



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:

- Castor Kharif sowing in starts in major states like Gujarat and as expected due to good monsoon, area under castor seed till 29 June is reported 300 hectares which was around 2120 hectares same period last year.
- Due to current political situation in India with China, castor oil and meal export is likely to down in coming season.
- Climatic adversity such as untimely rains, strong winds and hailstorms in parts of castor-sowing regions of Gujarat is set to cause a dip in the output of the oilseed.
- In its final crop estimate, trade body Solvent Extractors' Association of India (SEA) has revised its castor crop outlook for the year 2019-20 downward by about 3.5 per cent or 74,000 tonnes to 19.62 lakh tonnes (lt) as against the first estimate of 20.36 lakh tons reported in February this year.
- Per the final estimates, castor output in the country will be lower by about 15,000 tonnes from 19.77 lakh tons reported in 2018-19.
- India's average castor seed productivity after the third and fourth survey has been revised down to 1,977 kg per hectare against 2,052 kg/ha estimated in the first estimate. This is due to some crop damage in Gujarat from untimely rains and strong winds. However, Rajasthan crop conditions were a little better than the first estimate.
- According to sowing data released by Ministry of Agriculture, India, Acreage under castor seed is 9.92 lakh hectares.
- Gujarat will continue to be the largest castor seed producer with an estimated output of 16.60 lakh tons or nearly 85 per cent of the country's output. The first estimate had put the Gujarat output at 17.44 lakh tons.
- Strong winds, rains and hailstorm in some tehsils of Banaskantha, Gandhinagar, Mehsana and Ahmedabad (districts) during March 2020 had slightly damaged the standing castor crop. Farmers have also gone slow on selling castor seed in the market primarily due to the lockdown and lower prices.
- Rajasthan, on the other hand, is set to see an improvement in the average yield, which is revised upward to 1,593 kg/ha after the fourth round of survey, as against the first estimate of 1,523 kg/ha, due to favourable weather conditions and availability of water for irrigation.
- Also the area under castor in Rajasthan is believed to be higher for 2019-20 at 1, 54,240 hectares per government estimates over last year's 1, 38,000 hectares. Meanwhile final production for the State is estimated to be 2.46 lakh tonnes as against the first estimate of 2.35 lakh tonnes.
- The output in Andhra Pradesh and Telangana is estimated to be 33,000 tonnes, which is the same as last year's estimate of 24,000 lt.
- Castor seed prices hovered in the range of Rs.3,240-3,620 per quintal at the markets in this week.



Castor Seed & Oil Weekly Report

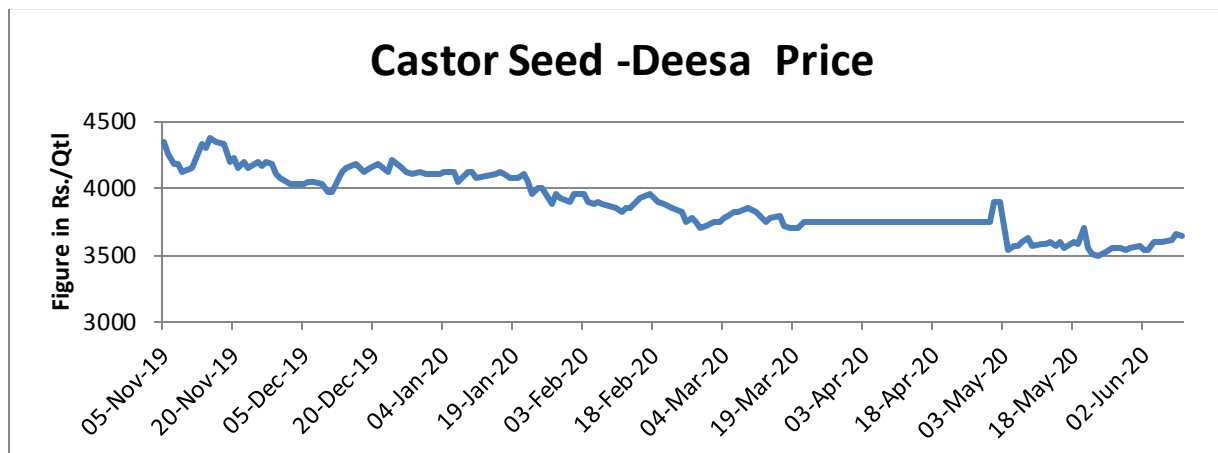
Date – 29th June 2020

- Difficulty for Indian Domestic Castor Oil Industry after Domestic & International demand for Castor Oil gone down drastically. Due to slowdown in global economy as the aftereffects of Covid-19, the manufacturing & trading activities have gone down. This lead to drastic decline in the International exports of Castor Oil. In 2018-19 we exported 5.7 lakh tons of Castor Oil, whereas this export came down to 5 lakh tons.
- During this current year reports of exports is not very encouraging. It is very remarkable that India is the largest producer of Castor in the world. And India is also the largest exporter of Castor in the international market. So in one sense India has established its near monopoly in International Castor Market.
- According to industry analyst the exports in April compared to March declined by 2.5% to 30000 tons. On the similar line there is very strong probability that exports would decline in May as well.
- According to market source, the export of castor oil in the month of May is likely to decline by 50% as compared to last month. According to director of SEA, the major reason for decline in export is slow down in the automobile sector.

Castor Sowing Outlook in 2020-21

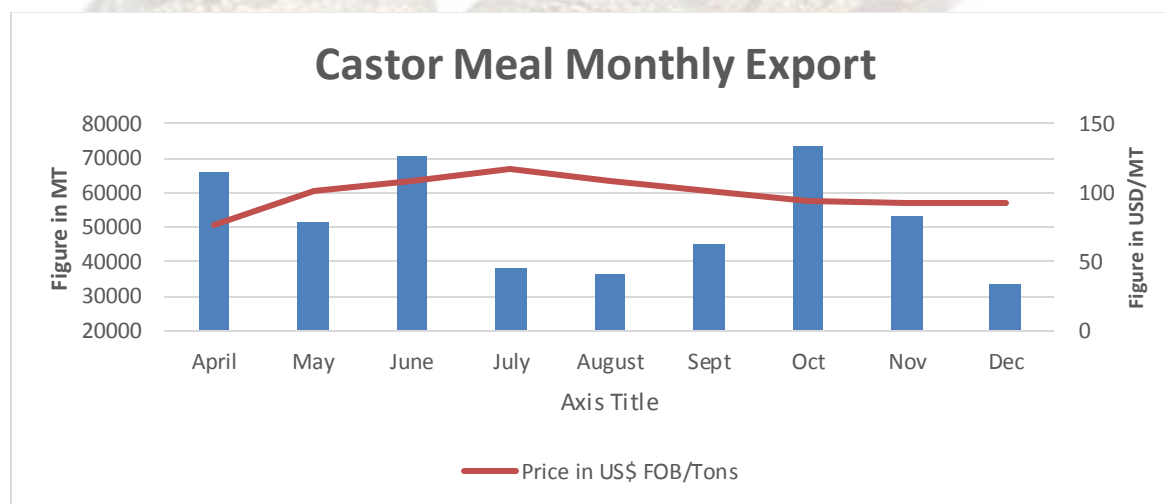
Castor sowing is at disadvantage due to all the Following reasons.

- IMD & other forecasted the monsoon during 2020 as timely & good.
- Monsoon already commenced in Gujarat on 14th June, 2020.
- Pre-Monsoon rains helped early sowing.
- Water levels are high.
- Lower realisation of prices by Castor farmers at the time of sowing.
- Good prices of competing crops
- Higher MSP declared by Govt for food crops.

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 and impact of corona virus also push the prices downwards.

Castor Meal Monthly Export:


Source: Sea of India

Castor Meal Export Summary:

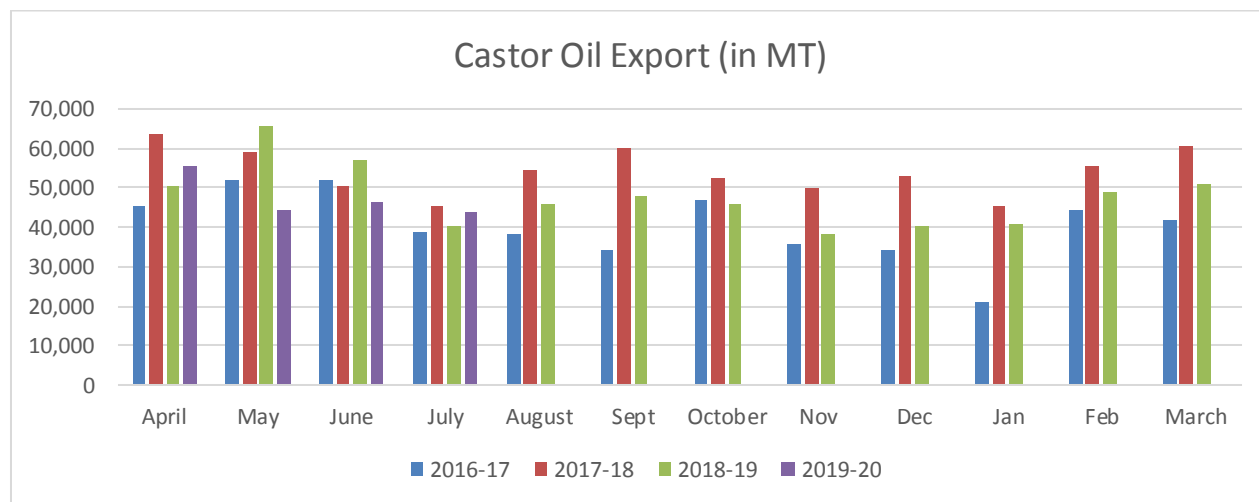
The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of December 2019. The export of oil meals during December 2019 is provisionally reported at 67,562 tons compared to 324,927 tons in December, 2018 i.e. down by 79%. The overall export of oil

Castor Seed & Oil Weekly Report

Date – 29th June 2020

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.

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



State wise Wholesale Prices Weekly Analysis for Castor Seed 03rd week Jun, 2020

State wise Wholesale Prices Weekly Analysis for Castor Seed Third week June, 2020

State	Prices 16-23 Jun 2020	Prices 09-15 Jun 2020	Prices 16-23 Jun 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3638.93	3438.06	4802.37	5.84	-24.23
Gujarat	3679	3639.1	5211.24	1.1	-29.4
Karnataka		3514	5100	---	---
Madhya Pradesh		2812.5	4335.75	---	---
Maharashtra	3100		4283.33	---	-27.63

Castor Seed & Oil Weekly Report

Date – 29th June 2020

Odisha			3500	--	--
Rajasthan	3612.47	3545.46	5168.64	1.89	-30.11
Tamil Nadu		3500	4767.2	--	--
Telangana		3284.36	3994.78	--	--
Average	3507.6	3390.5	4573.7		

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)	3500-3700	3500-3800
Medium Term (30 days)	4000-4300	3900-4600

Technical Analysis:

Castor – Technical Outlook

Technical Commentary:

- Prices are likely to move steady to firm in coming week.
- Increase in prices with higher volume and OI indicates long build up.
- RSI is moving is in neutral region.



Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Jul	3200	3300	3874	4250	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jul	Buy	3850	3920	3960	3830

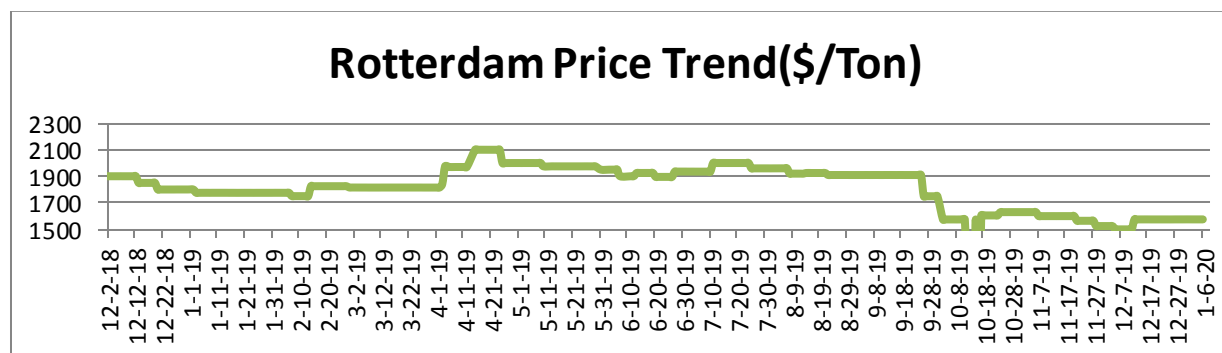
Castor Seed Supply & Demand for MY-2019-20:

All units in lakh tonnes	2017-18	2018-19	2019-20*
Carry in	4.29	5.04	2.30
Production	14.00	11.25	19.6
Imports	0.00	0.00	0
Total Availability	18.29	16.29	21.90
Consumption (crushing)	13.25	14.00	14.5
Exports	0.00	0.00	0
Total Usage	13.25	14.00	14.50
Carry out	5.04	2.30	7.40
Av Monthly Consumption	1.10	1.13	1.15

Supply and Demand: MY 2019-20 started with lower carryout of 2.30 lakh tons. As production was higher in on-going MY (Marketing Year), availability increased from 16.29 to 21.90 lakh tons. Higher availability in domestic market, lock-down situation started impacting prices. Lower realisation in current season and normal monsoon this year will influence farmer to opt for other crops like Cotton and Groundnut.

Export demand: Despite higher export in May-2020 at 54257 MT against 44615 MT in May 2019, export prospect seems bleak due to various issues from producing to importing countries. Major importing countries like China, EU and US are struggling with their own problems such as border tension, spread of COVID-19 and its impact and weakening buying power of retail customer would continue to impact demand for export in the near to medium term. But, low prices may attract stocking interest at consuming countries.

Domestic Demand: Right now domestic demand remains depressed due to disturbed course of trading activities due to COVID-19 impact. Brokers and sellers are avoiding visiting markets as threats are looming large. However, it should improve in coming month as paints and pharmaceutical industries may back on production track soon.

Rotterdam Price:


Source: Agriwatch

Comparative Prices Of Castor Products Including Seed					
	15th May'20	8th May'20	15th Apr'20	15th May'19	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	36000	36750	40000	56637	-57.33
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	55.00	55.00	NQ	101.00	-83.64
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4000	4000	NQ	6771	-69.28
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	NQ	NQ	1696	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	82500	86000	94000	118415	-43.53

Source: SEA.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity Center	Market	Price (Rs/ Quintal)		Change
		22 Jun to 28 Jun 2020	15th to 21st Jun 2020	
Gujarat	Patan	3925	3755	170
	Harij	3867	3722	145
	Rajkot	3806	3698	108
	Gondal	3859	3713	146
	Deesa	3893	3729	164
	Bhabar	3921	3754	167
	Mehsana	3868	3720	148
	Kadi	3916	3756	160
	Sabarkatha	3929	3771	158
	Gandhi Nagar	3935	3767	168
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	3663	3529	133
	Junagadh	0	3171	-3171
	Dhrol	3633	1736	1897
Rajasthan	Jodhpur	3657	3542	115
	Sumerpur	3733	3596	138

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	22 Jun to 28 Jun	15th to 21st Jun	Change
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Castor Seed & Oil Weekly Report
Date – 29th June 2020

		2020	2020	e
Gujarat	Patan	20412	29250	-8838
	Harij	7125	17250	-10125
	Rajkot	4690	4575	115
	Gondal	2138	4467	-2329
	Deesa	4280	11548	-7268
	Bhabar	29880	29840	40
	Mehsana	5925	6000	-75
	Kadi	23720	23840	-120
	Sabarkatha	2240	4240	-2000
	Gandhi Nagar	3600	5175	-1575
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	6825	3525	3300
	Junagadh	0	446	-446
	Dhrol	13	4	9
Rajasthan	Jodhpur	219	487	-268
	Sumerpur	6400	9600	-3200
Total Arrivals/Above Markets		117467	150247	-32779

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		27-Jun-20	20-Jun-20	28-May-20	27-Jun-19
Gujarat	Patan	3945	3830	NR	5300
	Harij	3925	3785	3525	5350
	Rajkot	3865	3715	3555	5255
	Gondal	3875	3780	3605	5305
	Deesa	4000	3785	3550	5350
	Bhabar	3925	3775	3540	5400
	Mehsana	3910	3775	3510	5400
	Kadi	3950	3785	3510	5400
	Sabarkatha	4000	3825	3535	5385
	Gandhi Nagar	4000	3800	3560	5425
	Ahmedabad (Sanand)	0	0	Closed	5250
	Halvad	3700	3600	Closed	5300
	Junagadh	0	3810	3520	5265
	Dhrol	3705	3455	0	4955
Rajasthan	Jodhpur	3800	3650	3340	5400

Castor Seed & Oil Weekly Report

Date – 29th June 2020

	Sumerpur	3800	3650	3450	5250
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