

Castor Domestic Fundamentals:

- **Cash Market traded weak on Wednesday except Godal and Kadi** where prices improved considerably. Arrivals have improved to some extent and pressure might be seen on price in the rest of the week. Prices have declined considerably in Ahmedabad. The reason is attributed to poor quality of seed and sluggish demand from planters.
- **Farmers too are releasing lower quantity of premium grade in anticipation** of higher prices in the second half. As stockists would remain major buyers, they would try to get seed at lower level. So in the near term prices may rule lower from current level.
- **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 sees 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: 19.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	12	4189	4205	4160	4195	2250	1180	5710	-8320
April-14	19	4228	4248	4194	4240	77480	30480	182060	-4350
May-14	14	4298	4316	4261	4304	14460	8000	62370	22100

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	195			
March-14		45		
April-14			64	
May-14				-

Stocks	Demat	In-Process	Total	FED
	18.03.2014	18.03.2014	18.03.2014	18.03.2014
Bhabhar	1516	879	2395	1516
Deesa	23465	0	23465	23465
Kadi	34191	3794	37985	34191
Patan	41531	320	41851	41531

Castor Seed Daily Prices on 19.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			19-Mar-14	18-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3815	3850	-35
	Gujarat	Rajkot	3850	3865	-15
		Gondal	3930	3755	175
		Patan	4015	4055	-40
		Deesa	Closed	Closed	-
		Mehsana	4000	4050	-50
		Kadi	4550	4500	50
		Ahmedabad	3925	4500	-575

Castor Seed Arrivals on 19.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			19-Mar-14	18-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	300	300
	Gujarat	Rajkot	350	310	40
		Gondal	549	175	374
		Patan	3414	1951	1463
		Deesa	Closed	Closed	-
		Mehsana	500	500	Unch
		Kadi	1408	1044	364
		Ahmedabad	20000	20000	Unch
	Total Arrival		26821	24280	2541

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

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