



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- During the week period castor seed prices reported lower compared to previous week. However, prices are trading on higher side compared to previous year during same time. Last year prices were trading near Rs 3759/ quintal compared to Rs 4766/ quintal during this year.
- However, since June prices started moving up after the crop estimates were released. In its first advance estimates for 2018-19, the Gujarat agriculture department estimated castor crop to decline by 21 per cent to 1.173 million tons against 1.484 million tons last year.
- Gujarat production forecast also affected the national production estimates. Against the production target of 1.831 million tons, the agriculture ministry in its first advance estimate predicted the production to be 1.517 million tons, down 17.2 per cent from last year. The country had produced 1.568 million tons of castor seed last year. Late arrival of monsoon rains in castor producing areas of Gujarat and Rajasthan also supported prices.
- Between September and October, castor seed prices moved up by 17 per cent from Rs 4,500 per quintal to Rs 5275 per quintal. Also during September-October prices also remained stagnant for some time reacting to the export demand for castor oil and castor meal.
- Between April and August, castor oil exports were down by more than 12 per cent at 239,000 tons. While castor oil exports to China went up by 12.3 per cent to 1,03,951 tons, that to the US, the Netherlands and France declined by 27.6 per cent, 15.35 per cent and 25.5 per cent, respectively. China is main export destination for Indian castor oil followed by the Netherlands, the US and France. The country had shipped around 639,000 tons of castor oil in 2017-18.
- Castor meal exports too were down in the first half of 2018-19 – between April and September – by about 32 per cent at 2,02,407 tonnes against 2,99,271 tonnes during the same period last year. Castor meal export prices have been higher by average 40 per cent during the last two months against the same period last year. This affected the demand for castor meal. South Korea is the largest buyer of Indian castor meal, accounting for more than 75 per cent of exports, followed by Taiwan.
- As far as prices are concerned, more upside is expected in the coming months. “With the expectation of lower crop production in Gujarat and increase in meal exports, we anticipate castor prices to trade positive in coming months. In the current season, the peak arrivals may delay by 15-30 days due to late arrival of monsoon rains. Moreover,

drier climate in main castor producing districts of Banaskantha, Patan and Mehsana in Gujarat may affect castor crop yield. Hence, we expect the prices to move towards Rs 5,100-5,300 per quintal in short to medium term.

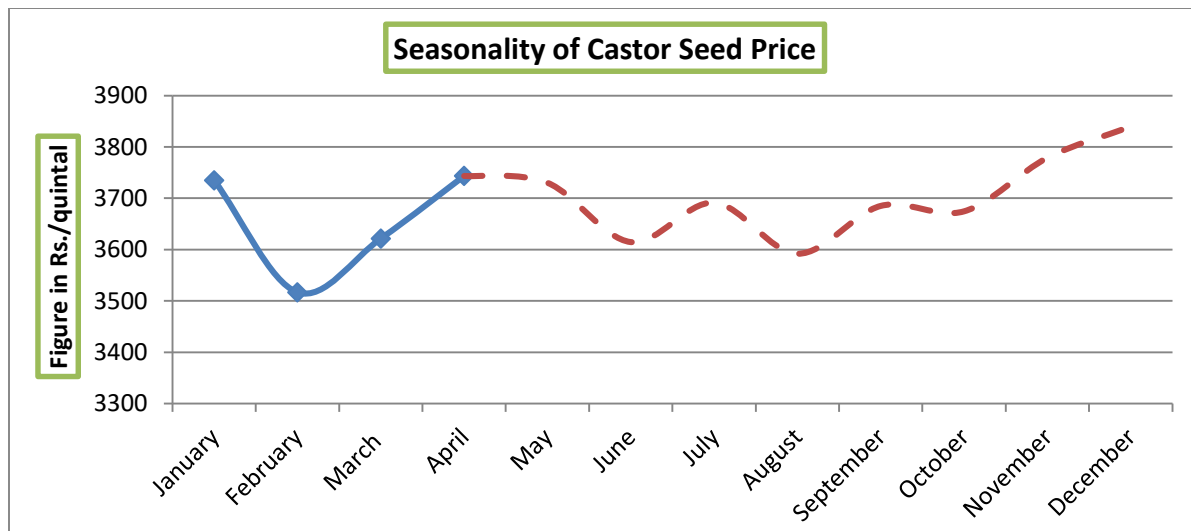
Kharif Castor Seed Sowing Updates as on 20.09.2018 (in Lakh Hectare):

	CASTORSEED					
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.39	0.33	52.4	0.26	0.07
Assam	0.01	0.00	0.00	0.0	0.00	0.00
Gujarat	6.70	6.40	5.08	75.8	5.76	-0.68
Haryana	0.01	0.01	0.01	122.4	0.01	0.00
Jharkhand	0.01	0.00	0.01		0.01	
Karnataka	0.11	0.11	0.07	66.0	0.07	0.00
Madhya Pradesh	0.05	0.00	0.00	0.0	0.00	0.00
Maharashtra	0.15	0.16	0.10	63.8	0.07	0.03
Odisha	0.11	0.06	0.05	41.8	0.05	-0.01
Rajasthan	1.96	1.74	2.64	135.1	1.60	1.04
Tamil Nadu	0.06	0.03	0.02	38.2	0.02	0.00
Telangana	0.72	0.52	0.26	35.8	0.31	-0.05
All-India	10.51	9.44	8.59	81.8	8.17	0.42

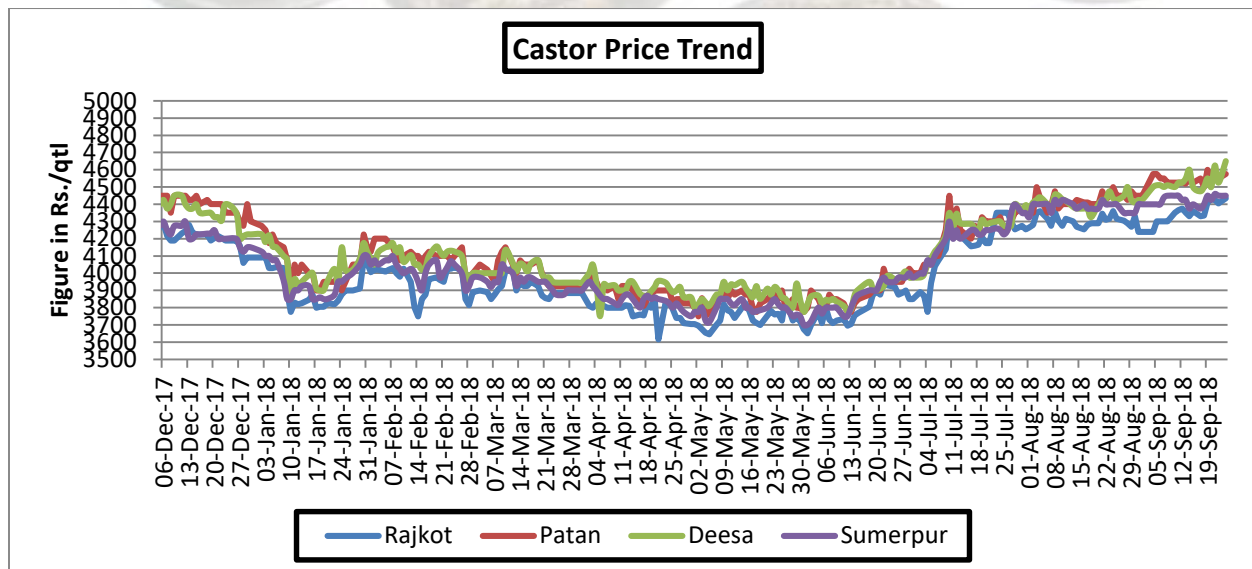
All India castor seed sowing as on 20th Sept -2018 was 8.59 lakh hectares which is up by 5.19% from last year corresponding period area of 8.17 lakh hectares and 9% down by normal area of corresponding period area of 9.44 lakh hectares. Lower area is reported from the states of Odisha, Telangana and Gujarat.

Stake holders in cash market may opt for buying seed around Rs. 5000 to Rs.5200 for profit purpose.

Seasonality of Castor Seed Price



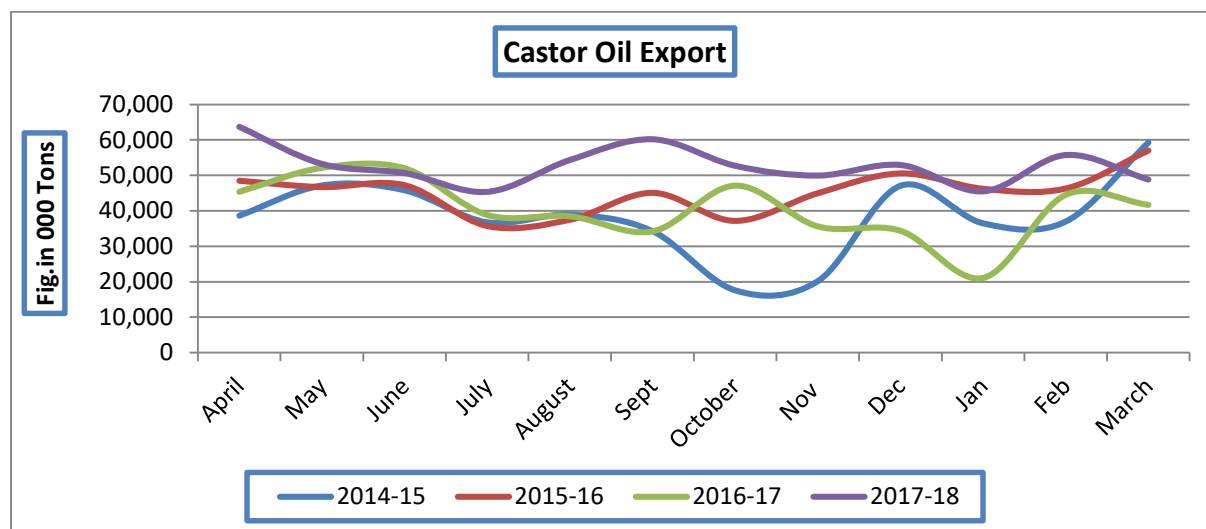
Castor Price Trend:



Source: Agriwatch

Castor seed price trend is moving steady to firm in coming weeks due to lower arrival from major producing regions and constant demand from consuming states. A decline in ready stocks due to pause in supplies from growing belts amid strengthening demand for consuming industries such as soap, paint and lubricant industries in the spot markets, enthused traders to build up their holdings, marking the uptick in castor seed futures prices.

Castor Oil Export Trend:

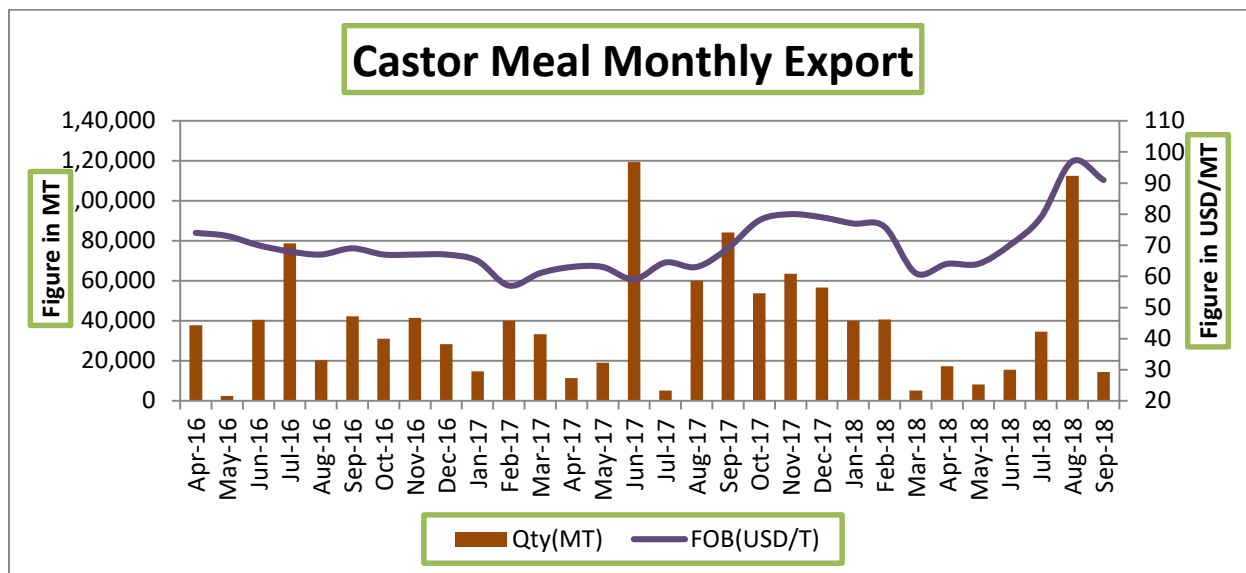


Source: Sea Of India

During April – Sept., 2018 Vietnam imported 277,406 tons of oil meals (compared to 223,184 tons); consisting of 7,160 tons of soybean meal, 94,559 tons of rapeseed meal, and 175,687 tons of Rice Bran Extraction. South Korea imported 441,119 tons of oil meals (compared to 427,126 tons); consisting 280,292 tons of rapeseed meal, 10,832 tons of soybean meal and 149,995 tons of castor meal. Thailand imported 167,101 tons of oil meals (compared to 76,895 tons); consisting 4,747 tons of soybean meal, 10,253 tons of De-oiled Rice Bran Extraction, and 152,065 tons of rapeseed meal. France imported 76,704 tons of oil meals consisting 74,499 tons of soybean meal and 2,205 tons of Castor meal.

Castor Meal Export:

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of September 2018. The export of oilmeals during September 2018, provisionally reported at 81,511 tons compared to 298,182 tons in September 2017 i.e. down by 73%. The overall export during April to September 2018 is reported at 1,403,382 tons compared to 1,284,788 tons during the same period of last year i.e. up by 9%. The export of rapeseed meal is sharply increased to 601,105 (300,627) tons in first six months, almost doubled mainly exported to South Korea, Vietnam and Thailand. The ongoing trade dispute between USA and China has created a lot of uncertainty and forcing China to look out to other origins for their requirements of soybean and oilmeals. This has compelled China to relook its ban imposed for importing of oilmeals from India since 2012. We understand from Ministry of Commerce/Export Inspection Council of India that China will lift the ban very soon for import of Rapeseed Meal from India. Those units already approved by AQSIQ will able to resume the export of Rapeseed Meal to China once notified by AQSIQ of Chinese Government. In case of resumption of export of Soybean Meal from India to China, may take some time as Chinese AQSIQ team likely to visit current month/next month to inspect/approve the units. Prior to ban in 2012, China used to import nearly half a million tons of oilmeals viz. Rapeseed meal 3.5 to 4.0 lakh tons and 1.0 lakh tons of soybean meal from India.



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 3rd week Nov, 2018

State	Prices 16-23 Nov 2018	Prices 09-15 Nov 2018	Prices 01-08 Nov 2018	Prices 16-23 Nov 2017	% Change(Over Previous Week)	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4907.92	5099.51	5089.94	3725.79	-3.76	-3.58	31.73
Gujarat	5523.39	5841.77	5389.8	4204.3	-5.45	2.48	31.37
Karnataka	3700			3301.43	---	---	12.07
Madhya Pradesh	4798.94	4087.02			17.42	---	---
Rajasthan	4902.86	5476.4	5376.86	3960.64	-10.47	-8.82	23.79
Tamil Nadu			4100		---	---	---
Telangana				3603.57	---	---	---
Average	4766.62	5126.18	4989.15	3759.15			

Source: Agmarket.net (Prices in Rs./Qtl)

Cash Market Price Outlook for Future Price

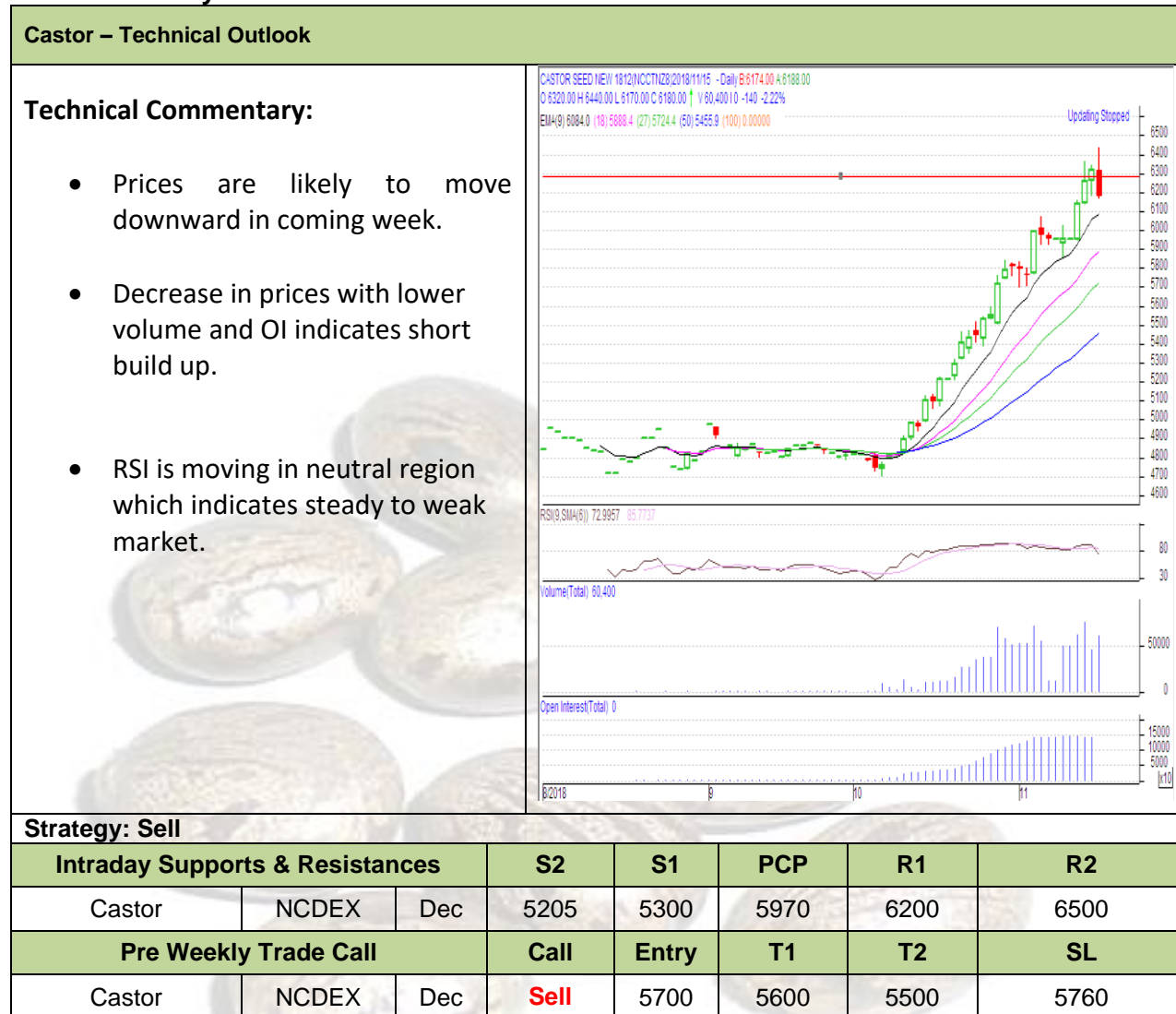
Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	5100-5500	5400-5700
Medium Term (30 days)	5500-6000	5600-6200

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	2nd Nov '18	26th Oct '18	1st Oct '18	2nd Nov '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	56500	53750	46300	44460	21.31
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	94.00	90.00	88.00	80.00	14.89
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	6900	6550	6350	5100	26.09
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1575	1500	1310	1453	7.75
Local rates for oil in domestic market (Rs./M.T.) for comm.	115000	109500	95000	93892	18.35



Technical Analysis:



Castor Seed- Balance Sheet for 2018-19:

Production shows around 15.6 percent 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. 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 12.5 to 10.55 lakh tons this year.

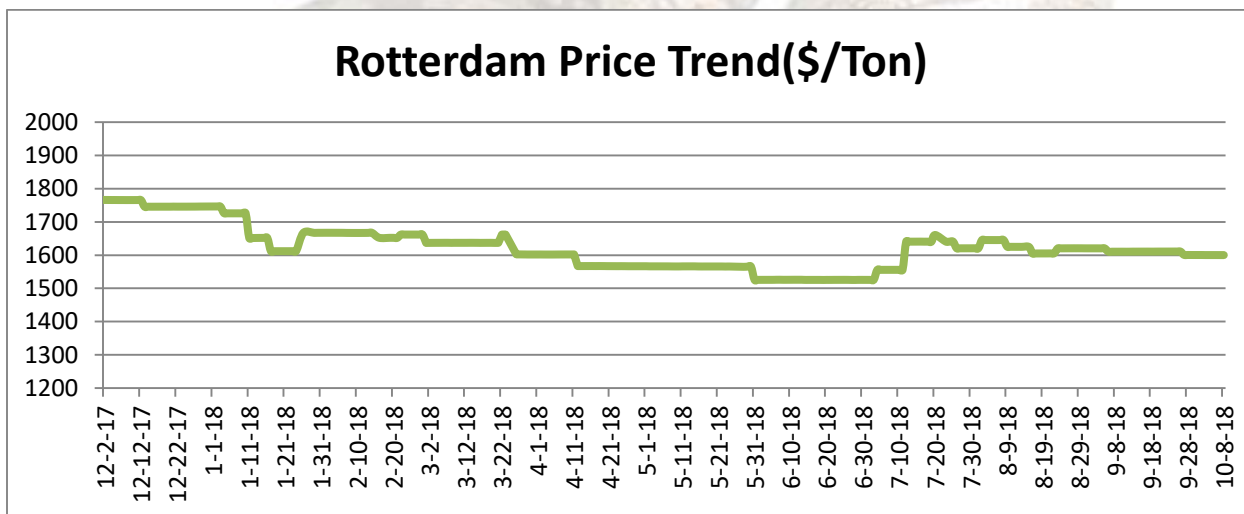
The season started with 6.10 lakh tons as carryout. Thus total availability for current marketing year comes to 16.65 lakh tons with estimated production of 10.55 lakh tons is included. Lower

production would drag carryout down from 6.10 to 3.10 lakh tons. It would push seed price up in coming month of year 2018.

Castor Seed Supply & Demand for MY-2018-19:

Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	6.65	7.8	9.3	6.80	5.60
Production	13.5	14	10.5	12.5	10.55
Imports	0	0	0	0	0
Total Availability	20.15	21.8	19.8	18.8	16.1
Consumption	12.6	13	13.25	13.4	13.5
Exports	0	0	0	0	0
Total Usage	12.35	12.50	13.00	13.20	13.25
Carry out	7.80	9.30	6.80	5.60	2.85
Av Monthly Consumption	1.05	1.08	1.10	1.12	1.13
Stock to Month Use	7.43	8.58	6.16	5.01	2.53
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

Rotterdam Price:



Source: Agriwatch

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		17th Nov to 23rd Nov 2018	11th Nov to 16th Nov 2018	
Gujarat	Patan	5537	5895	-358
	Harij	5505	5881	-376
	Rajkot	5397	5729	-332
	Gondal	5370	5723	-353
	Deesa	5473	5857	-384
	Bhabar	5429	5873	-444
	Mehsana	5523	5910	-387
	Kadi	5515	5997	-482
	Sabarkatha	5450	5963	-513
	Gandhi Nagar	5500	5883	-383
	Ahmedabad (Sanand)	5200	NA	-
	Halvad	5604	5785	-181
	Junagadh	5273	5724	-452
	Dhrol	5203	5500	-298
Rajasthan	Jodhpur	5517	6006	-489
	Sumerpur	5360	5710	-350

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		23-Nov-18	16-Nov-18	23-Oct-18	23-Nov-17
Gujarat	Patan	5550	6050	5150	4300
	Harij	Closed	6300	5150	4200
	Rajkot	5325	5815	5050	4160
	Gondal	5330	5830	5055	4105
	Deesa	Closed	5890	5075	4350
	Bhabar	5400	5800	5175	NA
	Mehsana	Closed	5950	5150	4250
	Kadi	5525	5925	5135	4285
	Sabarkatha	5400	5900	5100	4250
	Gandhi Nagar	Closed	5900	5075	4250
	Ahmedabad (Sanand)	NA	NA	NA	NA
	Halvad	5700	5800	4700	4300
	Junagadh	5225	5650	5000	NA
	Dhrol	5200	NA	NA	NA
Rajasthan	Jodhpur	5390	5980	5230	4340
	Sumerpur	Closed	5650	4900	4200

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	17th Nov to 23rd Nov 2018	11th Nov to 16th Nov 2018	Change
Gujarat	Patan	9150	10500	-1350
	Harij	975	1425	-450
	Rajkot	1365	1720	-355
	Gondal	1820	1393	427
	Deesa	3162	4205	-1043
	Bhabar	15648	7546	8102
	Mehsana	1350	1215	135
	Kadi	6960	12880	-5920
	Sabarkatha	560	1040	-480
	Gandhi Nagar	1800	1650	150
	Ahmedabad (Sanand)	60	NA	-
	Halvad	713	600	113
	Junagadh	150	460	-310
	Dhrol	2	1	1
Rajasthan	Jodhpur	608	420	188
	Sumerpur	960	800	160
Total Arrivals/Above Markets		45282	45855	-573

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