



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Robust sowing, supported by increased water availability following extended rains, has brightened the castor crop prospects in the largest growing States, Gujarat and Rajasthan.
- According to farmers and trade sources, the current crop condition appears good and the output is likely to cross 17 lakh tonnes, a likely record in at least the past seven years. In 2011-12, castor crop output was recorded at 16.2 lakh tons.
- Castor crop looks good at present and it is expected that the crop size will be much higher than last year's. Farmers are estimating the crop to be between 17-19 lakh tonnes. Thanks to increased acreage and likely favorable climate, the crop will give a record output this year.
- Gujarat is the largest producer of the oilseed, which is used by multiple industries. At 7, 40,484 hectares, the State saw a nearly 39 per cent jump in castor sowing for kharif 2019, as against 5, 33,789 hectares in the previous year. Good castor prices last year have also encouraged farmers to take up the oilseed in a big way.
- Rajasthan has also witnessed about 20 per cent rise in castor sowing at 1, 54,200 hectares, as against 1, 28,300 hectares in the previous year.
- The Solvent Extractors' Association of India (SEA) estimated castor output for the year 2018-19 at about 9.35 lakh tons.
- According to SEA officials, supportive monsoon and increased acreage will boost the prospects for the crop this year. "As per SEA crop survey is under way and we will come out with crop projections in February. But at present, the crop looks good and if the climate remains favorable, we will have a better crop than last year's.
- In this year the highest crop output in at least past 4-5 years. Domestic demand looks good, while in the international market, multiple factors including US-China trade deal will hold the key to castor demand," said Rakesh Dhariwal of Maa Vankal Group, a leading trader in the commodity.
- India is the largest producer of castor oil and feeds key markets, including China. International prices currently hover in the range of \$1,310 per tonne FOB. In the domestic market, however, the prices have corrected by about 15-18 per cent to Rs 4,379 a quintal since December last year.
- Meanwhile, with a limited stock position in the inventory, accompanied by a month of delay in arrivals -- expected by March 2019 -- the downside in the prices will be limited.

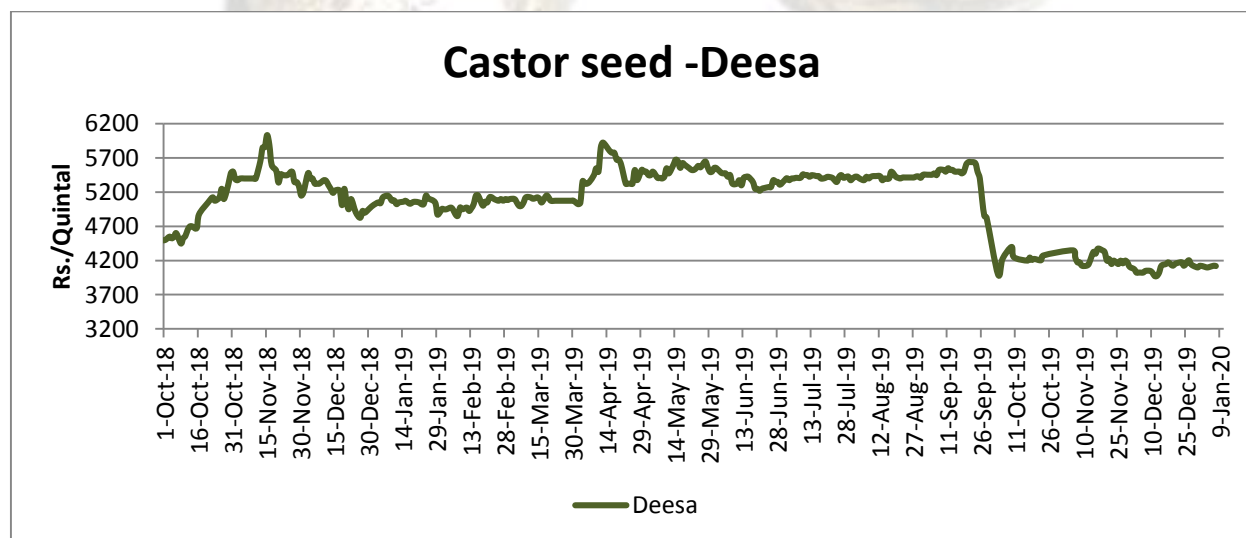
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- According to latest sowing report as on 27th September 2019, all India Castor sowing is reported 9.38 lakh hectares in 2019 which is 6.95 per cent higher than last year acreage of 8.77 lakh hectares in the same time period. Higher castor acreage is reported in Gujarat this year as compare to last year. However, in Rajasthan castor acreage has decreased to 1.54 lakh hectares from 2.64 lakh hectares last year.
- Gujarat castor acreage is reported at 7.40 lakh hectares which is 38.57 per cent higher than last year acreage of 5.34 lakh hectares. Farmers in Gujarat had re-sowed castor crop where damaged was observed due to rains. However, yield is expected to be lower than normal in those areas due to late sowing.
- According to Government 1st advance estimate, castor production in 2019-20 is estimated at 17.37 lakh tonnes.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Lower arrivals of castor in the domestic mandis	Bullish
Higher Sowing Acreage	Bearish
Lower production estimate in 2019-20	Bearish
Lower Demand of Castor Oil	Bearish
Based on Primary & Secondary Sources	

Castor Price Trend Deesa Mandi:



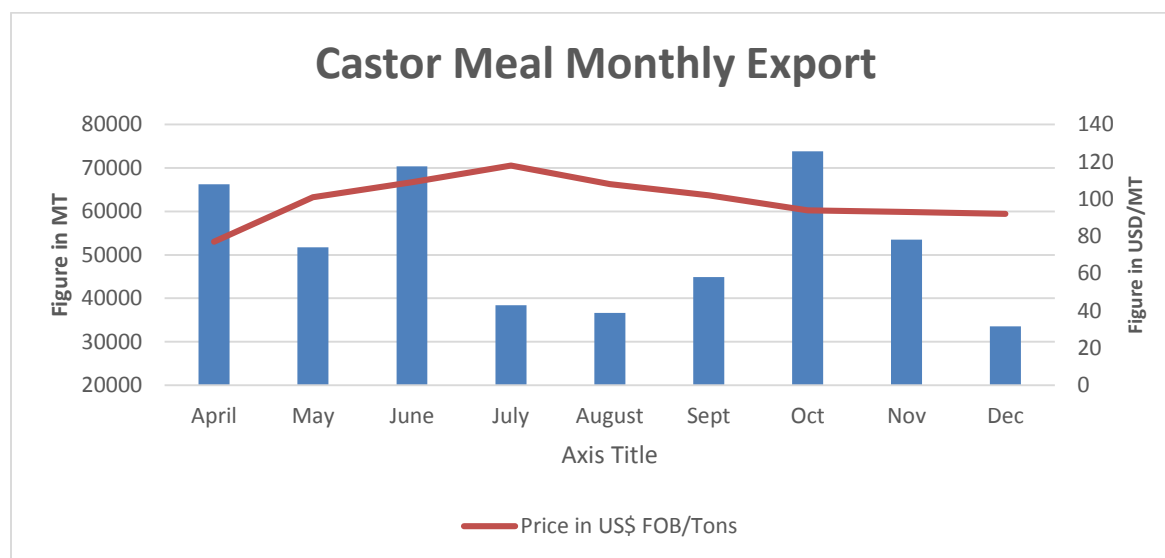
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Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Castor seed price traded weak from last few months due to higher area coverage under Castor this year.

Castor Meal Monthly Export:



Source: Sea of India

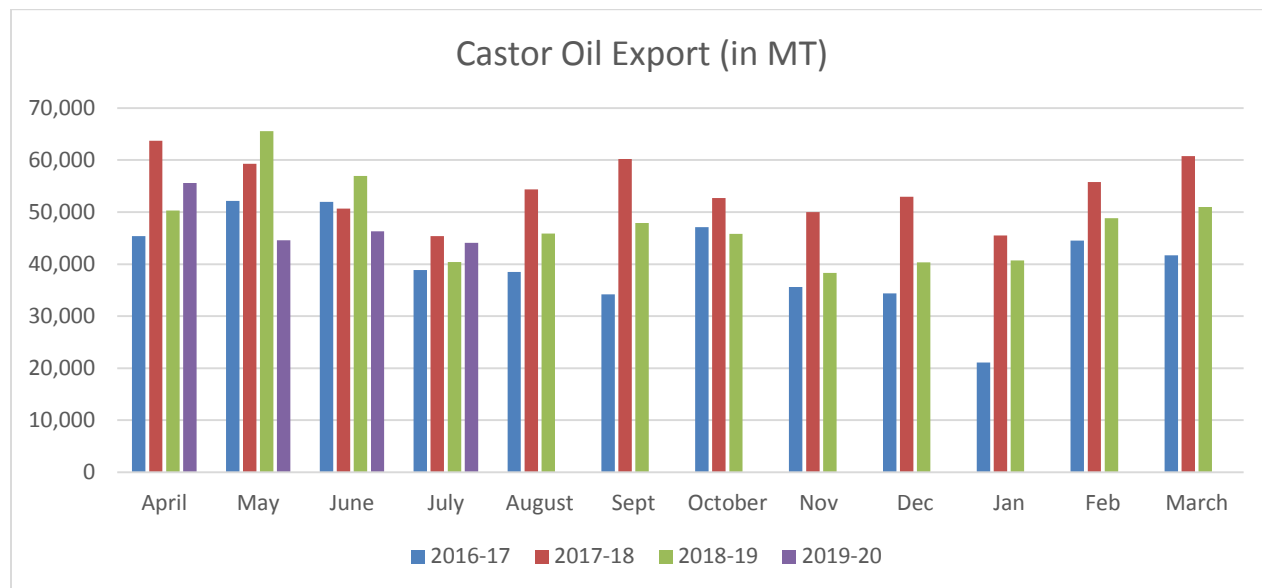
Castor Meal Export Summary:

The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of December 2019. The export of oil meals during December 2019 is provisionally reported at 67,562 tons compared to 324,927 tons in December, 2018 i.e. down by 79%. The overall export of oil meals during April-Dec., 2019 is reported at 1,802,434 tons compared to 2,411,248 tons in April-Dec., 2018 i.e. down by 25%. This is mainly due to disparity in export of oil meals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origins. The silver lining of the export is sharp increase in export of Castor meal, jumped by nearly 60% to 469,248 tons from 292,511 tons in the same period of last year.

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



State wise Wholesale Prices Weekly Analysis for Castor Seed 02nd Week Jan, 2020

State	Prices 09-15 Jan 2020	Prices 01-08 Jan 2020	Prices 09-15 Jan 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			4675.13	---	---
Gujarat	4045.67	4071.47	4993.8	-0.63	-18.99
Karnataka	3484	4088.52	4124.22	-14.79	-15.52
Madhya Pradesh			5775	---	---
Maharashtra			4550	---	---
Rajasthan	4012.4	4034.88	4950.73	-0.56	-18.95
Telangana			4775.34	---	---
Average	3847.36	4064.96	4834.89		

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)	41500-4300	4200-4350
Medium Term (30 days)	4180-4600	4200-4700

Technical Analysis:

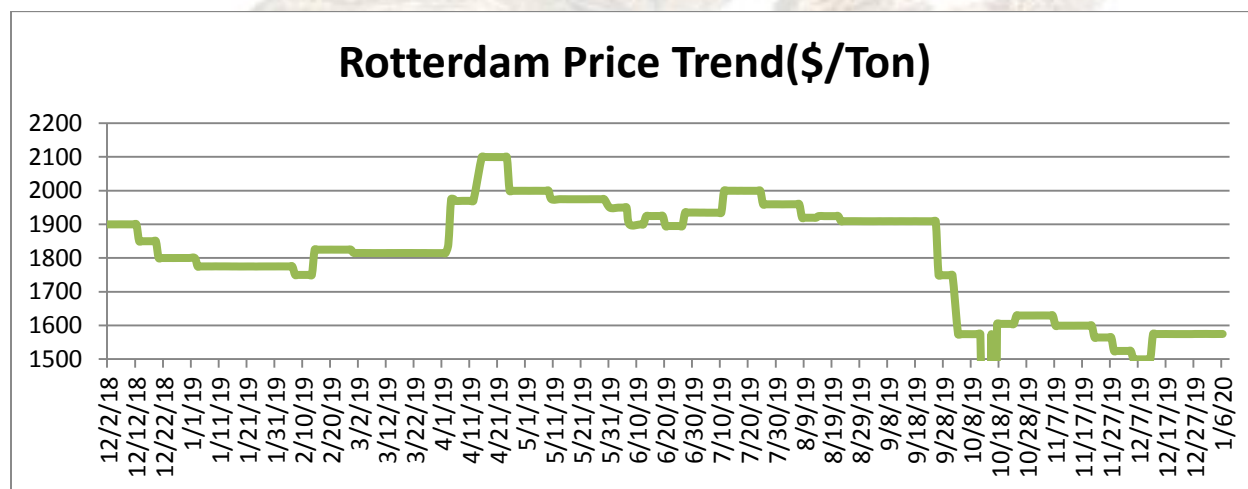


Castor Seed Supply & Demand for MY-2018-19:

Preliminary Forecast For 2019-20*					
All units in lakh tons	2015-16	2016-17	2017-18	2018-19	2019-20*
Carry in	5.54	6.79	4.39	5.49	4.19
Production	14.00	10.60	14.30	11.20	14.05
Imports	0.00	0.00	0.00	0.00	0
Total Availability	19.54	17.39	18.69	16.69	18.24
Consumption	12.75	13.00	13.20	13.00	13.2
Exports	0.00	0.00	0.00	0.00	0
Total Usage	12.75	13.00	13.20	12.50	13.20
Carry out	6.79	4.39	5.49	4.19	5.04
Av Monthly Consumption	1.06	1.08	1.10	1.08	1.10
Stock to Month Use	6.39	4.05	4.99	3.87	4.58
Stock to Consumption Ratio	1.06	1.08	1.10	1.08	1.10

Castor Seed- Balance Sheet for 2019-20*(AW preliminary estimates)

Agriwatch is estimating that castor seed production is likely to up in this crop year-2019-20, as area is increasing in Gujarat which is one of the major producing state, however area is down in other states like Andhra Pradesh, Telangana and Rajasthan. This year it is estimated around 14 lakh tons of castor seed production which is up by 25% from last year production of 11.20 lakh tons. Prices is likely to down once picking starts in producing states and likely to trade steady as carry over stock expected to up in next season.

Rotterdam Price:


Source: Agriwatch

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Comparative Prices Of Castor Products Including Seed					
	27th Dec'19	20th Dec'19	27th Nov'19	27th Dec'18	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	43700	42000	52886	-22.99
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	91.00	92.00	92.00	82.00	9.89
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6250	6250	6300	5688	8.99
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1260	1305	1235	1559	-23.73
Local rates for oil in domestic market(Rs./M.T.) for comm.	90000	92000	88000	109756	-21.95

Source: SEA.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
		21 Jan to 25 Jan 2020	15th Jan to 20th Jan 2020	
Gujarat	Patan	4033	4130	-97
	Harij	4010	4185	-175
	Rajkot	3896	4004	-108
	Gondal	3994	4022	-28
	Deesa	4022	4098	-76
	Bhabar	4028	4124	-96
	Mehsana	4112	4087	25
	Kadi	4047	4125	-78
	Sabarkatha	4075	4120	-45
	Gandhi Nagar	4025	4100	-75
	Ahmedabad (Sanand)	0	0	0
	Halvad	4060	4084	-24
	Junagadh	0	1368	-1368
	Dhrol	0	0	0
Rajasthan	Jodhpur	4054	4196	-142
	Sumerpur	3986	4075	-89

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Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	21 Jan to 25 Jan 2020	15th Jan to 20th Jan 2020	Change
Gujarat	Patan	2100	1725	375
	Harij	1613	638	975
	Rajkot	374	295	79
	Gondal	225	255	-30
	Deesa	1174	1409	-235
	Bhabar	3368	1280	2088
	Mehsana	394	256	138
	Kadi	3040	2404	636
	Sabarkatha	164	80	84
	Gandhi Nagar	248	375	-128
	Ahmedabad (Sanand)	0	0	0
	Halvad	1838	1388	450
	Junagadh	0	19	-19
	Dhrol	0	0	0
Rajasthan	Jodhpur	0	0	0
	Sumerpur	1120	560	560
Total Arrivals/Above Markets		15656	10682	4974

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