



# Castor Weekly Research Report

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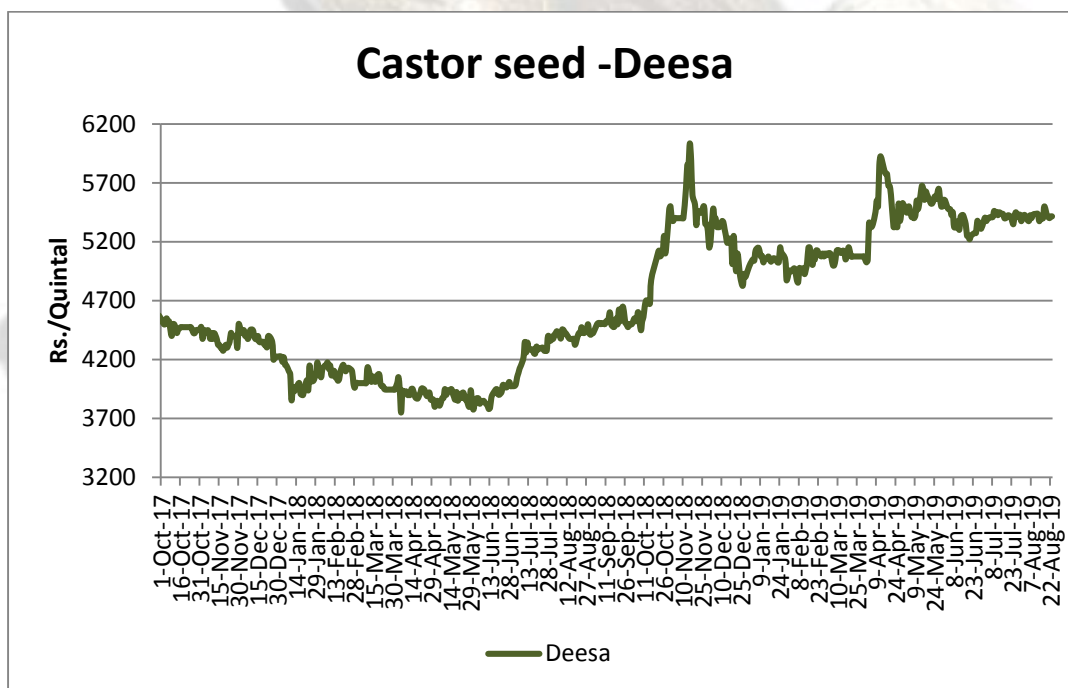
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## Castor Domestic Market Fundamentals:

- All India weekly castor seed price traded firm by 1.32% from last week and currently moving in the range of Rs. 4950-4960/quintal, also up by 22.5% from last year price of Rs.4048/quintal. Castor seed prices is likely to trade up in coming weeks due to lower production aspects by Agriwatch.
- According to latest sowing report as on 14th August 2019, all India Castor sowing is reported at 3.828 lakh hectares in 2019 which is 23.04 per cent higher than last year acreage of 3.111 lakh hectares in the same time period. As expected, highest castor acreage is reported in Gujarat at 2.365 lakh hectares. According to the trade sources, all India castor sowing acreage this year might increase 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.
- Stocks of castor seed are lower than normal due to lower output in 2018/19. According to the market participants, at present castor seed stocks with stockiest are around 4 lakh tonnes which is lower than average stock of 5-6 lakh tonnes every year. 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 third week of August is reported at 4.35 Thousand MT which is 34.97 percent lower than last year arrivals of 6.69 thousand MT in the same time period. Lower arrivals in the domestic mandis may push the prices northward.
- 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.
- As per the Solvent Extractors' Association of India (SEA), castor meal exports in the month of July 2019 is 41.359 thousand MT which is 41.25 per cent lower than June 2019 exports of 70.405 MT. Total exports from April to July 2019 is reported at 2.29 Lakh MT which is 201.31 higher than last year exports of 0.76 lakh MT in the same time period.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher export demand of castor oil	Bullish
Lower export demand of castor meal	Bearish

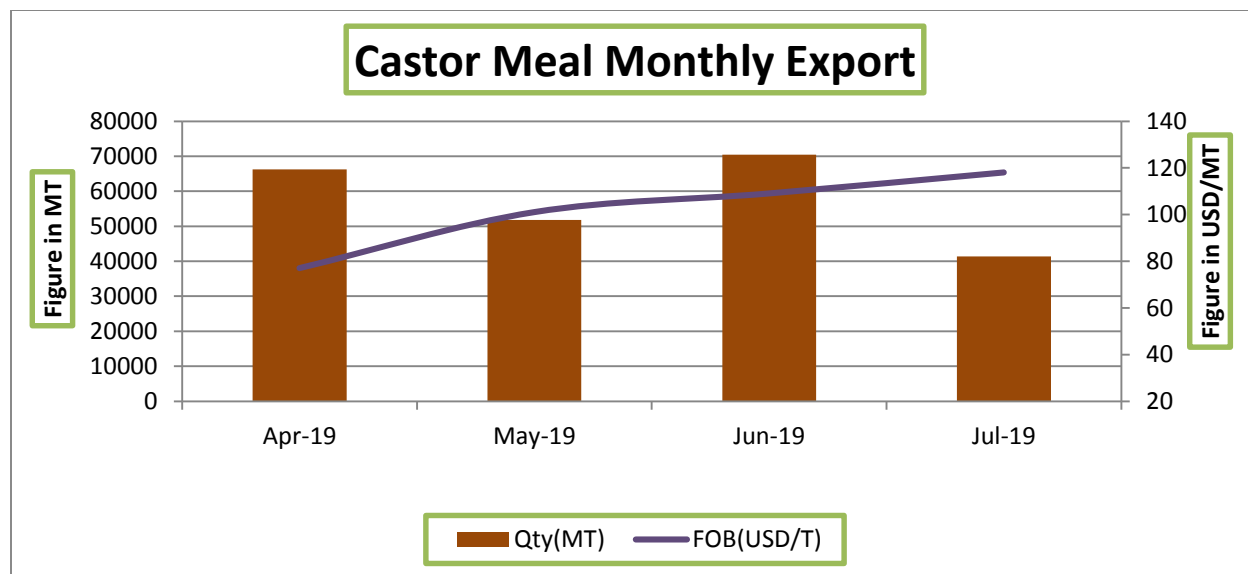
Expectation of lower arrivals in the coming days	Bullish
Higher demand from millers	Bullish
Lower production estimate in 2018-19	Bullish
Forecast of lower production in 2019-20	Bullish
Based on Primary & Secondary Sources	

**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

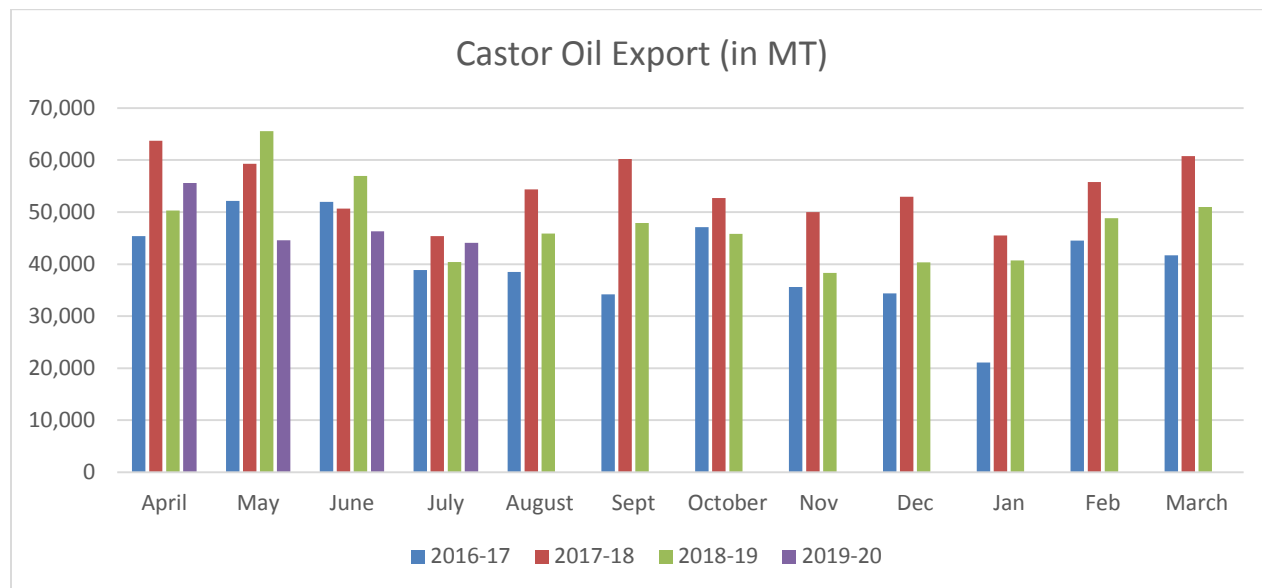
**Castor Meal Export Summary:**

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of July 2019. The export of oilmeals during July 2019 is provisionally reported at 166,301 tons compared to 215,716 tons in July, 2018 i.e. down by 23%. The overall export of oilmeals during April-July 2019 is reported at 851,070 tons compared to 966,874 tons in April-July 2018 i.e. down by 12%. The export of castorseed meal has increased to 229,820(75,597) tons, being mainly exported to South Korea. During April-July 2019 Vietnam imported 120,889 tons of oilmeals (compared to 228,627 tons); consisting of 1,892 tons of soybean meal, 71,683 tons of rapeseed meal and 47,314 tons of De-oiled Rice Bran Extraction. South Korea imported 365,652 tons of oilmeals (compared to 198,304 tons) ; consisting 13,282 tons of soybean meal, 162,487 tons of rapeseed meal and 189,883 tons of castorseed meal. Thailand imported 107,607 tons of oilmeals (compared to 129,661 tons) consisting 88,595 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1,431 tons of soybean meal.

## Castor Seed & Oil Weekly Report

Date-26 Aug 2019

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



### State wise Wholesale Prices Weekly Analysis for Castor Seed 03<sup>rd</sup> Week Aug, 2019

State	Prices 16-23 Aug 2019	Prices 09-15 Aug 2019	Prices 16-23 Aug 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5182.92	5172.96	4186.23	0.19	23.81
Gujarat	5371	5368.83	4382.44	0.04	22.56
Karnataka	5800	4088.89	3800	41.85	52.63
MP	3302.71		4160	—	-20.61
Maharashtra			3500	—	—
Rajasthan	5229.08	5294.9	4356.34	-1.24	20.03
Tamil Nadu			3778	—	—
Telangana	4866.74	4542.86	4215.35	7.13	15.45
Average	4958.74	4893.69	4047.3		

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

## Castor Seed & Oil Weekly Report

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#### 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

#### Technical Analysis:



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

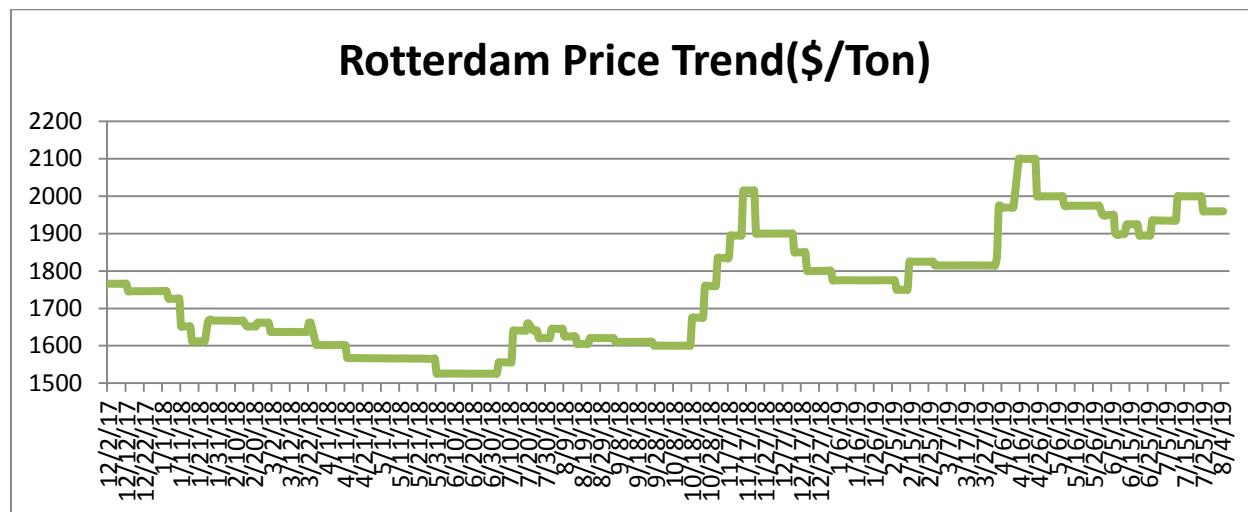
<b>Preliminary Forecast For 2018-19</b>					
<b>All units in lakh tons</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19*</b>
Carry in	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	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
<b>Carry out</b>	<b>9.96</b>	<b>6.79</b>	<b>4.39</b>	<b>5.64</b>	<b>2.84</b>
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:**


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

**Source: SEA.**



## Castor Seed & Oil Weekly Report

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### Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		18th Aug to 24th Aug 2019	12th Aug to 17th Aug 2019	
Gujarat	Patan	5430	5407	23
	Harij	Closed	5400	-
	Rajkot	5312	5331	-19
	Gondal	5380	5349	31
	Deesa	5413	5419	-6
	Bhabar	5369	5357	12
	Mehsana	5448	5438	10
	Kadi	5451	5496	-45
	Sabarkatha	5463	5471	-8
	Gandhi Nagar	5435	5450	-15
	Ahmedabad (Sanand)	Closed	5243	-
	Halvad	5367	5380	-13
	Junagadh	5238	5238	Unch
	Dhrol	Closed	4650	-
Rajasthan	Jodhpur	5240	5300	-60
	Sumerpur	5344	5350	-6

### Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	18th Aug to 24th Aug 2019	12th Aug to 17th Aug 2019	Change
Gujarat	Patan	8925	5250	3675
	Harij	NR	1500	-1500
	Rajkot	905	1537	-632
	Gondal	225	802	-577
	Deesa	2520	2464	56
	Bhabar	9792	5432	4360
	Mehsana	1688	3015	-1328
	Kadi	5760	2800	2960
	Sabarkatha	1680	1400	280
	Gandhi Nagar	1650	1200	450
	Ahmedabad (Sanand)	NR	23	-23
	Halvad	263	2754	-2492
	Junagadh	22	492	-470

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	Dhrol	NR	2	-2
Rajasthan	Jodhpur	180	180	Unch
	Sumerpur	800	560	240
Total Arrivals/Above Markets		34409	29411	4998

### Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		23-Aug-19	16-Aug-19	24-Jul-19	23-Aug-18
Gujarat	Patan	5500	4546.667	5425	4450
	Harij	Closed	4535	5400	4500
	Rajkot	Closed	4396	5235	4315
	Gondal	Closed	4425	5355	4355
	Deesa	Closed	4529.167	5350	4475
	Bhabar	Closed	4511.667	5400	#VALUE!
	Mehsana	Closed	4501.667	5410	4500
	Kadi	Closed	4508.333	5425	4505
	Sabarkatha	5450	4505.833	5450	4500
	Gandhi Nagar	5450	4512.5	5410	4490
	Ahmedabad (Sanand)	Closed	#DIV/o!	5325	4255
	Halvad	Closed	4454.167	5350	4400
	Junagadh	Closed	4367.5	5240	4300
	Dhrol	NA	4200	0	4065
Rajasthan	Jodhpur	5200	4485	5200	4350
	Sumerpur	5320	4421.667	5250	4400

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