

## Maize Outlook – August 2018

According to the all India crop coverage report Government of India, as on 3<sup>rd</sup> August 2018 maize has been sown in around 72.48 lakh hectares which was 0.98 per cent higher than the corresponding period last year (71.36 lakh ha). In Madhya Pradesh, it has been sown in 13.12 lakh hectares followed by Karnataka (10.06 lakh ha) and Rajasthan (8.68 lakh ha). In Telangana, maize has been sown in around 4.19 lakh hectares as on 1<sup>st</sup> August 2018, which was 78 per cent of season's normal. So far Siddipet stood first in maize sown area with 71,382 hectares followed by Nagarkurnool (54,223 ha) and Mahabubnagar (34,635 ha). Average rainfall received in Telangana State from 1<sup>st</sup> June 2018 to 1<sup>st</sup> August 2018 was recorded as 319.7 mm as against the normal (378.1 mm), thus showing a 15% deficit. So far, major maize growing districts, Siddipet and Nagarkurnool also received deficit rainfall of around 20 and 59 per cent of normal respectively. Presently the crop is in vegetative stage without any pest and disease attack.

In U.S, corn silking is at 96% as on 5<sup>th</sup> August, 2018, which is higher by 4% compared to corresponding period last year and from the last 5 year average period. Corn dough is at 57%, which is higher by 18% compared to corresponding period last year. 71% of corn is in good to excellent condition, lower by 1% compared to last week but higher by 11% as compared to corresponding period last year.

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

	2015/16	2016/17 (Estimated)	2017/18 (Forecast)	2018/19 (Projected)
<b>Opening Stocks</b>	279.8	287.4	330.1	295.5
<b>Production</b>	983.5	1087.3	1044.4	1052.2
<b>Imports</b>	136.3	137.8	150.7	155.0
<b>Total Availability</b>	1263.3	1374.7	1374.5	1347.7
<b>Food</b>	112.9	119.3	121.6	123.1
<b>Feed</b>	561.6	604.0	625.2	634.0
<b>Industrial</b>	267.1	279.9	295.6	303.8
<b>Other</b>	34.4	41.5	36.7	37.5
<b>Total Consumption</b>	975.9	1044.6	1079.0	1098.3
<b>Exports</b>	136.3	137.8	150.7	155.0
<b>Ending Stocks</b>	287.4	330.1	295.5	249.4

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

International Grain Council increased its global corn production forecast by 7.8 MMT to 1052 MMT compared to previous year (1044.2 MMT). Forecast for global corn ending stocks was also increased by 4.3 MMT to 255 MMT compared to last year, 2017-18.

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

	2015/16	2016/17 (Estimated)	2017/18 (Forecast)	2018/19 (Projected)
<b>Opening Stocks</b>	2.1	1.2	1.8	1.3
<b>Production</b>	22.6	25.9	27.1	26.5
<b>Imports</b>	0.2	0.1	-	0.1
<b>Total Availability</b>	25.0	27.2	29	27.9
<b>Food</b>	6.6	6.8	6.8	6.9
<b>Feed</b>	11.4	12.4	14.2	13.6
<b>Industrial</b>	4.2	4.5	4.7	4.7
<b>Other</b>	1.1	1.1	1.3	1.2
<b>Total Consumption</b>	23.3	24.9	27.0	26.4
<b>Exports</b>	0.4	0.5	0.7	0.5
<b>Ending Stocks</b>	1.2	1.8	1.3	1.0

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

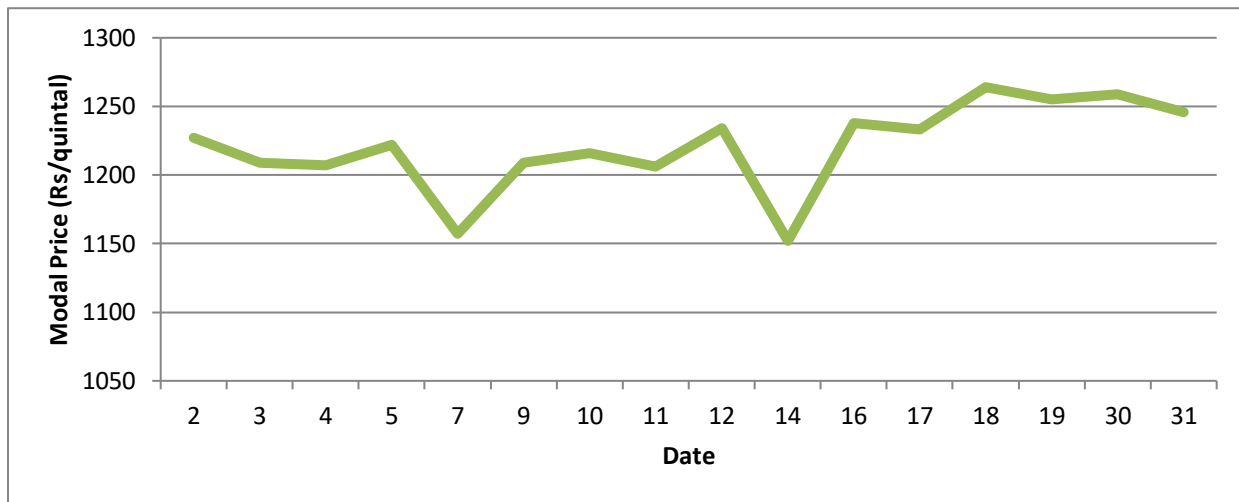
International Grain Council projected Indian corn production forecast as 26.5 MMT for 2018/19 as compared to 27.1 MMT during previous year. As per 3<sup>rd</sup> advanced estimates of Government of India, maize production is about 26.88 million tonnes during 2017-18 which was a record production.

**Table 3: Prices and Arrivals of Maize at Warangal Market in the Month of July 2018**

Date	Arrivals	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	8.6	1051	1234	1227
3	2.1	1209	1209	1209
4	3.5	1139	1229	1207
5	2.6	1057	1229	1222
7	3.6	1153	1157	1157
9	3.2	1134	1214	1209
10	3.9	1059	1233	1216
11	2.7	1150	1240	1206
12	4.5	1150	1259	1234
14	0.2	1152	1152	1152
16	3.7	1154	1242	1238
17	5.2	1109	1252	1233
18	2.2	1057	1264	1264
19	2.1	1150	1270	1255
30	1.2	1259	1259	1259
31	1.8	1200	1257	1246

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

Maize modal price at Warangal market ranged between Rs. 1152 – 1259 per quintal during July 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 Warangal Market in the Month of July 2018**

### Maize Price Outlook

Despite, increase in global production estimates by 1.88 MMT to 1054.30 MMT; USDA decreased its global corn ending stocks estimates by 2.74 MMT to 151.96 MMT for 2018/19 compared to last month estimates as domestic feed consumption is increasing year on year basis. Decrease in global corn ending estimates likely to support the international corn market to gain.

As per trade sources, India exported 88,337 MT of maize in the month of June 2018 at an average FoB of \$ 205.50 / MT. Indian maize is exported mainly to Vietnam followed by Bangladesh and Nepal mainly through Vizag Sea Port followed by Raxaul.

In Nizamabad, poultry feed makers are buying maize at Rs. 1320 per quintal, while starch feed makers are buying at Rs. 1250 per quintal. As per trade sources, in Nizamabad, stock of maize could be around 4 lakh bags (1 bag=50 kg.) which is almost same as during corresponding period last year. Trade activities since last two weeks were subdued on account of lorry and labourers strike. During July month, Telangana government released their stock into the market which weighed on Nizamabad maize cash market. Further, price direction would depend on how Government releases stock lying in its custody in to cash market and at what frequency.

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 August, 2018.