

MAIZE, SOYBEAN MARKET DRIVING FACTORS & PRICE OUTLOOK 2021



CLFMA of India, the apex organization and the voice of the Country's dynamic livestock industry in association with AGCON (a subsidiary of NCML) organized Webinar on Maize & Soybean Market Driving Factors & Price Outlook 2021 on July 9, 2021.



The main objective of the webinar was to discuss the Maize Production Estimate Rabi'2021 & Soybean & Maize Outlook Kharif'21, Market Driving factors and Price outlook for Maize and Soybean.

The webinar was started by the moderator Dr. Vijay Makhijha, Managing Committee Member, CLFMA of India. Neeraj Kumar Srivastava, Chairman, CLFMA of India delivered the welcome address and initiated the proceedings of the webinar.

He introduced the agenda by giving the preface of the webinar, spotlighted the topics along with statistics which bound the participants to the webinar. Highlighted the existent Government policies, Challenges, limitations, export potentials, Facts, and

Overview of the industry; he also accentuated the CLFMA of India initiatives which helped to mitigate the risk and solve the challenges.

Nalin Rawal, CEO, NCML AGCON discussed about Maize Production Estimate Rabi'2021, Soybean & Maize Outlook Kharif'21.

The highlights of the session are:

Maize

- ❖ Maize acreages are lower by current Rabi season by 4.2 percent & Production of Maize during the current Rabi season is lower by 9.5 percent in comparison to Rabi 19-20.
- ❖ Rainfall activity is subdued during second fortnight of June resulting in lower sown acreages.

- ❖ Soybean acreages are 42 percent lower in comparison to last year during same time period, however under normal rains; total acreages are expected to be higher by 10-15 percent in comparison to last year.

- ❖ Maize sowing ahead by 16 percent vis-à-vis last year as on date however planting to be expected lower by 5-10 percent during Kharif.

- ❖ Using remote Sensing technology and satellite, based indices acreage and crop production forecast can be done more accurately.

Soyabean

- ❖ Poultry industry is adversely affected by the rates of soybean, higher the

soybean rates higher will be the cost of production

- ❖ Crop may be improved if Monsoon conditions go in favourably.
- ❖ Movement of people to alternate proteins are due to high soyabean prices and is generally towards cotton DOC, Groundnut DOC etc.
- ❖ Demand will remain subdued for next 3 months for soy DOC.

Suresh Akkineni, Assistant AVP, Commodity Research, NCML AGCON presented the Soybean Market driving factors and Price outlook. The major highlights of the session are:

- ❖ Global soybean end stock 2021-22 season 4.45

MMT (as per USA front, Brazilian front, Argentina front and Chinese front).

- ❖ Global Soymeal end stock 2021-22 shall increase marginally by 0.11 MMT.
- ❖ Soybean prices are likely to be subdued around INR 8000 levels and ease lower towards INR 6500-6000 levels.

Sreedhar Nandam, Head Research & Consulting, NCML AGCON discussed about Global maize market driving factors, and said the following:

- ❖ Close to 63 MMT downward revision in production estimates in last one year.
- ❖ Ending stocks for global corn 281 MMT, high probability of LA-NINA to resurface.
- ❖ Close to 40 percent of the US corn crop exposed to drought.
- ❖ Game changers in corn trade may include push of green fuel mandates, Export tax increase, Covid impact, Asian Swine Flu.
- ❖ Global demand to grow by 4 percent, Opening stocks to decline by 17 percent.
- ❖ Maize acreages lower by 4.2 percent, Production in current Rabi lower by 9.5 percent.
- ❖ Taking look at ethanol policy in 2020-21, it is estimated that India would blend 332 cr litre of Ethanol which is 8.5 percent of blending percent.
- ❖ ENA production from molasses will be lower.

Highlights of Panellists

A. Jankiramana, GM, Soya Business, Suguna Foods Pvt. Ltd.

- ❖ Due to Export - supply tightness observed.

- ❖ Poultry industry adversely affected by the rates of soybean, higher the soybean rates higher will be the cost of production.

- ❖ Crop may be improved if Monsoon conditions goes in favourable phase.

- ❖ Movement of people to alternate proteins, due to prices generally to cotton DOC, Groundnut DOC etc.

- ❖ Demand will remain subdued for next 3 months for soy DOC.

Gaurav Mittal, Head, Central Buying Organization, GAVL

- ❖ Feed sector - input prices went up by approx. 30 percent in maize and 70 percent in soybean.

- ❖ Weather can affect most on prices; supply side is most critical element in balance sheet.

- ❖ Chinese demand is key driver in prices in global markets.

- ❖ Brace for volatility, buyers have to be cautiously bold for prices, and focused on supply side.

Sandip Guha, Chief Procurement Officer, Noveltech Group

- ❖ Impact due to covid - distraction in supply and demand situations.

- ❖ Weather related events - rains are erratic in various areas, farmer may shift to

soybean from Maize

- ❖ Demand drivers - Poultry, egg, Starch is in spotlight.

- ❖ Export programme for maize and soybean are optimistic and attractive

- ❖ We should be able to mitigate risk, especially from market view, develop solid market linkages and be ready with multiple formulations for challenging times, proper capital allocation, need for scientific forecasting for better procurement.

Amit Sachdev, Regional Consultant - South Asia (Bangladesh, India, Nepal, Sri Lanka), US Grains Council

- ❖ India may not be able to export much due to Dollar value.

- ❖ Indian Maize prices may move up, it may depend on the alternate grain option available, and how much industry can replace.

- ❖ Pressure on Indian corn may be high.

Jason John, Team Lead - India at U.S. Soybean Export Council (USSEC)

- ❖ Last year we were not able to fetch grain from any South Africa, Myanmar due to political situations
- ❖ Spotlighted GM/Non-GM crops, Digestible proteins.
- ❖ There will be some supply pressure from South Africa in coming years.

The webinar was Suresh Deora, Hon. Secretary, CLFMA of India.

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