

Castor Domestic Fundamentals:

- **Cash Market traded firm on Saturday on the back of lower arrivals.** Arrivals have improved to some extent and pressure might be seen on price in the rest of the week. Prices have declined considerably in Kadi. The reason is attributed to poor quality of seed and sluggish demand from planters.
- **Millers quoted oil price at Rs 8350 per qtl in Mehsana.** Seed prices are ruling around Rs 4000 per qtl. With this price millers get margin of Rs 30 to Rs 35 per qtl from oil and meal selling. As demand for oil is good in the domestic and global market, any steep fall in cash market is unlikely.
- **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 Rs 3700 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: 21.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
April-14	33	4195	4235	4189	4227	49460	-460	167320	-4060
May-14	33	4263	4305	4260	4295	12720	-28020	72850	-14740
June-14	29	4349	4376	4335	4368	2900	-1740	28380	10480

Spread	Apr-14	May-14	June-14	July-14
Spot/Deesa	NA			
March-14		NA		
April-14			NA	
May-14				-

Stocks	Demat	In-Process	Total	FED
	21.03.2014	21.03.2014	21.03.2014	18.03.2014
Bhabhar	2386	10	2386	1516
Deesa	23465	613	24078	23465
Kadi	38167	885	39052	34191
Patan	41662	652	42314	41531

Castor Seed Daily Prices on 22.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			22-Mar-14	21-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3770	3750	20
	Gujarat	Rajkot	3890	3850	40
		Gondal	3905	3855	50
		Patan	4050	3970	80
		Deesa	Closed	Closed	-
		Mehsana	3935	3950	-15
		Kadi	4010	3950	60
		Ahmedabad	4000	3950	50

Castor Seed Arrivals on 22.03.2014

Commodity	Center	Market	Fig. in Quintal		Change
			22-Mar-14	21-Mar-14	
Castor Seed	Rajasthan	Sumerpur	640	640	Unch
	Gujarat	Rajkot	500	550	-50
		Gondal	1073	415	658
		Patan	6335	7292	-957
		Deesa	Closed	Closed	-
		Mehsana	480	320	160
		Kadi	1320	1200	120
		Other Gujarat	15892	14223	1669
	Total Arrival		26240	24640	1600

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

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