

Price Forecasting of Maize for October-November, 2020

Maize is the most vital cereal crop around the globe and is an important staple food too. In India Maize is called “Queen of Cereals” due to its highest genetic yield potential. USA, China, Brazil, India etc. are major producers of maize. Maize has its significant use for large number of industrial products such as starch industry, corn oil production etc. India exports maize to countries like Nepal, Srilanka, Bangladesh etc.

During 2019-20 in India, production notably increased and stood around 289.8 lakh tonnes as compared to that of 277.2 lakh tonnes in 2018-19. In India, Kharif sowing in Maize till June 2020 was 45.58 lakh ha. In Gujarat, in year of 2019-20 cultivated area under maize reported about 43.77 lakh ha (Third Advance Estimate, Directorate of Agriculture, Gujarat) as against 40.92 lakh ha as in last year 2018-19 (Revised Final Advance Estimate, Directorate of Agriculture, Gujarat). Production estimates of Maize for 2019-20 is about 79.87 lakh tonnes against that of 80.26 lakh tonnes in 2018-19. In Gujarat area under maize is around 1.64 lakh ha till month of June 2020 as compared to around 0.57 lakh ha in 2019-20.

Exports had increased to 10.51 lakh tonnes during 2018-19 against 7.05 lakh tonnes in 2017-18. Imports had increased to 86.02 thousand tonnes in 2018-19 from 30.69 thousand tonnes in 2017-18. Price of maize which was prevailing around Rs. 1460 per quintal in October 2018 in Gujarat markets, increased to about Rs. 2063 per quintal in October 2019. Due to COVID, there has been sluggish demand in poultry sector and hence demand in maize had a direct hit as maize accounts for 60 per cent of chicken feed by weight.

In a notification dated 23rd of June, government allowed the import of 5 lakh MT of maize at a concessional customs duty of 15 per cent each under the Tariff Rate Quota Scheme. The notification has rattled maize farmers across the country as domestic prices of corn have crashed in the country. The maize acreage in Haryana and Punjab has not shown any improvement though it was widely expected that farmers would opt for these crops due to less availability of migrant labors who work for paddy transplanting.

In line with the accessible information and reviews from active maize traders of major markets of Gujarat, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand analysed the historical monthly price data of maize collected from major market of Gujarat state. The econometric analysis revealed that the prices of maize during October-November, 2020 may remain in the range of **Rs. 1425 to Rs. 1950 per 100 kg (285 - 390 Rs./20 kg)** in Gujarat markets.