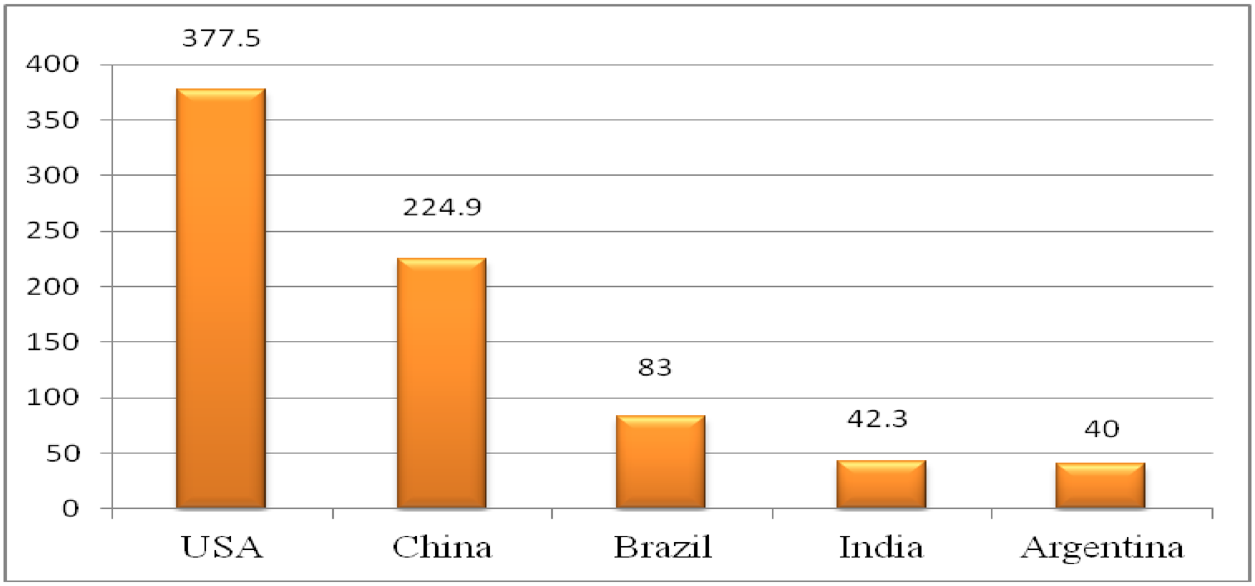
Maize Outlook – April 2018

Globally, maize is known as 'Queen of cereals' because it has the highest genetic yield potential among the cereals. It is cultivated on nearly 150 m ha in about 160 countries having wider diversity of soil, climate, biodiversity and management practices that contributes 36% in the global grain production. United States, China, Brazil, India, Argentina, Ukraine, and Mexico are the major maize growing countries in the world.



Source: The daily records, March 2018

Fig. 1: Top five maize producing countries in the World in 2018 (million metric tonnes)

In India, maize is the third most important food crops after rice and wheat. India's share in the world's area is only 5.08 percent with 3rd place next to USA and China. In India area under maize during rabi 2017-18 was 11.32 lakh hectares as compared to 11.01 lakh hectares in rabi 2016-17. The major maize growing states are Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Bihar, Uttar Pradesh, Telangana, Gujarat and Tamilnadu. In Telangana, Nirmal, Kamareddy, Warangal (Rural), Warangal (Urban), Medak, Khammam, and Jagtial are the major maize growing districts constituting nearly 85% of total maize production. The area under maize during 2017-18 rabi has decreased to 0.40 lakh hectares from 0.65 lakh hectares.

In 2017/18, total maize production in India could be around 21.93 MMT in 2017-18 against our yearly total demand of 22.14 MMT. With carryout of 2.97 MMT total availability goes up to 24.92 MMT in 2017/18 including 2.78 MMT of ending stocks. Total demand including domestic and export could be around 22.14 MMT.

Table 1: India's maize balance sheet

Maize Year-(Oct-Sep)	2016-17 E	2017-18 F	Oct-Dec'17 F	Jan-Mar'18 F	Apr-Jun'18 F
Opening Stocks (MMT)	2.21	2.97	2.97	6.57	3.21
Production (MMT)	23.84	21.93	12.53	3.13	5.02
Farmer's Release (MMT)	20.55	18.93	9.3	3.98	3.95
Govt. Procurement (MMT)	0.06	0.06	0.02	0.04	
Pvt. Trade Release (MMT)	20.49	18.87	4.63	8.59	3.39
Seed Retention (MMT)	0.26	0.26	0.05		0.21
Imports (MMT)	0.02	0.02	0	0.02	0
Total Supply (MMT)	26.07	24.92			
Quarterly Add On (MMT)			12.53	3.15	5.02
Export (MMT)	0.54	0.59	0.18	0.17	0.1
Domestic Consumption (MMT)	22.56	21.55	8.75	6.34	3.88
Total Demand (MMT)	23.1	22.14	8.93	6.51	3.98
Ending Stock (MMT)	2.97	2.78	6.57	3.21	4.25

E= Agriwatch Estimate F= Agriwatch Forecast

Source: Agriwatch maize monthly research report, April 2018

Table 2: Domestic Consumption Break Up For 2017-18 F (in Million Metric Tonnes)

Poultry & Cattle feed	14.2
Starch & Brewery	4.24
Human Consumption	1.78
Seed	0.26
Shortage & Wastage	0.64
Storage and Moisture Loss	0.43

Source: Agriwatch maize monthly research report, April 2018

Overall maize cash markets in the country traded mixed during the month of March 2018 compared to previous month but down from the corresponding period of last year due to high carry forward stock amid sluggish stockiest demand. In Gulabbagh region of Bihar, maize prices recovered from the bottom level due to yield loss and delay in new crop arrivals. It is expected that recovery could limit the bottom level of South Indian markets during harvesting season too despite high carry forward stock. In Gulabbagh region of Bihar, maize new crop arrivals has started which are low in quantity. As per trade sources, grains are small in size and contains 14 to 18% moisture. Maize crop arrivals in Naugachia region would start after middle of April. Arrival pressure could be seen in the month of May. In Bihar, carry forward stock of maize could be around 15000 to 20000 MT. At the demand side, In Ahmadabad region of Gujarat, poultry feed makers quoted maize (monthly average) firm by 1.98 % to Rs. 1340 per quintal while Starch feed makers quoted it firm by 2.71% to Rs.1365 per quintal compared to last month.

Table 3: Month-wise Average Prices of Maize at Various Markets

Market	2018 - March	2018 - February	2017 - March	% Change from Prev Month	% Change from Prev Year
Delhi	1360	1337	1557	1.72	-12.65
Davangere	1190	1230	1496	-3.25	-20.45
Shimoga	1329	1344	1540	-1.12	-13.7
Bagalkot	1120	1138	1458	-1.58	-23.18
Gadag	1069	1117	1489	-4.3	-28.21
Nizamabad	1337	1320	1459	1.29	-8.36
Khanna	1293	1300	1524	-0.54	-15.16
Sangli	NA	NA	1542	-	-
Gulabbagh	1263	1185	1438	6.58	-12.17
Naugachia	NA	NA	1344	-	-

Source: Agriwatch maize monthly research report, April 2018

Table 4: Prices and Arrivals of Maize at Sattupalli market in the month of March 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
5	3878	1400	1410	1400
7	1417	1400	1410	1400
8	1785	1400	1410	1400
9	1655	1400	1410	1400
10	1575	1310	1370	1350
14	1976	1350	1410	1400
15	1521	1350	1410	1400
26	151	1310	1370	1350
27	157.5	1310	1370	1350
29	99	1310	1370	1350
30	125	1400	1410	1400
31	1244	1400	1410	1400

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

Among the major markets for maize in Telangana State, Sattupalli has witnessed maximum arrivals. Considering the current situation, there is not much risk of drastic fall in prices, in Telangana markets as it is already being traded at the lower end but new crop arrival pressure could weigh a little, on market sentiments. In Nizamabad, maize is likely to trade steady to range bound despite new crop arrival pressure as starch feed makers demand could support market at the lower level.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in a range of Rs. 1300-1360 per quintal during the month of April.