

Castor Seed & Oil Monthly Research Report

Contents

- ❖ Outlook and Review
- ❖ Recommendations
- ❖ Seed Supply & Demand
- ❖ Oil Supply & Demand
- ❖ Domestic Market Fundamentals
- ❖ Technical Analysis (Futures Market)
- ❖ Castor Seed WPI
- ❖ International Castor Oil Market Summary
- ❖ Monthly spot price comparison



Castor Domestic Market Fundamentals:

- **Price:** All India average price of castor seed traded firm in the month of September as buyers are active in the market. Castor seed prices ~~was~~ were around Rs.3720 per quintal against last month's s prices s of Rs.3600 per Quintal.
- **Arrival:** Castor seed arrival s in the month of September was down drastically ~~by 279190 quintal~~ to 203200 quintal from last month's s arrivals s of 482390 quintal.
- According to Government 1st advance estimate, castor production in 2020-21 is estimated at 17.24 lakh tonnes. Last year total production of seed was reported 18.49 lakh tonnes which was a record in a decade.
- As per statement given by Abhay Udeshi, Chairman of SEA of India, due to shortage of Hybrid seeds in the market, yield is likely to be down this year.
- **Export:** India's castor oil exports gained by 35% from 48,589 tonnes to 65,682 tons in July,2020, according to data by The Solvent Extractors' Association of India. For Apr-July-2020, exports of the castor oil were at 195,478 tonnes, compared with 198,440 during the year-ago period.
- Contrary to the fear of drop in castor oil exports due to the pandemic, last year between January to August,3.89 lakh million tonnes were exported, which has increased to 4.15 lakh million tonnes, this year.
- —On observing the current export quantum and the current available stock in the market it may not be possible to export any more until new arrivals enter the market and prices correct.
- Prices of castor seed have risen from Rs.3700/quintal to Rs.4200/quintal in the last six months. Technically market prices s will hover between Rs.3880-4400/quintal in the near future.

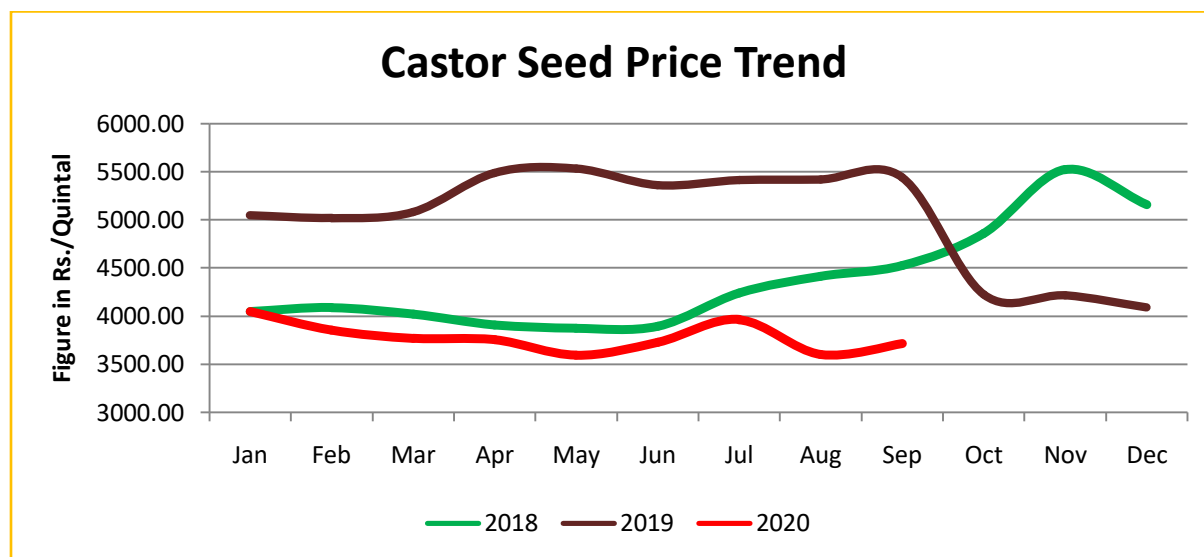
Sowing Updates of Castor Seed:

State Wise castor Seed Sowing as on 18.09.2020				
State	2020	2019	Absolute Change	Normal Area
Gujarat	5.80	6.75	-0.99	6.15
Rajasthan	1.40	1.54	-0.15	1.69
Telangana	0.14	0.23	-0.09	0.23
Andhra Pradesh	0.18	0.33	-0.15	0.40
Karnataka	0.08	0.06	0.02	0.13
Maharashtra	0.06	0.06	0.00	0.13
Total	7.74	9.10	-1.36	9.07

Sowing: According to the last sowing report as on 18th September 2020, all India Castor acreage is reported at 7.74 lakh hectares which is 14.92% lower than last year acreage of 9.10 lakh hectares in the same time period. Castor acreage in Gujarat this year is 5.80 lakh hectares against 6.79 lakh hectares, last year. Meanwhile acreage under castor seed is also reported down in other major producing states like Rajasthan, A.P. & Telangana.

State wise Wholesale Prices Monthly Analysis for Castor Seed September, 2020

State	Prices September, 2020	Prices August, 2020	Prices September, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	3628.87	3334.55	4621.85	8.83	-21.48
Gujarat	3960.71	3899.64	5429.21	1.57	-27.05
Karnataka	3601.88	3818.35	5000	-5.67	-27.96
Madhya Pradesh			3115.95	---	---
Maharashtra	3500	3278.33	4650	6.76	-24.73
Odisha			3828.57	---	---
Rajasthan	4053.74	3748.31	5231.22	8.15	-22.51
Tamil Nadu		3536.25	5225.43	---	---
Telangana	3572.75		4543.8	---	-21.37
Average	3719.66	3602.57	4627.34		

Castor Price Trend:


Source: Agriwatch

Above price chart is of DeesaMandi in Gujarat, which is a major market for castor seed. Castor seed price traded firm in last month due higher export as well domestic demand.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Lower Production Estimates for 2020-21	Bullish
Higher Carryover stock	Bearish
Higher Demand	Bullish
Higher Demand of Castor Oil	Bullish
Impact of Rain on Crop	Bullish
Based on Primary & Secondary Sources	

Castor Seed Demand & Supply:

All units in lakh tonnes	2017-18	2018-19	2019-20	2020-21*
Carry in	4.29	5.04	2.3	7.3
Production	14	11.25	19.5	17
Imports	0	0	0	0
Total Availability	18.29	16.29	21.8	24.3
Consumption (crushing)	13.25	14	14.5	15
Exports	0	0	0	0
Total Usage	13.25	14	14.5	15
Carry out	5.04	2.29	7.3	9.3
Av Monthly Consumption	1.10	1.17	1.21	1.25

Agriwatch is estimating that castor seed production is likely to down in this crop year-2020-21, as area is down in most producing states including Gujarat which is one of the major producing state. This year it is estimated around 17lakh tons of castor seed will be produced which is down by 12.8% from last year's production of 19.5 lakh tons. Carryover stock is continuously increasing which would not push the price in upward for long term. However, demand of castor Oil during festive season may support the price in near to midterm.

Castor Oil Demand & Supply:

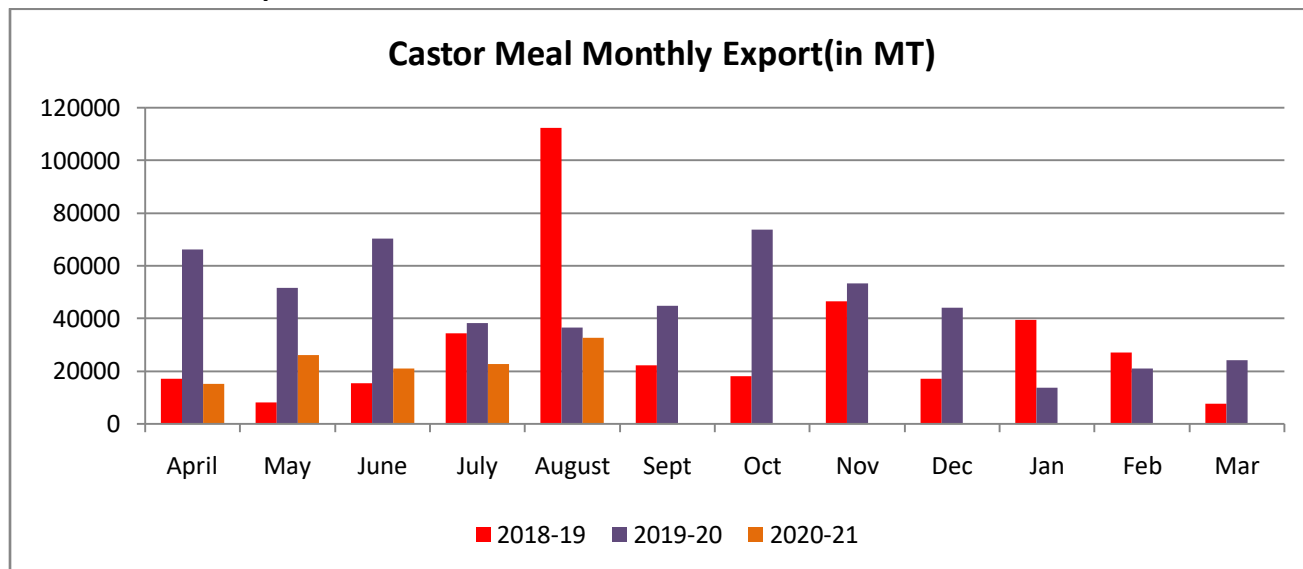
Preliminary Forecast For 2020-21				
All units in lakh tons	2017-18	2018-19	2019-20	2020-21
Carry in	2.31	1.80	0.58	3.75
Production	6.90	5.19	9.36	7.02
Imports	0.00	0.00	0.00	0.00
Total Availability	9.21	6.99	9.94	10.77
Consumption	0.90	0.70	0.80	1.25
Exports	6.51	5.71	5.39	5.80
Total Usage	7.41	6.41	6.19	7.05
Carry out	1.80	0.58	3.75	3.72
Av Monthly Consumption	0.08	0.06	0.07	0.10

Castor Oil- Balance Sheet for 2020-21-

With the recovery in demand from Overseas and domestic, consumption is likely to grow in MY-2020-21. Production of Oil is expected to down in this season with fall in production of castor seed. Export is once again likely to up by 7.6% from 5.39 lakh tonnes to 5.8 lakh tonnes in 2020-

21. Overall scenario for oil is likely to stay in range bound in terms of price as carryover is also almost same 3.75 lakh tonnes to 3.72 lakh tonnes.

Castor Oil Meal Export Trend:



As per the Solvent Extractors' Association of India (SEA), castor meal exports in the month of Aug'20 is reported at 32,825 tonnes which is 25% higher than the exports of July'20 of 22,786 tonnes. On a cumulative basis, exports were 118,432 tonnes from Apr to Aug'2020 which is lower than last year exports of 263,520 tonnes during the same period.

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

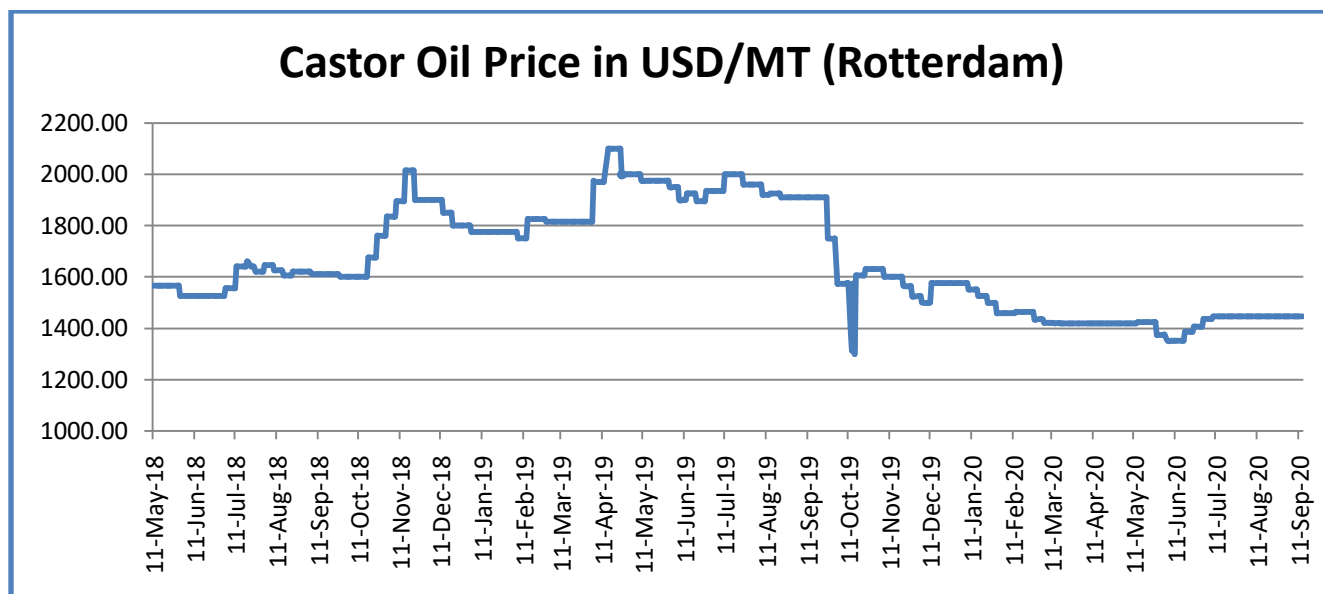
- Bullish in price witnessed due to fresh buying activity outlook in castor seed.
- Prices are likely to move steady to firm tone in coming week.
- Increase in prices with higher volume and OI indicates long build up.
- RSI is moving in neutral zone which indicates caution to bears.


Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Oct	3400	3300	4200	4400	4500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	oct	BUY	4140	4180	4190	4170

Cash Market (Deesa) Expected Price Range for Oct-2020:-

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4150-4300	4300-4600
Medium Term (30 days)	4250-4550	4400-4800

Rotterdam Price:-


Comparative Prices Of Castor Products Including Seed					
	18thSe p'20	11thSe p'20	18thAu g'20	18thSe p'19	CHANG E %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41150	40350	40150	55758	-35.50
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	85.00	83.00	71.00	102.00	-20.00
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6000	5850	5050	7126	-18.77
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1190	1175	1160	1584	-33.11
Local rates for oil in domestic market(Rs./M.T.) for comm.	86500	86000	85500	113095	-30.75

Source: SEA


Castor Seed - Products Monthly Average Prices:

Commodity	Monthly Average Prices (Rs/ Quintal)			Change
Center	Market	20-Sep	20-Aug	
Gujarat	Patan	4045	3968	77
	Harij	4010	3943	67
	Rajkot	3860	3834	26
	Gondal	3913	3883	30
	Deesa	4040	3984	56
	Bhabar	4046	3939	107
	Mehsana	4000	3938	62
	Kadi	4050	3994	56
	Sabarkatha	4034	3968	66
	Gandhi Nagar	4010	3955	55
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	3939	3871	68
	Junagadh	3798	3758	40
	Dhrol	3688	3671	17
Rajasthan	Jodhpur	3905	3769	136
	Sumerpur	3906	3851	55

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		20-Sep	20-Aug	
Gujarat	Patan	54802	32168	22634
	Harij	33225	23475	9750
	Rajkot	14620	7190	7430
	Gondal	17010	5757	11253
	Deesa	7497	5735	1762
	Bhabar	8808	32400	-23592
	Mehsana	17850	12638	5212
	Kadi	91880	43720	48160
	Sabarkatha	11560	4000	7560
	Gandhi Nagar	19463	11475	7988
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	37800	14850	22950

Rajasthan	Junagadh	764	325	439
	Dhrol	36	48	-12
	Jodhpur	45	299	-254
	Sumerpur	10320	9120	1200
Total Arrivals/Above Markets		325680	203200	122480

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

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		20-Aug	20-Jul	
Gujarat	Patan	32168	88767	-56599
	Harij	23475	51375	-27900
	Rajkot	7190	15740	-8550
	Gondal	5757	13582	-7825
	Deesa	5735	15044	-9309
	Bhabar	32400	111232	-78832
	Mehsana	12638	21525	-8887
	Kadi	43720	90320	-46600
	Sabarkatha	4000	5680	-1680
	Gandhi Nagar	11475	9375	2100
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	14850	33450	-18600
	Junagadh	325	742	-417
	Dhrol	48	207	-159
Rajasthan	Jodhpur	299	951	-652
	Sumerpur	9120	24400	-15280
Total Arrivals/Above Markets		203200	482390	-279190

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

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