

Castor Domestic Fundamentals:

- **Despite higher arrivals in various mandis castor seed traded firm on Thursday.** Prices in most markets increased in the range of Rs 20 to Rs 75 per qtl except Ahmadabad, Kadi and Rajkot. Buyers are active and mostly purchased quantity are in way to godowns. Arrivals can see a peak in Mid April. However, any steep fall from current level is unlikely. Market participants expect prices to stabilize around Rs 3800 to Rs 3900 per qtl.
- **Agriwatch estimates 11.49 lakh tonne seed production in 2013-14 against 14.04 lakh tonne** last year. As per Agriwatch estimate the season started with 3.84 lakh tonne carry out.
- **Thus total availability comes to 15.33 lakh tonne. At 46 percent oil recovery the total oil** availability would be around 7.00 lakh tonne against the expected total global and domestic demand of 7.5 lakh tonne of oil. It clearly indicates short supply in the medium term.
- **Govt has released second adv. estimate of foodgrains** production for 2013-14 on 14, Feb, 2014. Market participants are surprised to see the inflated figure of castor seed production this year. Govt. has estimated 16.46 lakh tonne castor seed production this year against the set target of 15.81 lakh tonne. Market expert see production at around 11 lakh tonne.
- **Market participants expect more decline as** peak arrival season (March-April) is not far away from now. However, any steep dip from current level is unlikely as market is well aware of lower crop size this year. Market is expected to stabilize in the range of Rs 3850 to Rs 3900 per qtl depending on quality and marketing centers of the seed.
- **Castor seed farmers in Gujarat want MSP for this crop like** other crops in India. They complain that prices in open market are not remunerative for farmers and their interest to grow castor crop is diminishing fast. That's why area under this crop has decreased this year.
- **This year area under castor seed decreased sharply from 11.1 lakh ha. to 9.84 lakh ha,** almost 1.97 lakh ha. lower than 2012-13. Considerable decrease in area has been seen in Gujarat and Andhra Pradesh. Total area collectively in both states is lower by 1.58 lakh ha. It is going to impact the final size of the crop to near 12 lakh T against the last year production of around 14 lakh T.

International Market Update:

- **Castor derivatives volume too is expected to go up from 1.2 lakh tonne** to 1.25 lakh tonne. China would continue to maintain its previous position as major importer. Its import volume may go up from 2.11 lakh tonne (2013) to 2.35 lakh tonne in 2014. Europe would remain second next to China with expected import of 1.45 lakh tonne in 2014. It had exported 1.3 lakh tonne in 2013.
- **Major importers of castor oil are buying only to fulfil** their immediate requirements. They would start fresh buying during peak arrival season in March as they expect correction in the market in the near term. By the time price of castor seed is expected to stabilize near Rs3700 to 3800 per qtl.

Domestic market Outlook:

- **Castor seed market is likely to trade steady with weak bias likely to continue.**

NCDEX Castor Futures							Date: 13.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	33	4233	4273	4215	4268	8620	-42575	14020	-11110
April-14	34	4289	4337	4273	4328	69520	-44230	196420	5930
May-14	27	4366	4405	4343	4393	15470	7130	14020	-17240

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	268			
March-14		48		
April-14			61	
May-14				-

Stocks	Demat	In-Process	Total	FED
	12.03.2014	12.03.2014	12.03.2014	10.03.2014
Bhabhar	1415	111	1526	1415
Deesa	21969	1215	23184	20752
Kadi	31478	3470	34948	30067
Patan	40584	1079	41663	39929

Castor Seed Daily Prices on 13.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			13-Mar-14	12-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3870	3850	20
	Gujarat	Rajkot	4015	4015	Unch
		Gondal	3980	3930	50
		Patan	4085	4045	40
		Deesa	4075	4000	75
		Mehsana	4025	3975	50
		Kadi			Unch
		Ahmedabad	4000	4000	Unch

Castor Seed Arrivals on 13.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			13-Mar-14	12-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	625	625	Unch
		Gondal	165	437	-272
		Patan	2900	2702	198
		Deesa	1500	1000	500
		Mehsana	850	700	150
		Kadi			Unch
		Ahmedabad	25000	28000	-3000
	Total Arrival		31640	34064	-2424

Note: We have incorporated traded quantity of seed. It does not signify the total arrivals.

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