



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Lower output of castor seeds in India, the world's largest producer of the commodity, has pushed up the price of castor oil in the international markets by 23.07 per cent from a year ago. According to industry executives, the price of castor oil in the international market has touched \$1,600 per tonne compared with \$1,300 per tonne a year ago.
- Trader's view is that strong demand from processors amid positive crush margins will support prices in coming days. Medium to long term outlook is positive on expectation of lower crop production. However, IMD forecast of near normal monsoon rainfall is likely to keep a check on any significant upward movement.
- According to the latest second advance estimates by Ministry of Agriculture, Castor seed production for 2018-19 is estimated to decline by 21.37 per cent at 11.77 lakh tonnes as compared to 14.97 lakh tonnes last year. The target set by government for 2018-19 castor seed production is 18.31 lakh tonnes.
- According to the Solvent Extractors' Association of India, Castor seed production expected to decline to 1.20 to 1.25 million tonnes in 2018-19 (July-June) against 1.42 million tonnes in the previous year.
- As per trade sources, the decline in all India castor seed production is mainly due to lower crop estimates from Gujarat because of deficient rainfall during monsoon 2018 in major Castor producing areas of Mehsana, Patan, and Surendranagar districts.
- As per the latest revised second advance estimates for 2018-19 crop by the Department of Agriculture Gujarat, Castor seed production is estimated to decline by 35.24 per cent at 9.61 lakh tonnes as against 14.84 lakh tonnes during 2017-18.
- As per the Department of Agriculture Rajasthan, Castor seed production in 2018-19 is likely to decline at 1.56 lakh tonnes as compared to 1.66 lakh tonnes during 2017-18.
- Castor seed acreage in Andhra Pradesh & Telangana for the year 2018-19 is 60270 hectares as per the government's estimates against last year's estimate of 57930 hectares, which has increased by 4 per cent as compared to the previous year. Total production in the state is estimated to be 0.23 lakh tonnes during the year 2018-19 compared 0.27 lakh tonnes in 2017-18.

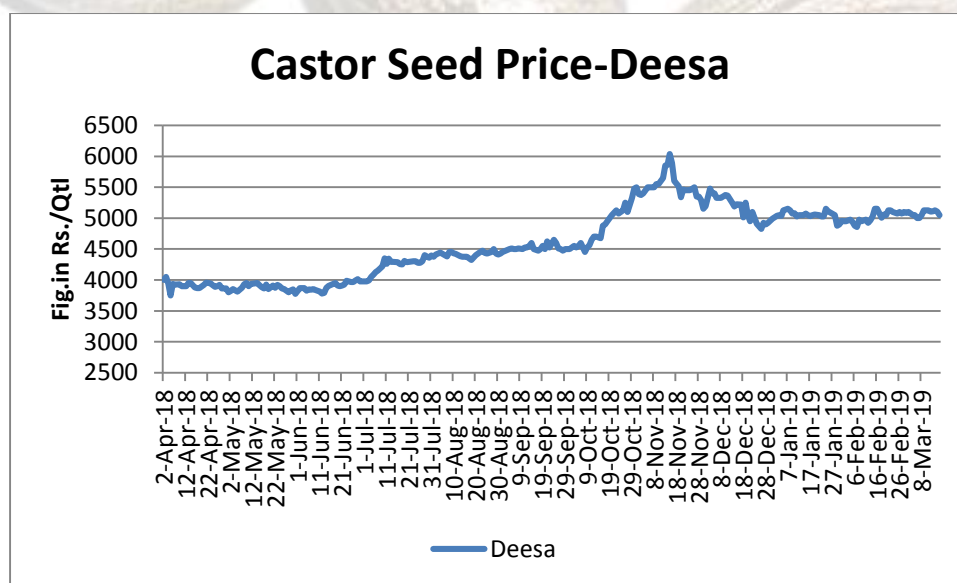
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- According to the Solvent Extractors Association of India, export of castor seed meal during financial year 2018-19 has declined significantly by 35.83 per cent at 3.67 lakh tonnes as against 5.72 lakh tonnes exported in 2017-18.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Strong buying activities from millers and stockists in most of the spot markets	Bullish
Profit booking at higher levels	Bearish
Castor seed All India production 2018- 19 estimated to decline by 21.37 per cent at 11.77 lakh tonnes	Bullish
Lower Castor production expectation from Mehsana, Patan and Surendranagar districts of Gujarat	Bullish
Export of castor seed meal in 2018-19 has declined significantly by 35 per cent at 3.67 lakh tonnes	Bearish
<i>Based on Primary & Secondary Sources</i>	

Castor Price Trend Deesa Mandi:



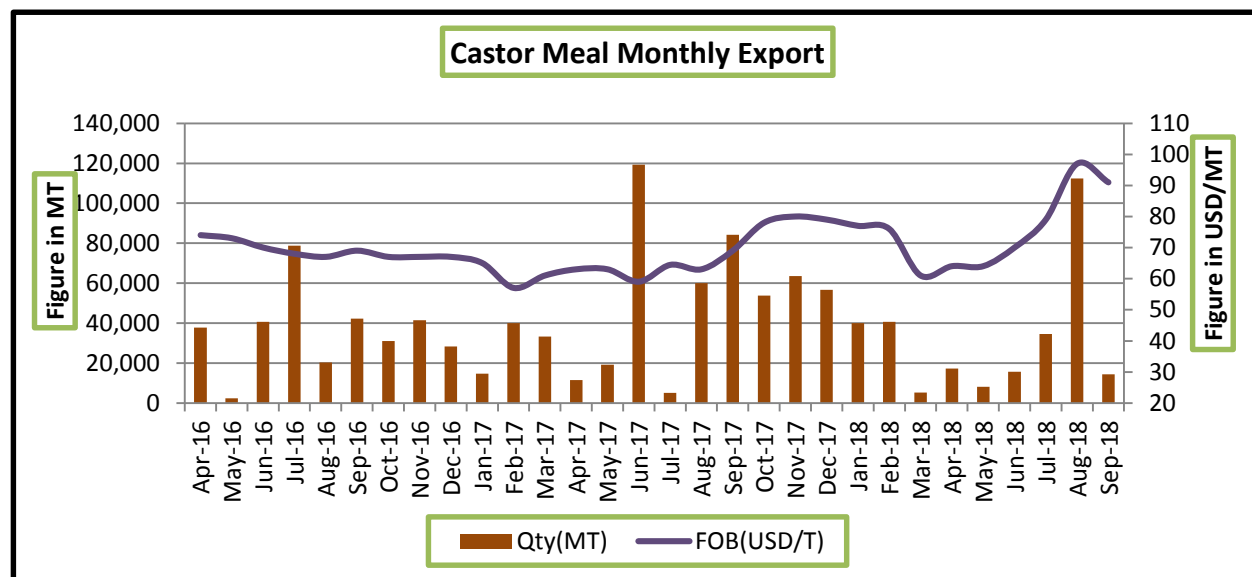
Source: Agriwatch

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Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Price trend is showing firm movement, however price is likely to trade weak with arrival season and thus, as profit booking is likely to happen in which it is advise that traders can buy on every dips.

Castor Meal Monthly Export:



Source: Sea of India

Castor Meal Export Summary:

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of March 2019 as well as for the financial year 2018-19 (April – March). The export of oilmeals during March 2019, provisionally reported at 263,817 tons compared to 261,308 tons in March 2018. The overall export during April 2018 to March 2019 is provisionally reported at 3,205,768 tons compared to 3,026,628 tons during the same period of last year i.e. up by 6%. The export of rapeseed meal is sharply increased to 1,051,869 (663,988) tons, mainly exported to South Korea, Vietnam and Thailand, while soybean meal export is also improved and reported at 1,337,215 tons from the previous year 1,187,818 tons in 2017-18. In term of the total earning has increased to Rs. 6221.95 crores compared to 4761.80 crores, up by 31%. Iranian market has once again opened up for Indian soybean meal. During current year from April 2018 to March 2019, over 5.0 lakh tons of soybean meal shipped against last year just 23,000 tons. It seems again Iranian Feed Industries looking at India for their requirement of soybean meal, supporting export of oilmeals from India.

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

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As per SEA latest report, India's castor oil exports plunged 30.5 per cent year-on-year to 36,669 tonnes in October, Slowdown in demand from China, which accounts for around 70 per cent of India's non-edible oil exports, dragged overall exports lower. Castor oil exports were 3 per cent lower month-on-month, the data showed. The outlook for exports is bearish as demand in the global market is unlikely to gather pace in the coming months. During April-October, India shipped 334,519 tonnes of castor oil compared with 386,330 tonnes a year ago. In 2017—18 (April-March), India's total exports were pegged at 651,326 tonnes as against 556,778 tonnes in the previous year. Japan, European countries, and the US are the prominent buyers of Indian castor oil besides China.

State wise Wholesale Prices Weekly Analysis for Castor Seed 04th Week Apr, 2019

State	Prices 24-30 Apr 2019	Prices 16-23 Apr 2019	Prices 09-15 Apr 2019	Prices 24-30 Apr 2018	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4847.22	4831.26	4725.64		0.33	2.57	—
Gujarat	5436.34	5394.2	5669.21	3841.61	0.78	-4.11	41.51
Karnataka		4666.67		3600	—	—	—
Madhya Pradesh	4151.42	4494.99	3733.77		-7.64	11.19	—
Maharashtra	4160.94	4077.38	4109.52	3075	2.05	1.25	35.32
Odisha				4000	—	—	—
Rajasthan	5283.57	5351.95	5482.97	3752.63	-1.28	-3.64	40.8
Tamil Nadu	5075.51	5109.32	4163		-0.66	21.92	—
Telangana	4863.44	4864.11	5104.69	3772.92	-0.01	-4.73	28.9
Uttar Pradesh	2800	2800		3414.29	0	—	-17.99
Average	4577.3	4621.1	4712.69	3636.64			

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)	5100-5150	5150-5300
Medium Term (30 days)	5300-5500	5500-5720

Technical Analysis:



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	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20

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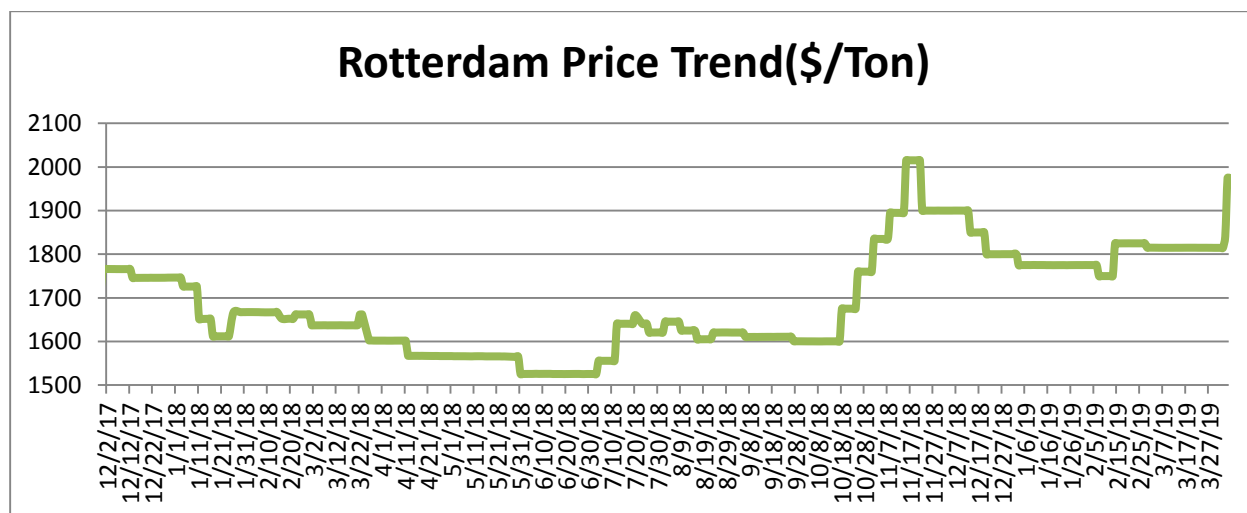
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	12.60	12.75	13.00	13.20	13.00
Carry out	9.96	6.79	4.39	5.64	2.84
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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.

The season started with 5.64 lakh tons as carryout. Thus total availability for current marketing year comes to 15.84 lakh tons with estimated production of 10.20 lakh tons is included. Lower production would drag carryout down from 5.64 to 2.84 lakh tons. It would push seed price up in coming month of year 2018 once picking complete till March end to mid of April.

Rotterdam Price:



Source: Agriwatch

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	30thNo v '18	23rdNo v '18	30thOct '18	30thNo v '17	CHAN GE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	52450	NQ	56450	44460	15.23
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	93.00	NQ	94.00	80.00	13.98
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	6450	NQ	6900	5100	20.93
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1605	NQ	1565	1453	9.47
Local rates for oil in domestic market (Rs./M.T.) for comm.	112000	NQ	116000	93892	16.17

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		22 Apr to 27 Apr-2019	15th Apr to 20th Apr 2019	
Gujarat	Patan	5440	5525	-85
	Harij	5462	5556	-94
	Rajkot	5393	5499	-106
	Gondal	5430	5479	-49
	Deesa	5375	5713	-338
	Bhabar	5475	5598	-123
	Mehsana	5445	5574	-129
	Kadi	5507	5631	-124
	Sabarkatha	5430	5530	-100
	Gandhi Nagar	5470	5550	-80
	Ahmedabad (Sanand)	5374	5484	-110
	Halvad	5415	5775	-360
	Junagadh	5296	5429	-133
	Dhrol	5147	5293	-146
Rajasthan	Jodhpur	5465	5598	-133
	Sumerpur	5407	5504	-97

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	22 Apr to 27 Apr-2019	15th Apr to 20th Apr 2019	Change
Gujarat	Patan	67125	55125	12000
	Harij	18750	20250	-1500
	Rajkot	3335	3660	-325
	Gondal	4714	7170	-2456
	Deesa	14880	15240	-360
	Bhabar	49680	54252	-4572
	Mehsana	9075	15000	-5925

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	Kadi	46640	39120	7520
	Sabarkatha	8240	7680	560
	Gandhi Nagar	9750	11100	-1350
	Ahmedabad (Sanand)	1520	968	552
	Halvad	12900	25575	-12675
	Junagadh	1681	2785	-1104
	Dhrol	31	57	-26
Rajasthan	Jodhpur	1838	1710	128
	Sumerpur	10000	5200	4800
Total Arrivals/Above Markets		260159	264892	-4734

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		25-Apr-19	18-Apr-19	26-Mar-19	25-Apr-18
Gujarat	Patan	4925.00	5500	0	3825
	Harij	4920.83	5500	0	3865
	Rajkot	4816.67	5485	0	3790
	Gondal	4830.00	5480	0	4305
	Deesa	4930.83	5675	0	3890
	Bhabar	4973.33	5500	0	3825
	Mehsana	4886.67	5530	0	3860
	Kadi	4885.83	5610	0	3850
	Sabarkatha	4883.33	5550	5075	3925
	Gandhi Nagar	4925.00	5500	0	3875
	Ahmedabad (Sanand)	4772.50	5535	0	3825
	Halvad	5062.50	5775	0	3850
	Junagadh	4762.00	5475	0	3770
	Dhrol	4557.50	NA	0	3705
Rajasthan	Jodhpur	4834.00	5560	5180	3950
	Sumerpur	4812.50	5520	4940	3800

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