



# 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.

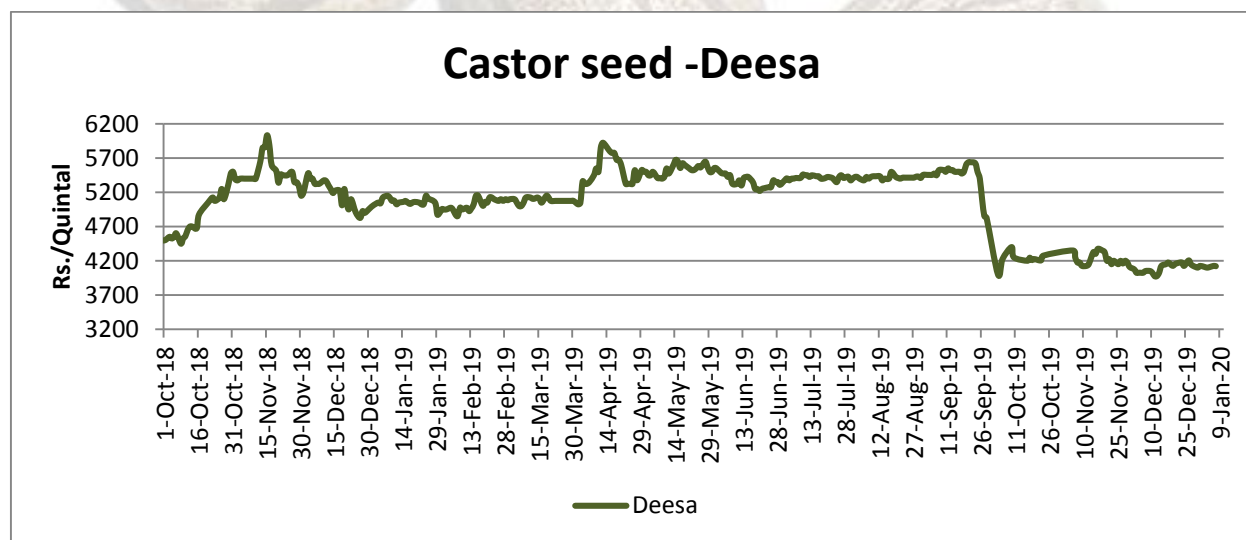
## Castor Seed & Oil Weekly Report

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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 02<sup>nd</sup> 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	<b>Bullish</b>
Higher Sowing Acreage	<b>Bearish</b>
Lower production estimate in 2019-20	<b>Bearish</b>
Lower Demand of Castor Oil	<b>Bearish</b>
Based on Primary & Secondary Sources	

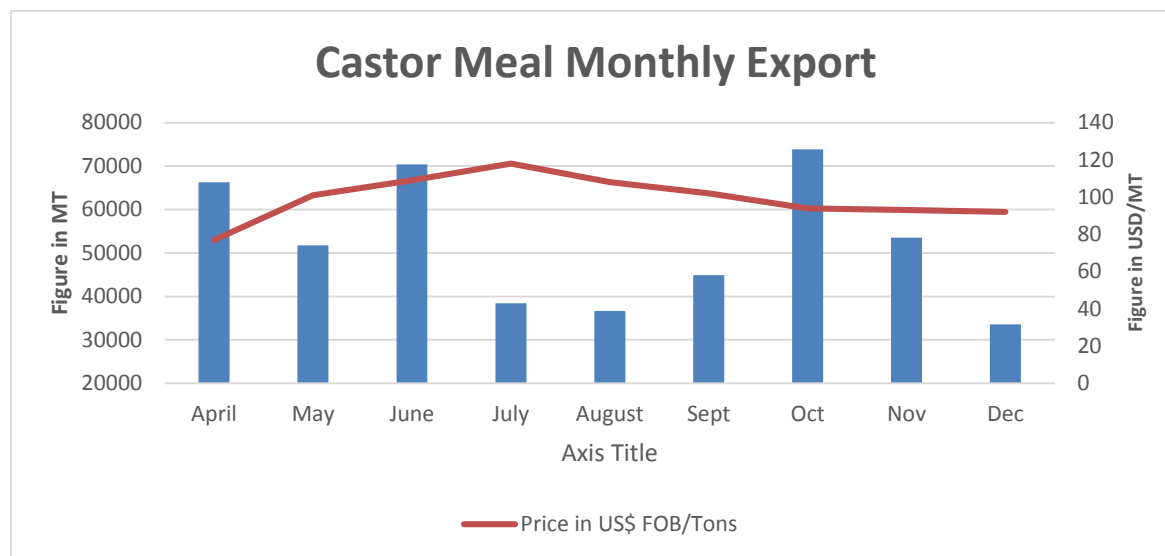
### Castor Price Trend Deesa Mandi:



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

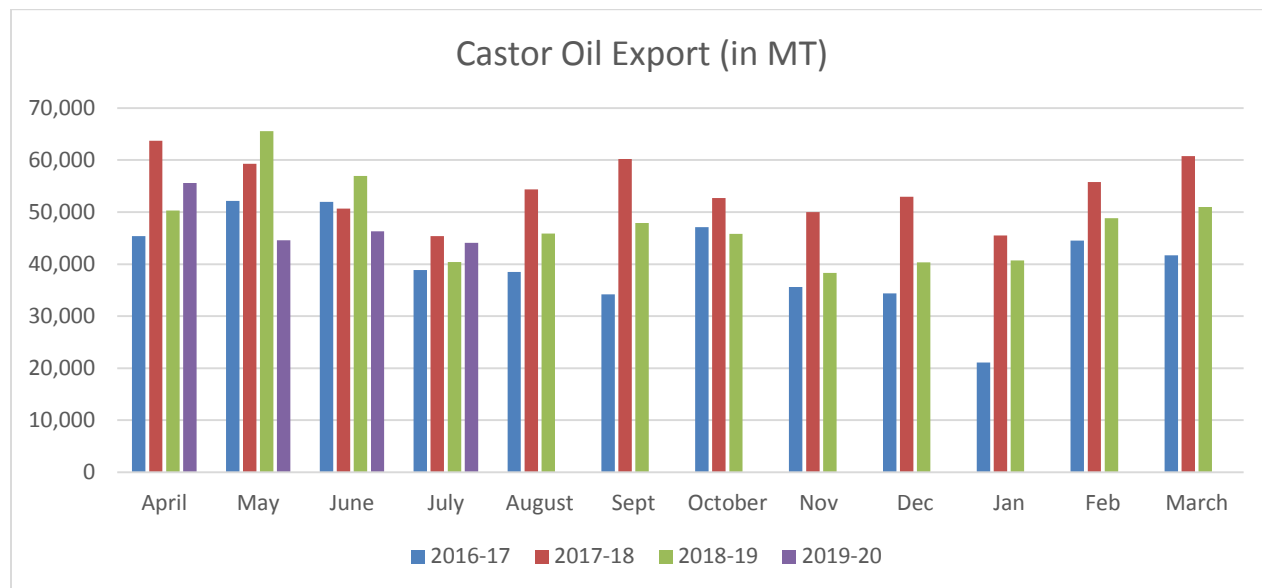
### Castor Meal Export Summary:

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 02<sup>nd</sup> 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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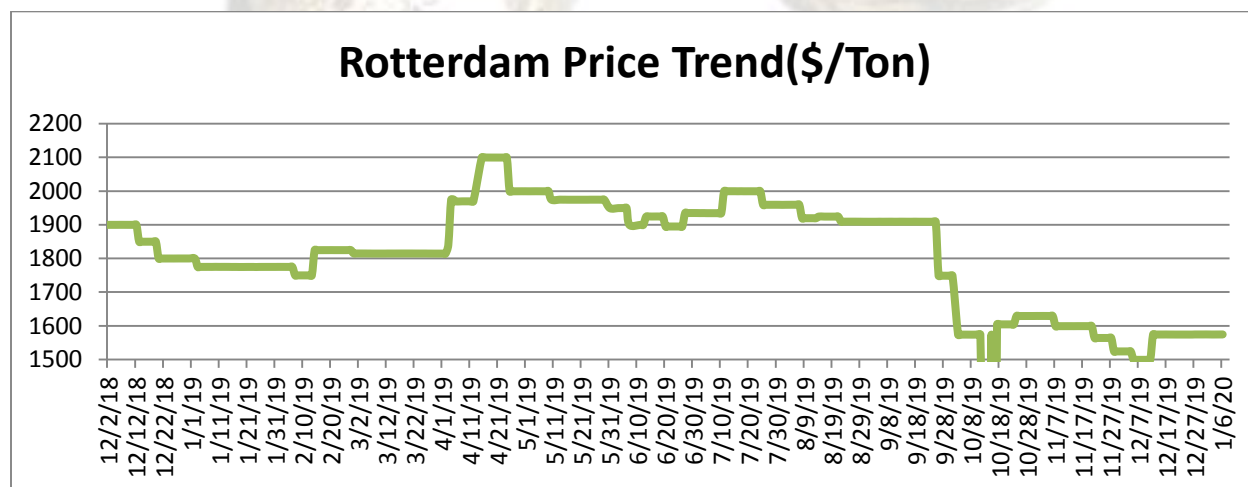
### Castor Seed Supply & Demand for MY-2018-19:

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
<b>Production</b>	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
<b>Carry out</b>	<b>8.04</b>	<b>9.04</b>	<b>9.96</b>	<b>6.79</b>	<b>4.39</b>	<b>5.49</b>	<b>4.19</b>	<b>11.49</b>
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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<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>27th Dec'19</b>	<b>20th Dec'19</b>	<b>27th Nov'19</b>	<b>27th Dec'18</b>	<b>CHANGE %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	43700	42000	52886	<b>-22.99</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	91.00	92.00	92.00	82.00	<b>9.89</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6250	6250	6300	5688	<b>8.99</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1260	1305	1235	1559	<b>-23.73</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	90000	92000	88000	109756	<b>-21.95</b>

**Source: SEA.**

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

<b>Commodity</b>	<b>Market</b>	<b>Price (Rs/ Quintal)</b>		<b>Change</b>
		<b>01 Mar to 7 Mar 2020</b>	<b>24th Feb 29th feb 2020</b>	
<b>Gujarat</b>	Patan	3790	3785	<b>5</b>
	Harij	3797	3792	<b>5</b>
	Rajkot	3670	1437	<b>2233</b>
	Gondal	3754	3713	<b>41</b>
	Deesa	3780	3760	<b>20</b>
	Bhabar	3770	3785	<b>-15</b>
	Mehsana	3750	2945	<b>805</b>
	Kadi	3743	3731	<b>12</b>
	Sabarkatha	3720	3755	<b>-35</b>
	Gandhi Nagar	3780	3765	<b>15</b>
	Ahmedabad (Sanand)	3632	0	<b>3632</b>
	Halvad	3735	3824	<b>-89</b>
	Junagadh	3500	0	<b>3500</b>
	Dhrol	3688	728	<b>2960</b>
<b>Rajasthan</b>	Jodhpur	3490	3460	<b>30</b>
	Sumerpur	3680	3656	<b>24</b>

**Castor Seed Cumulative Arrivals in Key Centers:**

<b>Center</b>	<b>Market</b>	<b>01 Mar to 7 Mar 2020</b>	<b>24th Feb 29th feb 2020</b>	<b>Change</b>
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<b>Gujarat</b>	Patan	6017	5475	542
	Harij	7575	4950	2625
	Rajkot	1160	340	820
	Gondal	526	495	31
	Deesa	4200	3938	263
	Bhabar	6640	5280	1360
	Mehsana	803	645	158
	Kadi	7240	4840	2400
	Sabarkatha	760	560	200
	Gandhi Nagar	2100	1350	750
	Ahmedabad (Sanand)	40	0	40
	Halvad	10500	11025	-525
	Junagadh	10	0	10
	Dhrol	4	4	0
<b>Rajasthan</b>	Jodhpur	851	0	851
	Sumerpur	5760	4480	1280
<b>Total Arrivals/Above Markets</b>		<b>54185</b>	<b>43382</b>	<b>10804</b>

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		4-Mar-20	26-Feb-20	5-Feb-20	5-Mar-19
<b>Gujarat</b>	Patan	3750	4546.667	3900	5075
	Harij	3760	4535	3850	5110
	Rajkot	3645	4396	3725	5000
	Gondal	3755	4425	3800	5030
	Deesa	3775	4529.167	3875	5050
	Bhabar	3725	4511.667	3925	#VALUE!
	Mehsana	3725	4501.667	3800	5100
	Kadi	3725	4508.333	3870	5110
	Sabarkatha	3700	4505.833	3850	5125
	Gandhi Nagar	3775	4512.5	0	5075
	Ahmedabad (Sanand)	3610	#DIV/o!	0	5065
	Halvad	3750	4454.167	3950	5065
	Junagadh	NA	4367.5	0	5005
	Dhrol	3500	4200	0	4830
<b>Rajasthan</b>	Jodhpur	3400	4485	3700	5110
	Sumerpur	3650	4421.667	3825	4925

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