	22.62
Total Demand	24.01	23.46
Ending Stock	6.42	11.93
Monthly Use	2	1.96
Stock to Use Ratio	5.92%	15.62%

Source: www.agriwatch.com

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

Market	2020-September	2020-August	2019-September	% Change from Prev. Month	% Change from Prev. Year
Delhi	1290	1246	2118	3.53	-39.09
Devangere (Bilty Prices)	1385	1345	2348	2.97	-41.01
Shimoga	1339	1339	2453	Unchanged	-45.41
Bagalkot	1203	1253	1993	-3.99	-39.64
Gadag	1107	1235	1953	-10.36	-43.32
Nizamabad	1300	1300	2135	Unchanged	-39.11
Khanna	1148	1135	1922	1.15	-40.27
Sangli (NCDEX Quality)	1460	1442	2551	1.25	-42.77
Gulabgh (NCDEX Quality)	1335	1247	2117	7.06	-36.94
Naugachia	1243	1198	2087	3.76	-40.44
Erode (NCDEX Quality)	1556	1526	2542	1.97	-38.79

Source: www.agriwatch.com

In India, kharif maize has been sown in around 82.71 lakh hectares (204.37 lakh acres) as on 18th September 2020 which is higher than 81.19 lakh hectares (200.62 lakh acres) covered during corresponding period of last year. Major maize growing states are Madhya Pradesh 15.38 lakh ha (38 lakh acres), Karnataka 13.91 lakh ha (34.37 lakh acres), Rajasthan 9.34 lakh ha (23.08 lakh acres), Maharashtra 8.81 lakh ha (21.77 lakh acres), Uttar Pradesh 7.41 lakh ha (18.31 lakh acres), Bihar 3.99 lakh ha (9.86 lakh acres), Himachal Pradesh 2.90 lakh ha (7.17 lakh acres), Jammu Kashmir 2.08 lakh ha (5.14 lakh acres) and Telangana 0.89 lakh ha (2.20 lakh acres).

In Telangana, it has been sown in 91200 hectares (2.25 lakh acres) as on 30th September 2020 which is lower than 4.09 lakh hectares (10.11 lakh acres) covered during corresponding period of last year. The major growing districts are Kamareddy 13500 ha (33358 acres), Jagityal 12472 ha (30818 acres), Mahabubabad 9726 ha (24034 acres), Rangareddy 9020 ha (22290 acres) and Nizamabad 8673 ha (21431 acres).

As per trade sources, India exported around 2,23,781 MT of maize in the month of September'20 at an average FoB of \$185.51/ MT, out of which, 1,67,774 MT was exported to Bangladesh at an average FoB of \$190.82/MT and around 52,112 MT was exported to Nepal at an average FoB of \$178.60/MT.

Table 4: Maize arrivals and prices in Kesamudram Market for the month of October 2020

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	875	1,019	1,375	1,218
5	7,793	1,005	1,361	1,259
6	1,960	1,001	1,297	1,185
7	3,919	1,001	1,311	1,188
8	1,693	1,001	1,321	1,280
9	1,729	1,000	1,326	1,245
12	1,444	1,009	1,333	1,321
13	683	1,009	1,329	1,121
14	695	1,008	1,354	1,256
15	1,910	1,009	1,358	1,180
19	3,884	1,001	1,342	1,275
20	2,280	1,039	1,329	1,229
21	1,142	1,005	1,326	1,274
22	851	1,016	1,327	1,260
28	449	1,009	1,421	1,209

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

India has authorized imports of up to 5 lakh tonnes of 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 destruction from poultry feed industry on the fear of corona virus, hence there has been negligible imports. But it could limit the upside in the long run.

Maize Price Outlook

Corn on CBOT fell by 8.17 USD/MT to 156.88 USD/MT for December'20 contract compared to previous week. It expects that increase in export demand for U.S corn in near term would support to CBOT corn.

Maize cash markets showed steady to firm sentiments compared to the previous week due to fresh feed makers and stockiest demand. It expects that maize would trade steady to slightly firm ahead as demand for good quality material has increased. Announcement by Telangana government to procure the entire quantity of maize would also support the market to trade firm ahead. However, crop arrival pressure in coming weeks could limit the gain.

In Bihar, maize is being traded at Rs. 1350-1460 per quintal (Bilty Price). It is being delivered to U.P and Kolkata at Rs.1400-1500 per quintal each; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1500 per quintal; sourced from Nizamabad region.

In Nizamabad, new crop arrivals contain moisture of up to 22% and damaged up to 7% while in Warangal region, it contains damaged up to 20%. In Karnataka, crop arrivals contain moisture of up to 20%.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in price range of Rs. 1350 - 1550 quintal during the month of November, 2020.