

Castor Seed & Oil Monthly Research Report

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Castor Domestic Market Fundamentals:

- **Price:** All India average price of castor seed traded weak in the month of January as buyers are sluggish in the market. Castor seed price was around Rs.4005-4385 per quintal against last month's prices of Rs.4490 per Quintal.
- **Arrival:** Down in January -2021, drastically to 149528 quintal from last month's arrivals of 201065 quintal.
- As per Survey report conducted by Agriwatch for SEA, India's castor seed crop is expected to be marginally lower at 19.02 lakh tonnes for the year 2020-21 against 19.52 It recorded in the previous year. All-India sowing is projected at 8,26,120 ha compared to 9,73,190 ha in 2019. The yield, according to Agriwatch, will be higher at 2,303 kg/ha against last year's 2,006 kg/ha. "The monsoon in the castor growing regions was more than normal which created better prospects for a higher yield.
- The largest castor-growing region in the country, Gujarat and Saurashtra-Kutch, received rains in excess of 12 per cent and 126 per cent, respectively. Also, West Rajasthan, Telangana and Rayalaseema in Andhra Pradesh witnessed excess rainfall of 25 per cent, 46 per cent and 84 per cent, respectively.
- Output in Andhra Pradesh and Telangana is projected to be lower on 34 per cent dip in acreage. The crop area is estimated at 38,220 ha (58,240 ha). Yield is expected to be marginally lower at 589 kg/ha against last year's 593 kg/ha.
- According to Agriwatch Research Survey, India's castor seed crop is expected to be marginally lower at 19.02 lakh tonnes (It) for the year 2020-21 against 19.52 It recorded in the previous year.
- According to second Advance estimate released by Gujarat Agriculture Department, Castor seed production is expected to touch 14.69 tonnes in MY 2020-21.
- To observe the long-term pattern of Castor Seed some must look at Corona Pandemic, Prices of Other Crops and the Pattern of Monsoon. During initial days of the Cropping season, it was expected that the Cropping area of Castor would go down by 30-40%. But due to good rainfall between August - September the decline in area under castor crop had gone down by 16% only.
- Last year Cropping area across India was 9.92 Lakh Hectares, which came down to 8.32 Lakh Hectares (16%). Last year Cropping area across Gujrat was 7.41 Lakh Hectares which came down to 6.38 Lakh Hectares (14%). In the beginning of this season It was expected that the productivity of Castor seeds would go down by 10%. But due to favourable weather the productivity of Castor would not be affected much as compared to last year.
- During the harvesting season of Castor Seeds the expected productivity would be around 17 Lakh Tonnes, which was 19.55 Lakh tonnes last year. we take the productivity of Castor seeds to be 17 Lakh tonnes and 3 Lakh tonnes of Carry forward from last year. The total availability of Stock would be 20 Lakh Tonnes as compared to 22 Lakh Tonnes last year.

- The export numbers to China has remained substantially good. Though during the Lunar New Year the demand for Castor might slow down, but once that gets over the demand would again pick up. And in western market especially US and West European markets the demand for Castor Oil has started picking up after Christmas.
- The estimated production of Castor in current year was 22 Lakh tonnes, out of which 13 Lakh tonnes has already arrived in market. So by the time new Castor crop arrival after February, the total availability of Castor for Industries is only 8.5-9 Lakh tonnes.

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 January, 2021

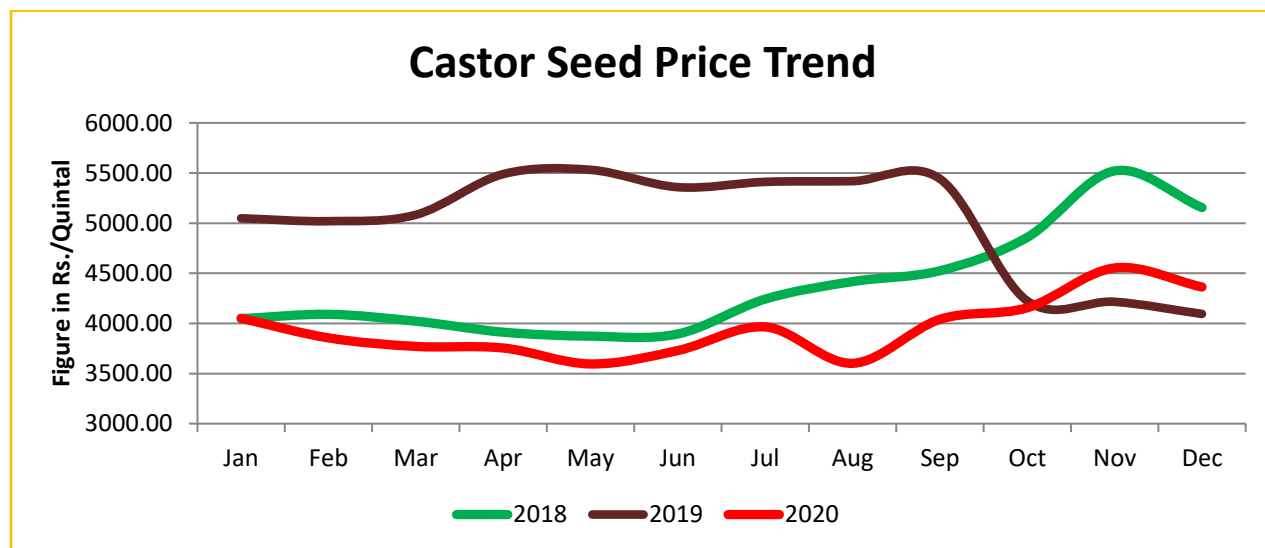
State	Prices January, 2021	Prices December, 2020	Prices January, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	3821.69	3826.98	3088.14	-0.14	23.75
Gujarat	4359.43	4371.6	3983.32	-0.28	9.44
Karnataka	3897.55	3653.57	3627.96	6.68	7.43
Maharashtra	3612.5			---	---
Rajasthan	3820.96	4166.07	3933.55	-8.28	-2.86
Tamil Nadu	4050	4022.14		0.69	---
Telangana			3579.44	---	---

Average	3927.02	4008.07	3642.48		
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*Report Generation: As per the data reported by APMCs

Prices in Rs/Quintal

Castor Price Trend:



Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major market for castor seed. Castor seed price traded weak in last month due to higher carryover stock estimate.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Lower Production Estimates for 2020-21	Bullish
Higher Carryover stock	Bearish
Higher Export Demand of Meal	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:

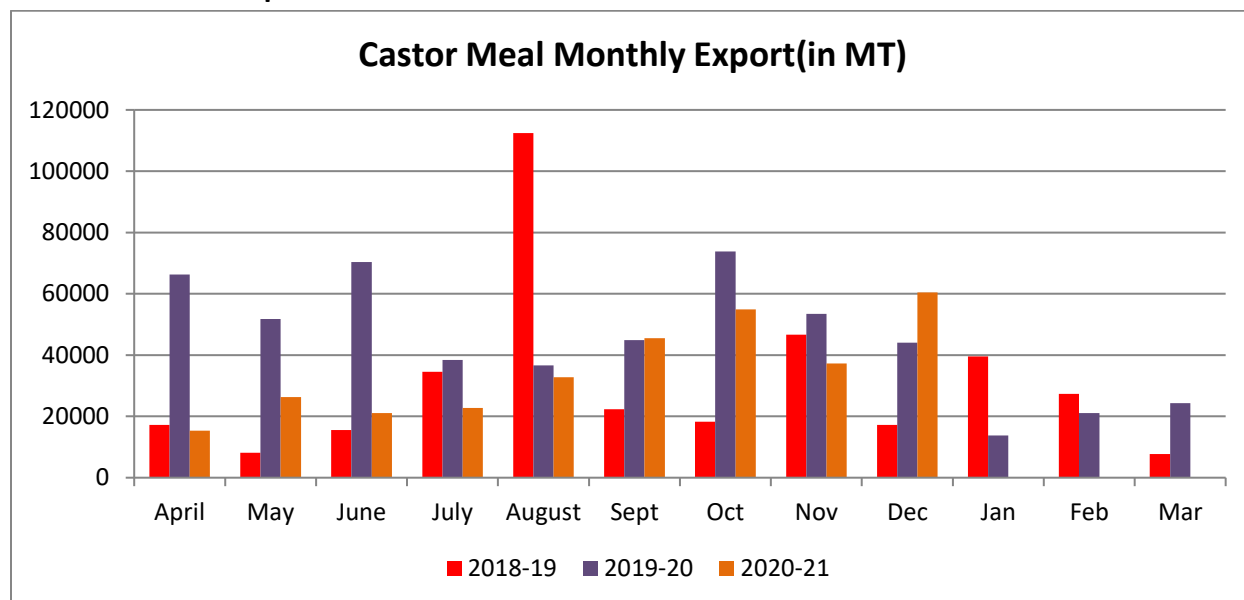
Preliminary Forecast For 2020-21				
All units in lakh tons	2017-18	2018-19	2019-20	2020-21
Carry in	2.31	1.80	0.58	3.75
Production	6.90	5.19	9.36	7.02
Imports	0.00	0.00	0.00	0.00
Total Availability	9.21	6.99	9.94	10.77
Consumption	0.90	0.70	0.80	1.25
Exports	6.51	5.71	5.39	5.80
Total Usage	7.41	6.41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

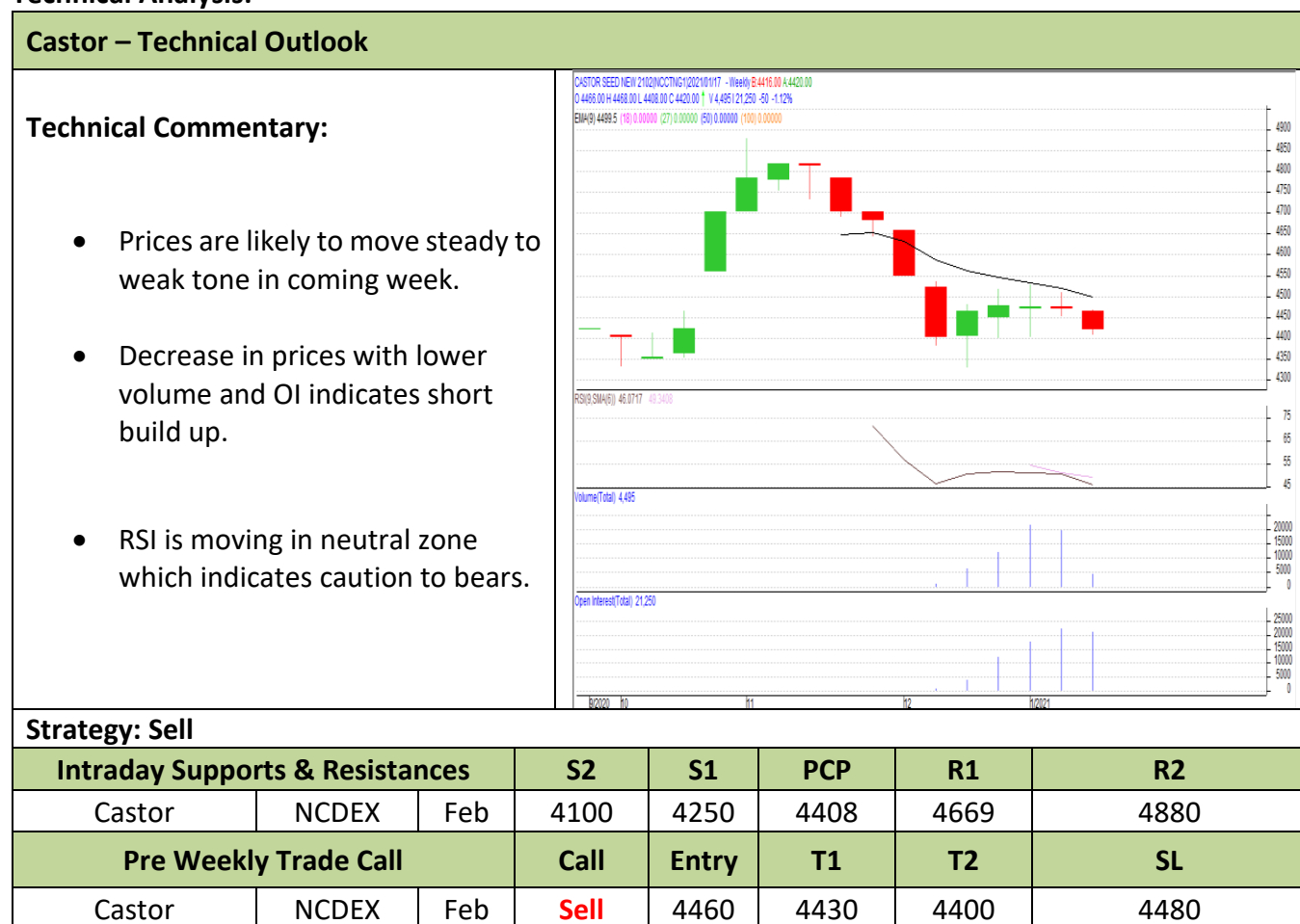
With the recovery in demand from Overseas and domestic, consumption is likely to grow in MY-2020-21. Production of Oil is expected to down in this season with fall in production of castor seed. Export is once again likely to up by 7.6% from 5.39 lakh tonnes to 5.8 lakh tonnes in 2020-

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.

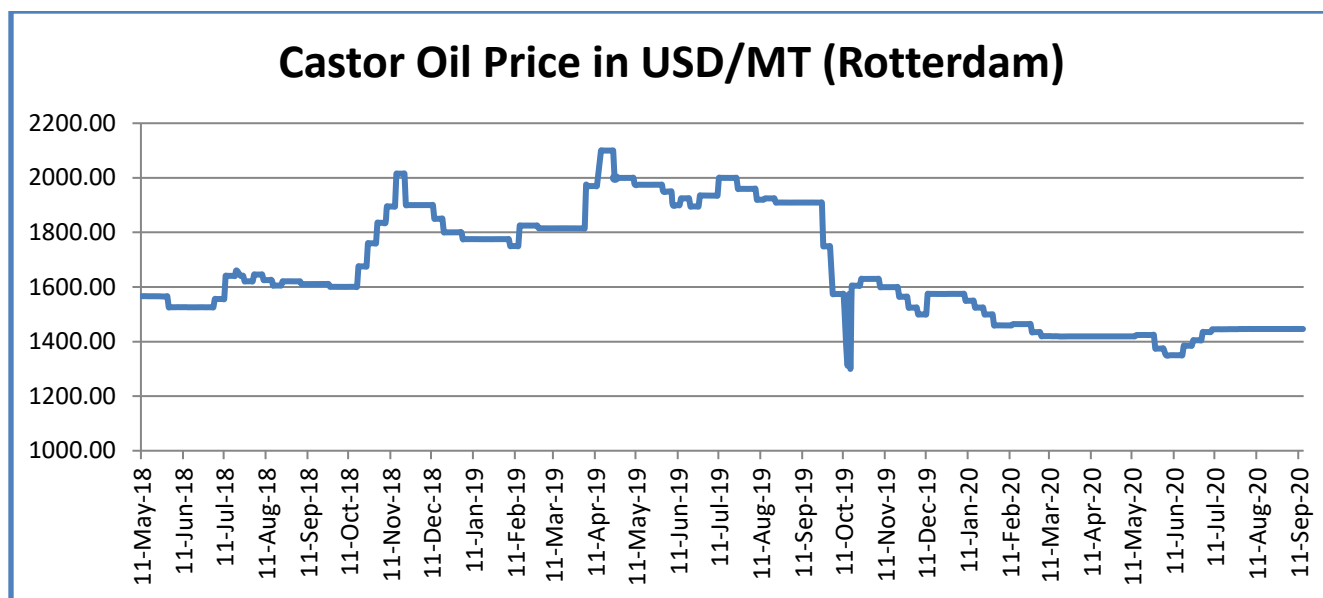
Castor Oil Meal Export Trend:



During April-Dec., 2020, South Korea imported 680,791 tons of oilmeals (compared to 727,194 tons); consisting of 425,369 tons of rapeseed meal, 208,809 tons of castorseed meal and 46,613 tons of soybean meal. Vietnam imported 326,630 tons of oilmeals (compared to 242,622 tons); consisting of 183,737 tons of De-oiled Rice Bran, 137,290 tons of rapeseed meal, 5,378 tons of soybean meal and 225 tons of groundnut meal. Thailand imported 132,737 tons of oilmeals (compared to 185,327 tons); consisting of 124,220 tons of rapeseed meal, 6,101 tons of soybean meal and 2,380 tons of rice bran extraction. U.S.A. imported 176,528 tons of oilmeals (compared to 150,191 tons); consisting of 175,798 tons of soybean meal and small quantity of 620 tons of rapeseed meal and 110 tons of castorseed meal. Bangladesh turn out to big importer of rapeseed meal and ricebran extraction. Bangladesh imported 340,771 tons of oilmeals (compared to 34,552 tons), consisting of 162,771 tons of rapeseed meal, 94,241 tons of ricebran extractions and 83,759 tons of soybean meal. Also export of soybean meal to Iran picking up and during December, 2020 about 42,000 tons shipped.

Technical Analysis:

Cash Market (Deesa) Expected Price Range for Feb-2021:-

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4200-4350	4300-4600
Medium Term (30 days)	4400-4500	4400-4900

Rotterdam Price:-

Comparative Prices Of Castor Products Including Seed

	22nd Jan'21	15th Jan'21	22nd Dec'20	20th Jan'20	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45300	45600	43650	44410	1.96
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	70.00	68.00	69.00	75.00	-7.14
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5000	5000	4750	5080	-1.60
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1310	1320	1265	1197	8.63
Local rates for oil in domestic market(Rs./M.T.) for comm.	94000	96000	93000	84800	9.79

Source: SEA

Castor Seed - Products Monthly Average Prices:

Commodity	Monthly Average Prices (Rs/ Quintal)			Change
Center	Market	21-Jan	20-Dec	
Gujarat	Patan	4385	4395	-10
	Harij	4415	4400	15



	Rajkot	4260	4275	-15
	Gondal	4305	4325	-20
	Deesa	4395	4415	-20
	Bhabar	4405	4420	-15
	Mehsana	4385	4415	-30
	Kadi	4390	4390	Unch
	Sabarkatha	4425	4425	Unch
	Gandhi Nagar	4405	4415	-10
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	4445	4440	5
	Junagadh	4265	4255	10
	Dhrol	4005	3725	280
Rajasthan	Jodhpur	4315	4335	-20
	Sumerpur	4245	4255	-10

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		21-Jan	20-Dec	
Gujarat	Patan	54000	65625	-11625
	Harij	9675	19500	-9825
	Rajkot	4066	7405	-3339
	Gondal	10650	12650	-2000
	Deesa	4613	5595	-982
	Bhabar	5625	6970	-1345
	Mehsana	11160	17918	-6758
	Kadi	20908	27016	-6108
	Sabarkatha	4760	3800	960
	Gandhi Nagar	9225	11813	-2588
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	10313	15300	-4987

	Junagadh	433	572	-139
	Dhrol	20	21	-1
Rajasthan	Jodhpur	NA	NA	-
	Sumerpur	4080	6880	-2800
Total Arrivals/Above Markets		149528	201065	-51537

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

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