

Castor Seed & Oil Monthly Research Report

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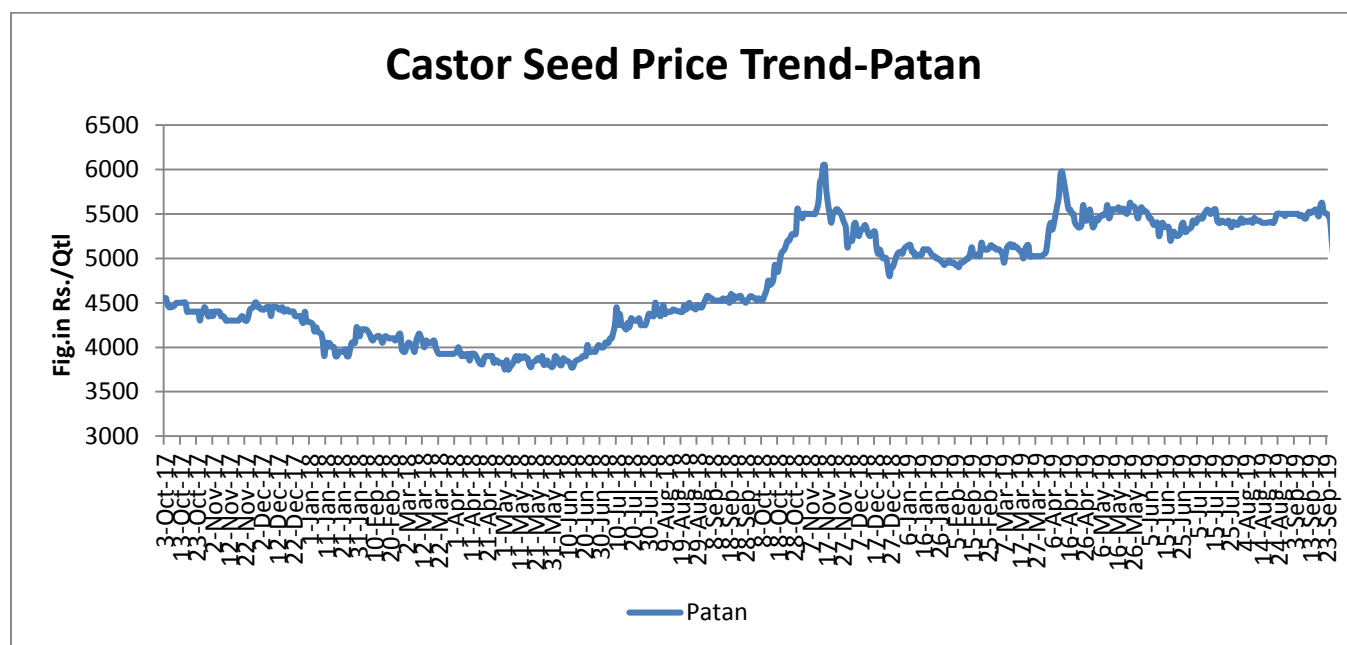
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**Castor Domestic Market Fundamentals:**

- According to the AGMARK data, all India castor crop arrivals in the third week of November is reported at 3.17 Thousand MT which is 55 percent higher than last year arrivals of 6.57 thousand MT in the same time period. Lower arrivals in the domestic mandis may push the prices upward.
- According to latest sowing report as on 27th September 2019, all India Castor sowing is reported 9.38 lakh hectares in 2019 which is 6.95 per cent higher than last year acreage of 8.77 lakh hectares in the same time period. Higher castor acreage is reported in Gujarat this year as compare to last year. However, in Rajasthan castor acreage has decreased to 1.54 lakh hectares from 2.64 lakh hectares last year.
- Gujarat castor acreage is reported at 7.40 lakh hectares which is 38.57 per cent higher than last year acreage of 5.34 lakh hectares. Farmers in Gujarat had re-sowed castor crop where damaged was observed due to rains. However, yield is expected to be lower than normal in those areas due to late sowing.
- According to Government 1st advance estimate, castor production in 2019-20 is estimated at 17.37 lakh tonnes.
- As per the Solvent Extractors' Association of India (SEA), all India castor seed production estimate for 2018-19 is 11.27 Lakh MT which is 21.35 per cent lower than the 2017-18 production estimate of 14.33 Lakh MT. However, according to the AGCON, castor production estimate is 9.13 Lakh MT for 2018-19.
- Castor oil exports in the month of October 2019 are 37.092 thousand MT which is 10.33 per cent lower than September exports of 40.927 thousand MT. On a cumulative basis, exports were 4.55 Lakh MT from Jan to Oct 2019 which is 11.67 per cent lower than last year exports of 5.15 Lakh MT during the same period. Exports were lower this year due to high domestic market prices.
- As per the Solvent Extractors' Association of India (SEA), castor meal exports in the month of Oct'19 is reported at 36.335 lakh MT which is 19.05 per cent lower than the exports of Sept'19 of 44.886 lakh MT. On a cumulative basis, exports were 3.45 Lakh MT from Apr to Oct 2019 which is 1111 per cent higher than last year exports of 2.29 Lakh MT during the same period. Average Castor meal FoB prices in the month of Oct'19 was \$92 per tonnes which is lower than the average prices of Sept'19 month of \$102 per tonnes.

Sowing Updates of Castor Seed:

State Wise castor Seed Sowing as on 27.09.2019				
State	2019	2018	% Change	Normal Area
Gujarat	7.02	5.22	34.48	6.36
Rajasthan	1.54	2.64	-41.67	1.8
Telangana	0.23	0.26	-11.54	0.58
Andhra Pradesh	0.34	0.33	3.03	0.47
Karnataka	0.06	0.07	-14.29	0.1
Maharashtra	0.11	0.12	-8.33	0.13
Total	9.38	8.77	6.96	9.69

Castor Price Trend Patan Mandi:


Source: Agriwatch

Above price chart is of Patan Mandi in Gujarat, which is a major mandi for castor seed. Castor seed price traded weak from last few months due to speculation from big companies and selling activity in future markets.



FUNDAMENTAL SUMMARY

Price Drivers	Impact
Technical selling in the market	Bearish
20 per cent margin on short selling	Bullish
Lower exports of castor oil	Bearish
Lower stocks of castor seed	Bullish
Higher sowing acreage	Bearish

Based on Primary & Secondary Sources

Comparative of Castor Seed Arrival Trend in Major state (in Tons):

Gujarat				Rajasthan			
Arrival in Tons	2017	2018	2019	2016	2017	2018	2019
Jan	40150.31	27267.71	31565.82	289.43	445.85	799.55	569.25
Feb	51402.12	52870.56	40342.51	639.48	688.71	2187.52	933.22
Mar	297015.6	73551.05	61015.09	1832.18	2501.19	1515.32	2810.4
Apr	125706.2	161684.5	154064.3	2899.47	2617.99	4522.41	2772.17
May	83664.34	99414.17	118251.9	3464.62	3119.1	3834.13	6956.48
Jun	40015.71	58432.73	29052.67	804.98	937.8	1574.52	1447.27
Jul	10257.02	51303.9	82503.39	716.5	206.8	385.78	657.37
Aug	39717.13	45438.48	26534.73	349.48	164.76	288.98	523.5
Sep	59984.98	31107.23	23076.49	429.9	179.35	66.99	428.5
Oct	24544.89	35885.99		493.79	74.62	352.39	
Nov	22801.71	25591.07		83.46	54	327.34	
Dec	19064.86	25993.13		199.19	174.51	995.35	
Total	814324.9	688540.5	566407	12202.48	11164.68	16850.28	17098.16

Source-Agmarknet

Castor Seed Demand & Supply:

Preliminary Forecast For 2019-20*			
All units in lakh tons	2017-18	2018-19	2019-20*
Carry in	4.39	5.49	4.19
Production	14.30	11.20	14.05
Imports	0.00	0.00	0
Total Availability	18.69	16.69	18.24
Consumption	13.20	13.00	13.2
Exports	0.00	0.00	0
Total Usage	13.20	12.50	13.20
Carry out	5.49	4.19	5.04
Av Monthly Consumption	1.10	1.08	1.10
Stock to Month Use	4.99	3.87	4.58
Stock to Consumption Ratio	1.10	1.08	1.10

Agriwatch is estimating that castor seed production is likely to up in this crop year-2019-20, as area is increasing in Gujarat which is one of the major producing state, however area is down in other states like Andhra Pradesh, Telangana and Rajasthan. This year it is estimated around 14 lakh tons of castor seed production which is up by 25% from last year production of 11.20 lakh tons. Prices is likely to down once picking starts in producing states and likely to trade steady as carry over stock expected to up in next season.

Castor Oil Demand & Supply:

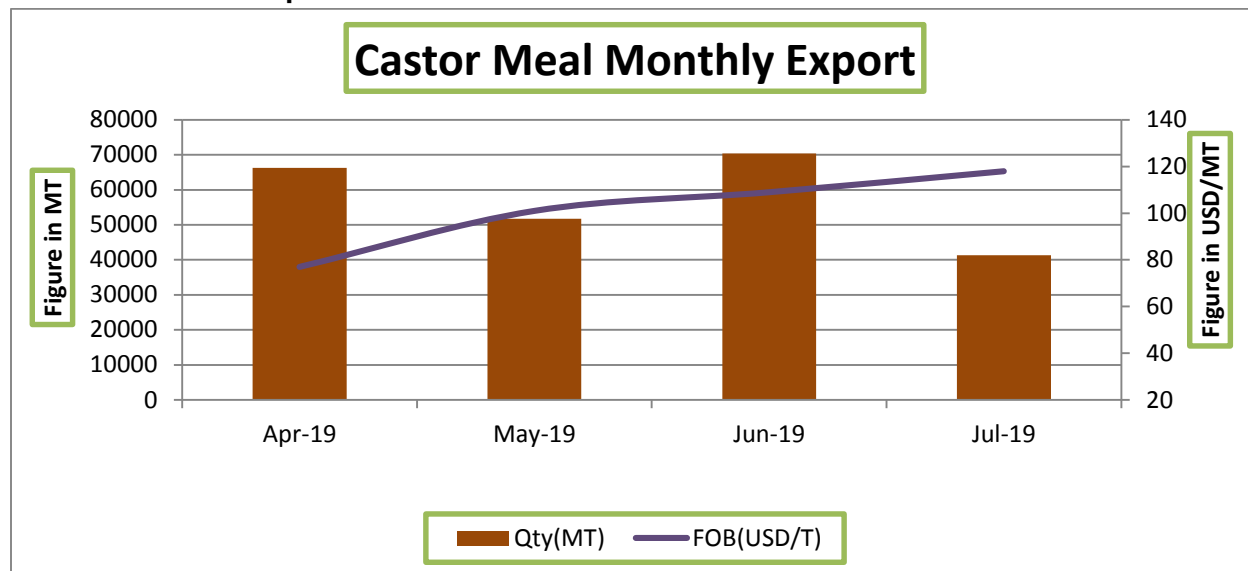
Preliminary Forecast For 2018-19				
All units in lakh tons	2015-16	2016-17	2017-18	2018-19*
Carry in	5.54	6.79	4.39	5.49
Production	14.00	10.60	14.30	9.45
Imports	0.00	0.00	0.00	0.00
Total Availability	19.54	17.39	18.69	14.94
Consumption	12.75	13.00	13.20	13.00
Exports	0.00	0.00	0.00	0.00
Total Usage	12.75	13.00	13.20	13.00
Carry out	6.79	4.39	5.49	1.94
Av Monthly Consumption	1.06	1.08	1.10	1.08
Stock to Month Use	6.39	4.05	4.99	1.79
Stock to Consumption Ratio	1.06	1.08	1.10	1.08

Castor Seed- Balance Sheet for 2018-19:

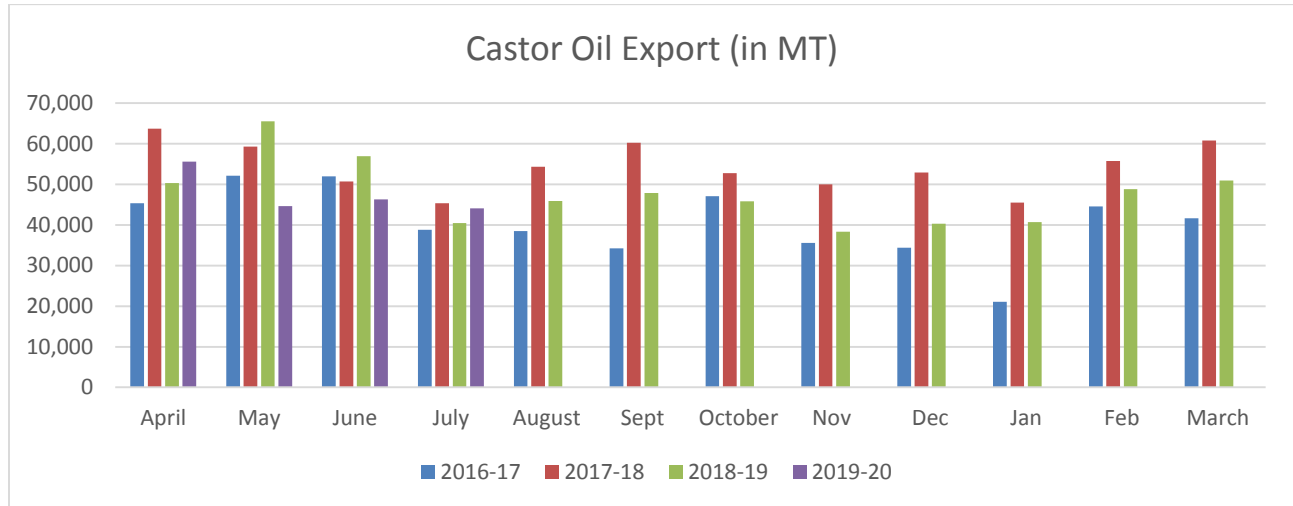
Production shows around 28-30% lower side this year against 2017-18 seasons due to damage of crop in major producing states like Gujarat as lower rainfall recorded during the growth phase. Over all area is slightly up from last from 8.170 lakh hectares to 8.59 lakh hectares but mostly area down in major producing states like Telangana, Gujarat and Haryana. Andhra Pradesh is facing the worst drought of recent times with crop in lakhs of hectares under stress including castor seed which may impact on yield. The failure of the northeast monsoon has hit farmers really hard. While a rainfall deficit of 73% was recorded in October — the first month of the northeast monsoon — there seems to be no letup in the second month recording a rainfall deficit of 64%.The estimate is based on data received from final kharif

sowing progress by Ministry of Agriculture. Agriwatch expects below normal rainfall this year and hopes lower yield too. Based on lower yield realization seed production would decline from 14.45 to 10.20 lakh tons this year.

Castor Oil Meal Export Trend:

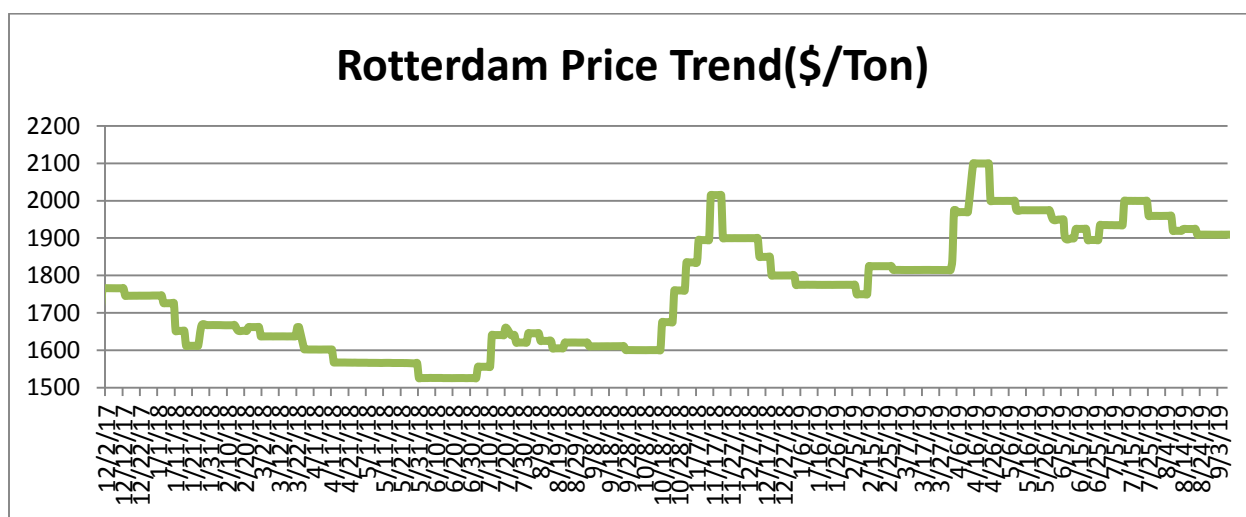


The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of July 2019. The export of oil meals during July 2019 is provisionally reported at 166,301 tons compared to 215,716 tons in July, 2018 i.e. down by 23%. The overall export of oilmeals during April-July 2019 is reported at 851,070 tons compared to 966,874 tons in April-July 2018 i.e. down by 12%. The export of castor seed meal has increased to 229,820(75,597) tons, being mainly exported to South Korea. During April-July 2019 Vietnam imported 120,889 tons of oil meals (compared to 228,627 tons); consisting of 1,892 tons of soybean meal, 71,683 tons of rapeseed meal and 47,314 tons of De-oiled Rice Bran Extraction. South Korea imported 365,652 tons of oilmeals (compared to 198,304 tons) ; consisting 13,282 tons of soybean meal, 162,487 tons of rapeseed meal and 189,883 tons of castorseed meal. Thailand imported 107,607 tons of oil meals (compared to 129,661 tons) consisting 88,595 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1,431 tons of soybean meal.

Castor oil exports drop 30% in October on poor off take from China:

Technical Analysis:


Cash Market (Deesa) Expected Price Range for Dec-2019:-

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4300-4350	4300-4450
Medium Term (30 days)	4250-4500	4300-4600

Rotterdam Price:-


Comparative Prices Of Castor Products Including Seed					
	6th Dec'19	29th Nov'19	6th Nov'19	6th Dec'18	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41500	41500	NQ	52886	-27.44
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	92.00	91.00	94.00	82.00	10.87
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6300	6300	6450	5688	9.71
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1250	1225	1315	1559	-24.72

Local rates for oil in domestic market(Rs./M.T.) for comm.	88000	87000	93000	109756	-24.72
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Source: SEA

Castor Seed - Products Monthly Average Prices:

Commodity	Monthly Average Prices (Rs/ Quintal)			Change
Center	Market	Nov-19	Oct-19	
Gujarat	Patan	4244	4348	-104
	Harij	4249	4250	-1
	Rajkot	4020	4206	-186
	Gondal	4176	4149	27
	Deesa	4216	4224	-8
	Bhabar	4318	4413	-95
	Mehsana	4241	4364	-123
	Kadi	4250	4345	-95
	Sabarkatha	NA	NA	-
	Gandhi Nagar	4263	4358	-95
	Ahmedabad (Sanand)	4313	4325	-12
	Halvad	4621	4562	59
	Junagadh	4238	4258	-20
	Dhrol	3820	3338	482
Rajasthan	Jodhpur	4206	4212	-6
	Sumerpur	4172	4310	-138

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		Nov-19	Oct-19	
Gujarat	Patan	4139	3120	1019
	Harij	4350	38	4312
	Rajkot	322	102	220
	Gondal	1106	173	933
	Deesa	9790	2414	7376
	Bhabar	7610	2240	5370
	Mehsana	774	559	215
	Kadi	2784	501	2283
	Sabarkatha	NA	NA	-
	Gandhi Nagar	1020	720	300



	Ahmedabad (Sanand)	121	2	119
	Halvad	2250	1853	397
	Junagadh	133	59	74
	Dhrol	218	3	215
Rajasthan	Jodhpur	NA	600	-
	Sumerpur	1120	1160	-40
Total Arrivals/Above Markets		35737	13544	22193

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

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