



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Castor seed production in India is expected to grow 88% to 20.36 lakh tonne in 2019-20 compared to the previous year, according to a survey conducted by Agriwatch. Last year, the country produced 10.82 lakh tonne of castor seed. According to the survey conducted by 'Agriwatch' or Indian Agribusiness Systems, commissioned by the Solvent Extractors Association of India (SEA), castor seed production in Gujarat, a major producer of the commodity, is estimated to be 17.44 lakh tonne in 2019-20, 96% more than 8.89 lakh tonne produced last year.
- The total area under castor seed cultivation in India for the year 2019-20 is estimated to be 9.92 lakh hectare, up 29% against 2018-19 estimate of 7.695 lakh hectare. The acreage is reported to have increased across all top producing districts of Gujarat, Rajasthan, Andhra Pradesh and Telangana. India's average castor seed productivity for 2019-20 is estimated to be 2,052 kg/ha as compared to 1407 kg/ha last year.
- Major reasons for the increase in acreage this year is higher returns to the farmers of the crop last season and good seasonal rainfall this year in all growing districts.
- The estimated average yield for 2019-20 is expected to be 2,355 kg/ha against last year's estimate of 1,666 kg/ha, an increase by 41%. Overall, the farmers are expecting an increase in yield this year due to good monsoon and improved availability of water for irrigation. Seed arrivals haven't started yet in the state due to delayed sowing.
- In Rajasthan, the production is estimated to be 2.35 lakh tonne in 2019-20, an increase of 60% from last years' estimate of 1.47 lakh tonne. The total area under castor in Rajasthan for the year 2019-20 is taken to be 1.542 lakh hectare as per the government's estimates against last year's estimate of 1.380 lakh hectare, up by 12%. However, Agriwatch's estimate for Rajasthan's 2019-20 area under castor stands at 1.766 lakh hectare, an increase of 28% compared to government's estimated area for 2018-19.
- The average yield estimate for 2019-20 surged by around 43% to 1,523 kg/ha from 1,067 kg/ha last year. The total area under castor in Andhra Pradesh and Telangana for 2019-20 is taken to be 57,350 hectare as per the government's estimates against last year's estimate of 60,270 hectare, which has declined by 5%. Total production in the state is estimated to be 0.33 lakh tonne during 2019-20 as compared with 0.23 lakh tonne in 2018-19.
- In terms of productivity of castor in kg per hectare (ha), the estimated average for 2019-20 is 2,389 kg/ha against last year's estimate of 1,751 kg/ha, an increase of 36%. Meanwhile, castor seed prices have fallen due to lower castor oil demand from China amidst the Coronavirus outbreak. After falling by over 10 % by January 2020, castor seed prices are expected to fall further by 10-12 %. During the calendar year 2019 castor oil and derivative exports were affected and dropped almost 9% compared to similar period of 2018.

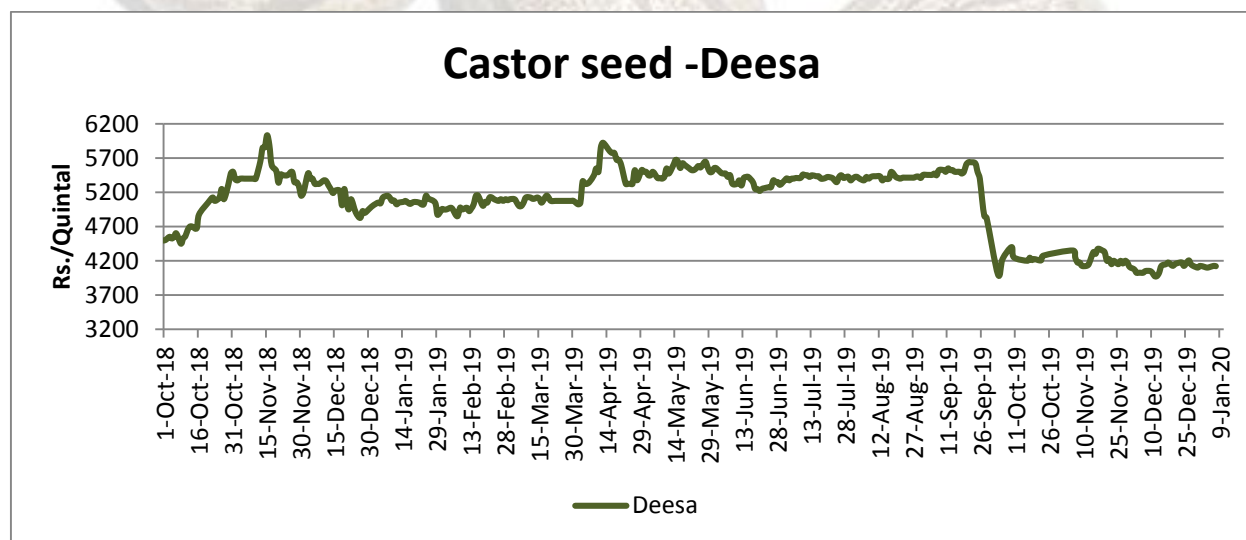
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- China slowdown resulted in exports to that nation plummeting nearly 16%. With the virus hitting China we are not sure how things would pan out this year. In value terms, castor oil and derivatives contribute about \$1.4 billion or about Rs 10,000 crore to India's export revenues,. China accounts for roughly 70 % of India's castor oil exports.
- According to Government 02nd advance estimate, castor production in 2019-20 is estimated at 20.43 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	

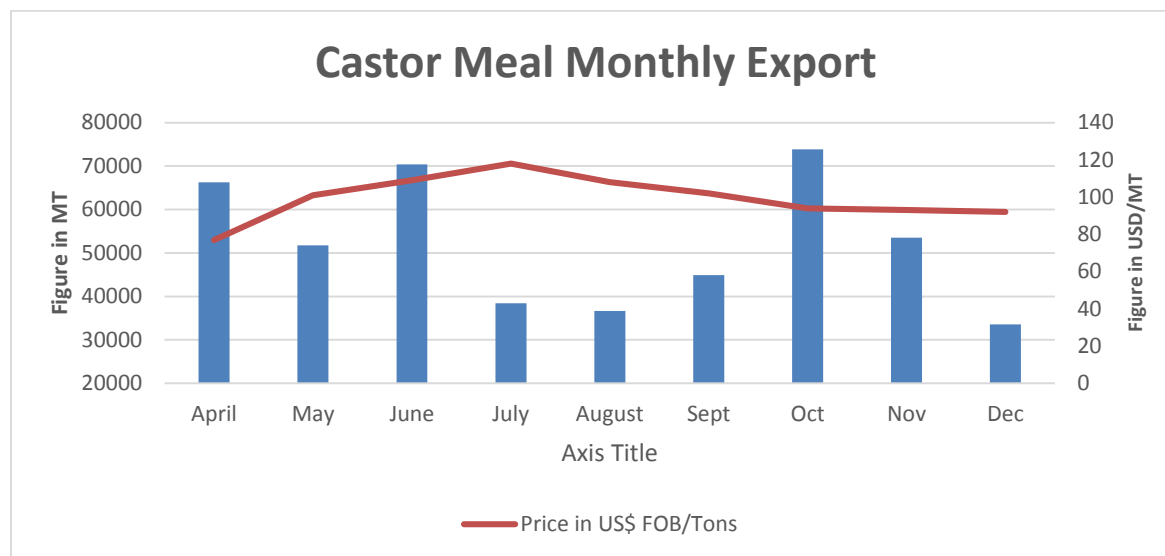
Castor Price Trend Deesa Mandi:



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

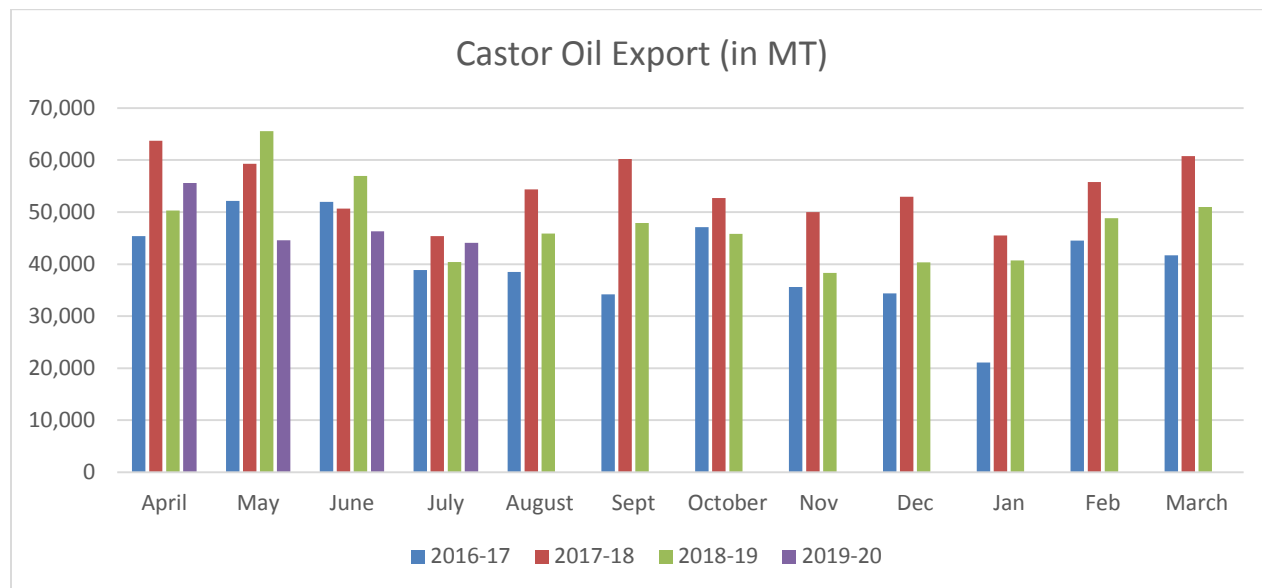
Castor Meal Export Summary:

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:



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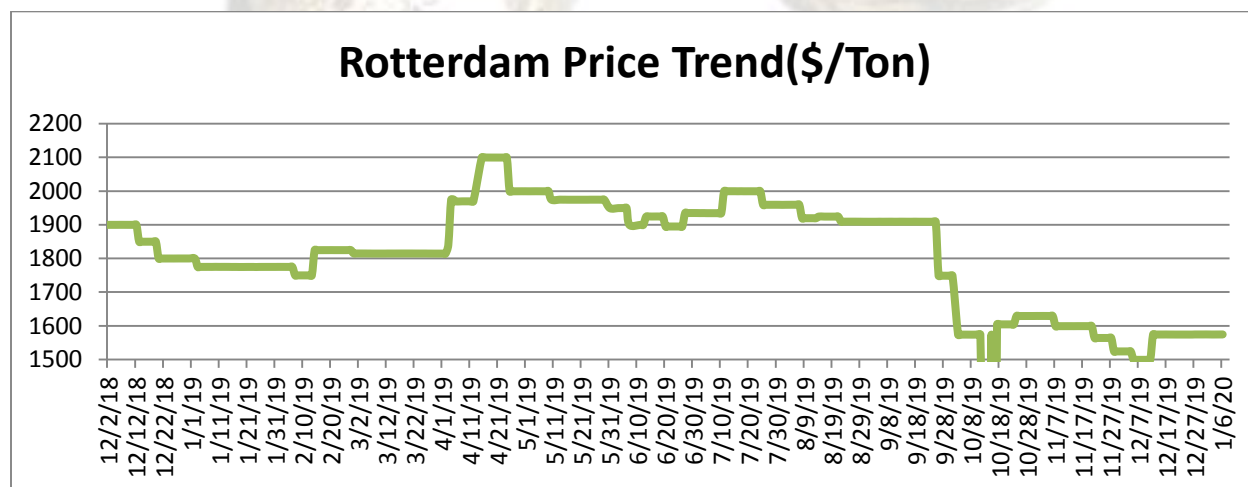
Castor Seed Supply & Demand for MY-2018-19:

Preliminary Forecast For 2019-20*								
All units in lakh tonnes	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20*
Carry in	5.80	8.04	9.04	5.54	6.79	4.39	5.49	4.19
Production	13.04	12.00	13.52	14.00	10.60	14.30	11.20	20.5
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total Availability	18.84	20.04	22.56	19.54	17.39	18.69	16.69	24.69
Consumption	10.80	11.00	12.60	12.75	13.00	13.20	13.00	13.2
Exports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total Usage	10.80	11.00	12.60	12.75	13.00	13.20	12.50	13.20
Carry out	8.04	9.04	9.96	6.79	4.39	5.49	4.19	11.49
Av Monthly Consumption	0.90	0.92	1.05	1.06	1.08	1.10	1.08	1.10
Stock to Month Use	8.93	9.86	9.49	6.39	4.05	4.99	3.87	10.45
Stock to Consumption Ratio	0.90	0.92	1.05	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 20.5 lakh tons of castor seed production which is up by 88% 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 to weak 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
		17 Feb to 22 Feb 2020	10th Feb to 15 Feb 2020	
Gujarat	Patan	3910	3863	47
	Harij	3870	3860	10
	Rajkot	3825	3718	108
	Gondal	3812	3765	47
	Deesa	3900	3855	45
	Bhabar	3920	3920	0
	Mehsana	3873	3802	71
	Kadi	3911	3865	46
	Sabarkatha	3930	3844	86
	Gandhi Nagar	3920	3860	60
	Ahmedabad (Sanand)	#DIV/o!	#DIV/o!	#DIV/o!
	Halvad	3915	3835	80
	Junagadh	#DIV/o!	#DIV/o!	#DIV/o!
	Dhrol	3650	#DIV/o!	#DIV/o!
Rajasthan	Jodhpur	3620	3660	-40
	Sumerpur	3820	3805	15

Castor Seed Cumulative Arrivals in Key Centers:

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Center	Market	17 Feb to 22 Feb 2020	10th Feb to 15 Feb 2020	Change
Gujarat	Patan	6300	4538	1763
	Harij	3375	2250	1125
	Rajkot	129	529	-400
	Gondal	172	291	-119
	Deesa	2175	1875	300
	Bhabar	5420	4920	500
	Mehsana	615	398	218
	Kadi	5480	4580	900
	Sabarkatha	400	232	168
	Gandhi Nagar	878	608	270
	Ahmedabad (Sanand)	0	0	0
	Halvad	6600	3675	2925
	Junagadh	0	0	0
	Dhrol	29	0	29
Rajasthan	Jodhpur	0	0	0
	Sumerpur	4960	2720	2240
Total Arrivals/Above Markets		36533	26615	9918

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