

# Maize & Soybean Market Driving Factors & Price Outlook 2021

CLFMA of India in association with AGCON (subsidiary of NCML) organized a webinar on Maize and Soybean outlook to discuss the Maize production estimate for rabi 2021, and Soybean and Maize outlook for kharif 2021 on 9th July. Below is the brief of discussion.

## **Neeraj Srivastava, Chairman, CLFMA of India on Maize industry**

- Maize production has increased from 10 MMT in the 90's to 27 MMT in recent years.
- Due to increased demand, since the last two years India became a net importer.
- Indian poultry industry, employing more than 3 million small and medium scale farmers, requires 25-26 MMT poultry feed which uses 12.8-13 MMT of Maize which is poised to reach 16 MMT by 2025.
- Indian dairy sector uses ~45 MMT of maize including fodder and silage usage.
- Starch industry uses 5 MMT which is expected to reach ~8 MMT by 2025.
- Government intent to replace at least 20% of petroleum with ethanol by 2025 might bring another

challenge to the feed industry.

## **Nalin Rawal, CEO, NCML AGCON on Maize and Soybean outlook**

Maize

- Maize acreages are lower by current Rabi season by 4.2% & production of Maize during the current Rabi season is lower by 9.5% in comparison to Rabi 2019-20.
- Rainfall activity is subdued during the second fortnight of June resulting in lower sown acreages.
- Soybean acreages are 42% lower in comparison to last year during the same time period, however under normal rains, total acreages are expected to be higher by 10-15% in comparison to last year.
- Maize sowed ahead by 16% vis-à-vis last year as on date however planting is expected to be lower by 5-10% during Kharif.

## **Soyabean**

- Poultry industry is adversely affected by the rates of soybean.
- Better crops can be expected if monsoon conditions remain in favor.
- Industry opting for alternate proteins like cotton DOC, Groundnut

DOC etc.

- Demand is expected to remain subdued for the next 3 months for soy DOC.

## **Suresh Akkineni, Assistant AVP, Commodity Research, NCML AGCON on Global Soybean**

- Global soybean end stock 2021-22 season is 4.45 MMT (as per USA, Brazilian, Argentina and Chinese front).
- Global Soymeal end stock 2021-22 shall increase marginally by 0.11 MMT.
- Soybean prices are likely to be subdued around Rs 8000 levels and ease lower towards Rs 6500-6000 levels.

## **Sreedhar Nandam, Head Research & Consulting, NCML AGCON on Global Maize**

- Initially, the global production was estimated to be 1180 MMT which presently is estimated at 1125 MMT.
- 63 MMT downward revision in production estimates primarily due to La-Niña in the previous year.
- Ending stocks for global corn 281 MMT in 2020-21.
- High probability of La-Niña resurfacing in November