

Maize Outlook – September 2018

International Grain Council increased its global corn production forecast by 19.5 MMT to 1064.4 MMT compared to previous year (1044.9 MMT). Forecast for global corn ending stocks was also increased by 4.3 MMT to 255 MMT compared to last year, 2017-18.

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

	2016/17 (Estimated)	2017/18 (Forecast)	2018/19 (Projected)
Opening Stocks	287.4	330.1	297.4
Production	1087.3	1044.9	1064.4
Imports	137.8	151.3	155.8
Total Availability	1374.7	1375	1361.9
Food	119.3	121.4	123.1
Feed	603.9	623.7	640.8
Industrial	279.9	295.8	303.9
Other	41.5	36.7	37.7
Total Consumption	1044.6	1077.6	1105.5
Exports	137.8	151.3	155.8
Ending Stocks	330.1	297.4	256.4

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

In U.S, corn crop has matured 22% as of 2nd September, 2018, which is higher by 11% compared to corresponding period last year. 67% of corn is in good to excellent condition, lower by 1% compared to last week but higher by 6% compared to corresponding period last year.

In India, maize has been sown in around 77.83 lakh hectares as on 31st August 2018 which is lower than 77.94 lakh hectares covered during corresponding period last year. In Karnataka, it has been sown in 11.41 lakh hectares which is higher than 10.98 lakh hectares covered during corresponding period last year. In Madhya Pradesh it has been sown in 13.36 lakh hectares which is higher than 13.17 lakh hectares during corresponding period last year. In Rajasthan, it has been sown in 8.71 lakh hectares which is higher than 8.56 lakh hectares covered during corresponding period last year.

Table 2: International Grain Council's Indian Corn Projections (million tonnes)

	2016/17 (Estimated)	2017/18 (Forecast)	2018/19 (Projected)
Opening Stocks	1.2	1.8	1.3
Production	25.9	27.1	26.5
Imports	0.1	-	0.1
Total Availability	27.2	29	27.9
Food	6.8	6.8	6.9
Feed	12.4	14.2	13.6
Industrial	4.5	4.7	4.7
Other	1.1	1.3	1.2
Total Consumption	24.9	27	26.4
Exports	0.5	0.7	0.5
Ending Stocks	1.8	1.3	1.0

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

International Grain Council projected Indian corn production forecast as 26.5 MMT for 2018/19 as compared to 27.1 MMT during previous year. As per 3rd advanced estimates of Government of India, maize production is about 26.88 million tonnes during 2017-18 which was a record production.

In Telangana, maize has been sown in around 4.60 lakh hectares as on 5th September 2018 which is higher than 4.49 lakh hectares covered during corresponding period last year. Sowing of maize is completed and it is at tasseling stage. Current sowing stands at 86% to season normal. There is report of fall army worm pest attack in the Karimnagar, Siricilla, Jagitial, Khammam, Nizambad, Kamareddy, Mahabubnagar, Nagarkurnool, Gadwal, Medak, Sangareddy, Siddipet, Warangal, Jangaom, Mahabubabad and Vikarabad districts.

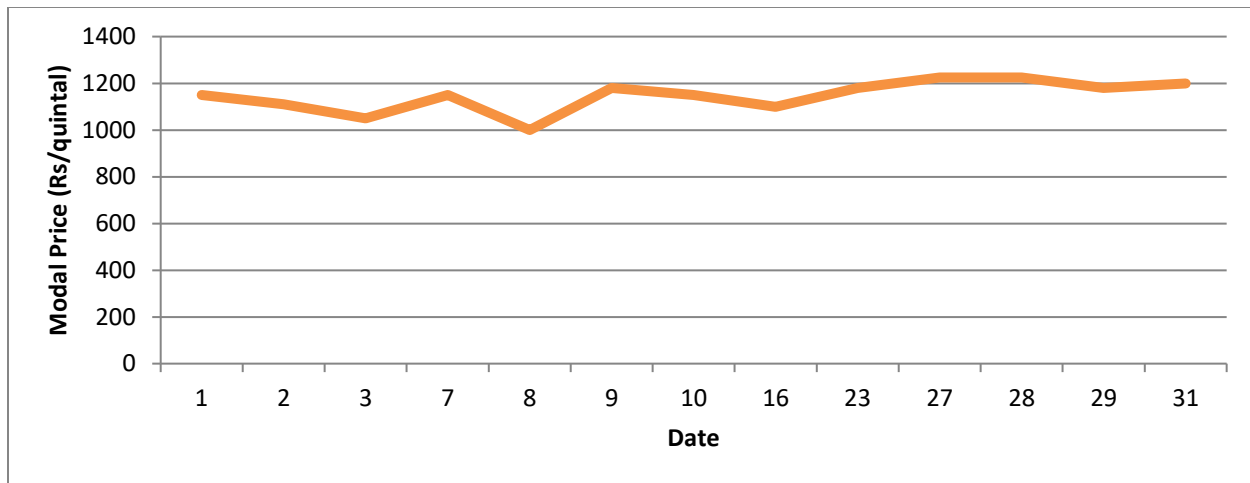
Government has released Fourth Advance Estimates of Production of Food grains for 2017-18 on 28th August 2018. Maize production target (Kharif+Rabi) had been set at 26 million tons. Final estimate for Maize has been pegged at 28.72 million tons for 2017-18, up by 2.82 million tons from 4th Advance Estimate for 2016-17.

Table 3: Prices and Arrivals of Maize at Khammam Market in the Month of August 2018

Date	Arrivals	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	5.9	1100	1190	1150
2	0.9	1110	1110	1110
3	2	900	1150	1050
7	1.7	1100	1180	1150
8	1.7	900	1100	1000
9	0.1	1180	1180	1180
10	0.7	1100	1190	1150
16	1.2	1100	1200	1100
23	1.4	1175	1225	1180
27	0.3	1225	1225	1225
28	0.3	1225	1225	1225
29	3.4	1180	1225	1180
31	0.5	1200	1200	1200

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Maize modal price at Khammam market ranged between Rs.1000 – 1225 per quintal during August 2018. The central government has increased the minimum support price of maize for the year 2018-19 by 19.3% from Rs.1425 to Rs.1700 per quintal.



Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Fig.1: Maize Price at Khammam Market in the Month of August 2018

Maize Price Outlook

USDA increased its global corn ending stocks estimates by 3.53 MMT to 155.49 MMT for 2018/19 compared to last month due to increase in global corn production estimates. Increase in global corn ending estimates is likely to put pressure on international corn market.

During the month of August'18, mainly Tamil Nadu feed makers demand supported the prices in Bihar and Karnataka market. It is expected that demand from Bangladesh could keep prices up in Bihar during the month of September'18. As per trade source, rake of maize, sourced from Bihar is loading at Rs.1350 per quintal for Bangladesh. As per trade sources, India exported 29,338 MT of maize during the month of July'18 at an average FoB of \$200.52/ MT. Indian maize is exported mainly to Nepal followed by Vietnam mainly through Raxaul followed by Kolkata and Vizag port.

In Nizamabad, poultry feed makers are buying maize at Rs.1400 per quintal while local starch feed makers are buying at Rs.1250 per quintal. Maize is moving towards Hyderabad at Rs.1470-1480 per quintal. As per trade sources, in Nizamabad, stock of maize with private traders and institutions in Nizamabad could be around 25,000 MT which is almost same compared to corresponding period last year. As per feedback received from market source, around 1,14,340 MT of maize quantity has been put for bidding in various districts of Telangana and the average bid price of all slots is 1430 per quintal.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of **Rs. 1200-1350** per quintal during the month of September, 2018.