



Castor Weekly Research Report

Contents

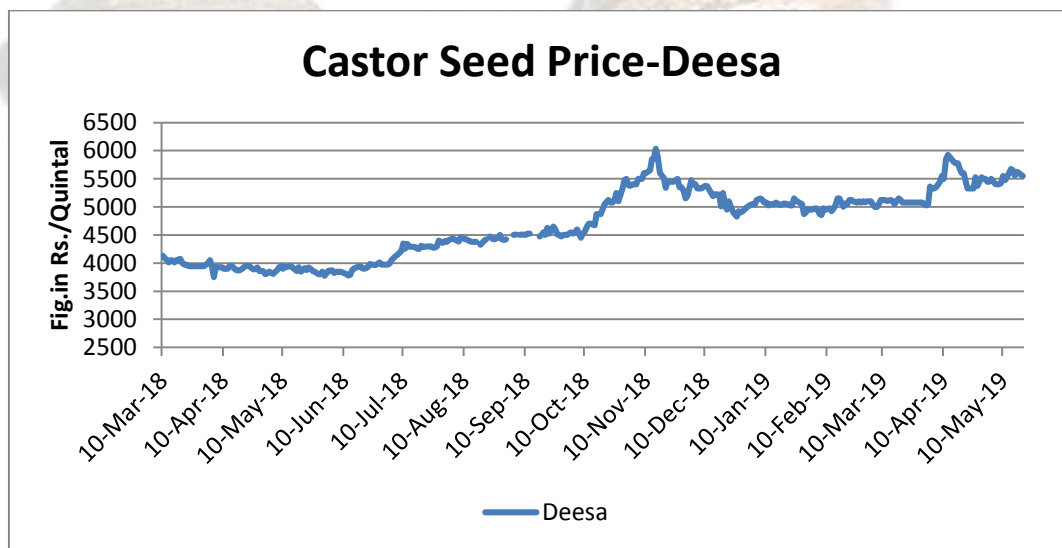
- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update



Castor Domestic Market Fundamentals:

- According to latest sowing report as on 02nd August 2019, all India Castor sowing is reported 1.105 lakh hectares in 2019 which is 26.43 per cent lower than last year acreage of 1.502 lakh hectares in the same time period. However, in Gujarat, castor sowing acreage is 0.495 Lakh hectares which is much higher than last year acreage of 0.369 Lakh hectares in the same time period. According to the trade sources, castor sowing acreage in Gujarat might increase this year as compare to last year due to good prices of castor in domestic Mandis throughout last year. Expectation of higher sowing acreage in the coming season might put downward pressure on the castor prices.
- According to the trade sources, castor acreage may decrease in other producing region due to lower rainfall received and farmers are opting for other crops like cumin seed , pulses, cotton, groundnut etc in which prices were higher last year and government may also procure these crops directly from farmers at MSP.
- According to the trade sources, castor oil exports in the month of July 2019 are 44.101 thousand MT which is 13 per cent lower than June exports of 50.577 thousand MT. On a cumulative basis, exports were 1.83 Lakh MT during the first four months of the financial year beginning from April which is 13.96 per cent lower than last year exports of 2.13 Lakh MT during the same period. Lower export is due to lower demand from traditional buyers like China.
- According to the market participants, at present castor seed stocks with stockiest are around 4.5 lakh tonnes which is lower than average stock of 5-6 lakh tonnes every year. Lower stocks are due to lower production estimate of castor crop in 2018-19. New crop is expected to come from A.P.-Telangana in October-November. Till then, millers are dependent on the present lower stocks which might push the prices northward in the coming months.
- 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.
- According to the AGMARK data, all India castor crop arrivals in the last week of July is reported at 6.02 Thousand MT which is 47.92 percent lower than last year arrivals of 11.56 thousand MT in the same time period. Lower arrivals in the domestic Mandis may push the prices northward.

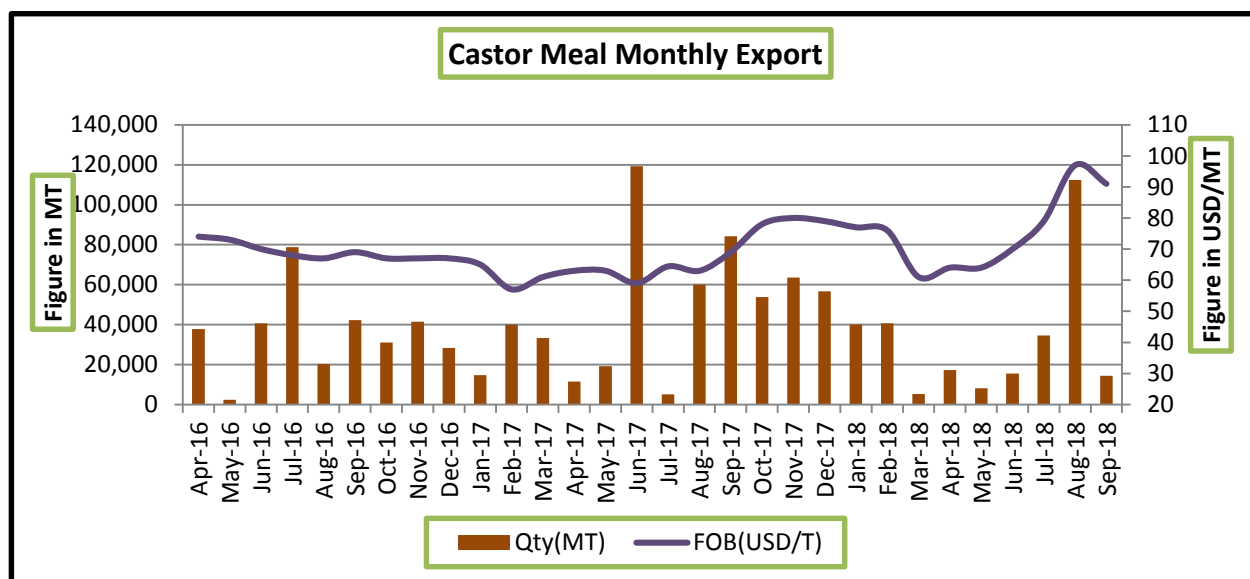
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher export demand of castor oil	Bullish
Lower export demand of castor meal	Bearish
Expectation of lower arrivals in the coming days	Bullish
Higher demand from millers	Bullish
Lower production estimate in 2018-19	Bullish
Forecast of lower production in 2019-20	Bullish
Based on Primary & Secondary Sources	

Castor Price Trend Deesa Mandi:


Source: Agriwatch

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 steady to firm with lower arrival.

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:

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.

Castor Seed & Oil Weekly Report

Date-19 Aug 2019

State wise Wholesale Prices Weekly Analysis for Castor Seed 01st Week Aug, 2019

State	Prices 01-08 Aug 2019	Prices 24-31 Jul 2019	Prices 01-08 Aug 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5132.49	5168	4151.39	-0.69	23.63
Chhattisgarh			3300	—	—
Gujarat	5373.86	5340.14	4376.18	0.63	22.8
Karnataka			3930	—	—
Madhya Pradesh	4755.22	3935		20.84	—
Maharashtra		4712	3850	—	—
Odisha		3500		—	—
Rajasthan	5270.2	5240.63	4263	0.56	23.63
Tamil Nadu		3731		—	—
Telangana		4801	4214.52	—	—
Average	5132.94	4553.47	4012.16		

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

Cash Market Price Outlook for Spot Price

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	5200-5300	5300-5400
Medium Term (30 days)	5300-5500	5500-5720

Castor Seed & Oil Weekly Report

Date-19 Aug 2019

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
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

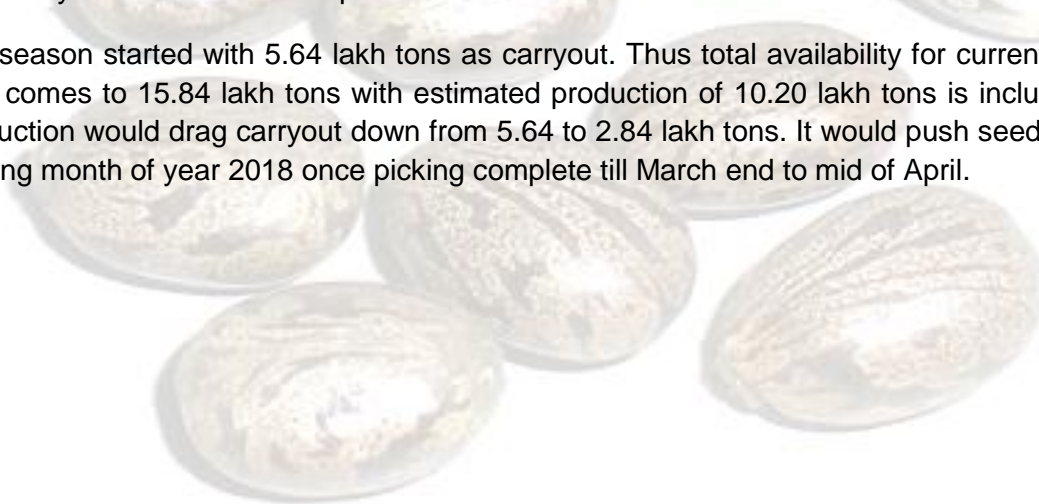
Castor Seed & Oil Weekly Report**Date-19 Aug 2019**

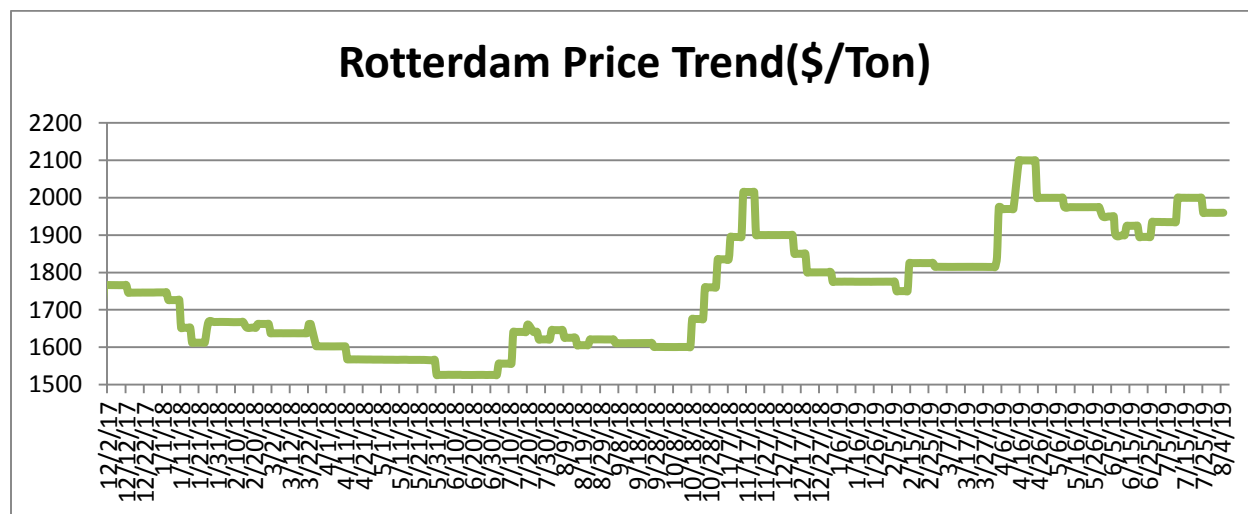
Carry out	9.96	6.79	4.39	5.64	2.84
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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

Comparative Prices Of Castor Products Including Seed					
	26th July'19	19th July'19	26th June'19	26th July'18	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	55150	55650	55250	43717	20.73
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	118.00	118.00	110.00	79.00	33.05
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7950	7950	7450	5440	31.57
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1640	1660	1645	1323	19.33
Local rates for oil in domestic market(Rs./M.T.) for comm.	115000	115000	114000	91115	20.77

Source: SEA.

Castor Seed & Oil Weekly Report

Date-19 Aug 2019

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		12th Aug to 17th Aug 2019	5th Aug to 10th Aug 2019	
Gujarat	Patan	5407	5423	-16
	Harij	5400	5415	-15
	Rajkot	5331	5292	39
	Gondal	5349	5355	-6
	Deesa	5419	5412	7
	Bhabar	5357	5400	-43
	Mehsana	5438	5420	18
	Kadi	5496	5438	58
	Sabarkatha	5471	5460	11
	Gandhi Nagar	5450	5437	13
	Ahmedabad (Sanand)	5243	#DIV/o!	-
	Halvad	5380	5415	-35
	Junagadh	5238	#DIV/o!	-
	Dhrol	4650	#DIV/o!	-
Rajasthan	Jodhpur	5300	5328	-28
	Sumerpur	5350	5345	5

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	12th Aug to 17th Aug 2019	5th Aug to 10th Aug 2019	Change
Gujarat	Patan	5250	7112	-1862
	Harij	1500	2100	-600
	Rajkot	1537	584	953
	Gondal	802	753	49
	Deesa	2464	2532	-68
	Bhabar	5432	8736	-3304
	Mehsana	3015	2250	765
	Kadi	2800	5840	-3040
	Sabarkatha	1400	1160	240
	Gandhi Nagar	1200	2175	-975
	Ahmedabad (Sanand)	23	0	23
	Halvad	2754	660	2094
	Junagadh	492	0	492

Castor Seed & Oil Weekly Report

Date-19 Aug 2019

	Dhrol	2	0	2
Rajasthan	Jodhpur	180	435	-255
	Sumerpur	560	680	-120
Total Arrivals/Above Markets		29411	35017	-5605

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		16-Aug-19	9-Aug-19	17-Jul-19	16-Aug-18
Gujarat	Patan	5400	4546.667	5425	4410
	Harij	5400	4535	5500	4425
	Rajkot	5320	4396	5310	4255
	Gondal	5330	4425	5430	4350
	Deesa	5400	4529.167	5400	4375
	Bhabar	5375	4511.667	5450	#VALUE!
	Mehsana	5425	4501.667	5430	4455
	Kadi	5470	4508.333	5430	4475
	Sabarkatha	5475	4505.833	5525	4450
	Gandhi Nagar	5475	4512.5	5460	4450
	Ahmedabad (Sanand)	5195	#DIV/o!	5400	4180
	Halvad	5400	4454.167	5475	4375
	Junagadh	5235	4367.5	5370	0
	Dhrol	NA	4200	0	0
Rajasthan	Jodhpur	5300	4485	5400	4480
	Sumerpur	5350	4421.667	5375	4400

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