



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Castor Seed futures on the NCDEX are witnessing a range-bound movement but the counter continues to see buying support at lower levels as traders are wondering if there is likely to be some negative impact on the sowing of the commodity in leading producing state of Gujarat.
- The latest data of Gujarat sowing shows that total acreage under the castor crops stands at 1900 hectares as on 06th July 2020. From this it is clear that Castor acreage is likely getting affected as farmers prefer more of other crops.
- The benchmark NCDEX Castor Seed futures have been in a good nick recently, hitting a contract high above Rs 4000 per quintal before pulling off. The counter currently trades at Rs 3894 per quintal, up 0.52% on the day in a wild session that saw the prices move in a range of Rs 3910 - Rs 3866 per quintal.
- 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.
- 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.

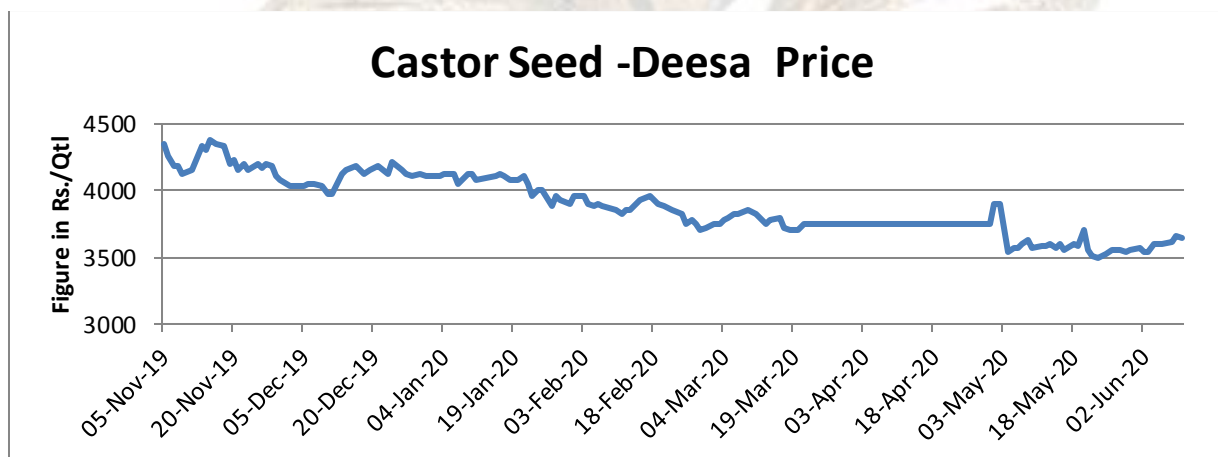
Castor Sowing Outlook in 2020-21

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.



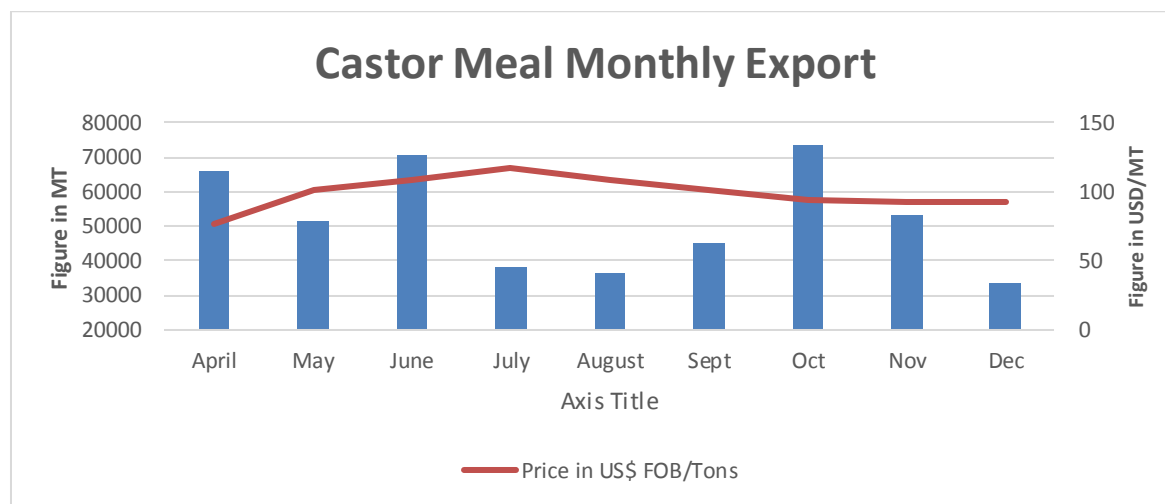
Castor Price Trend Deesa Mandi:



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.

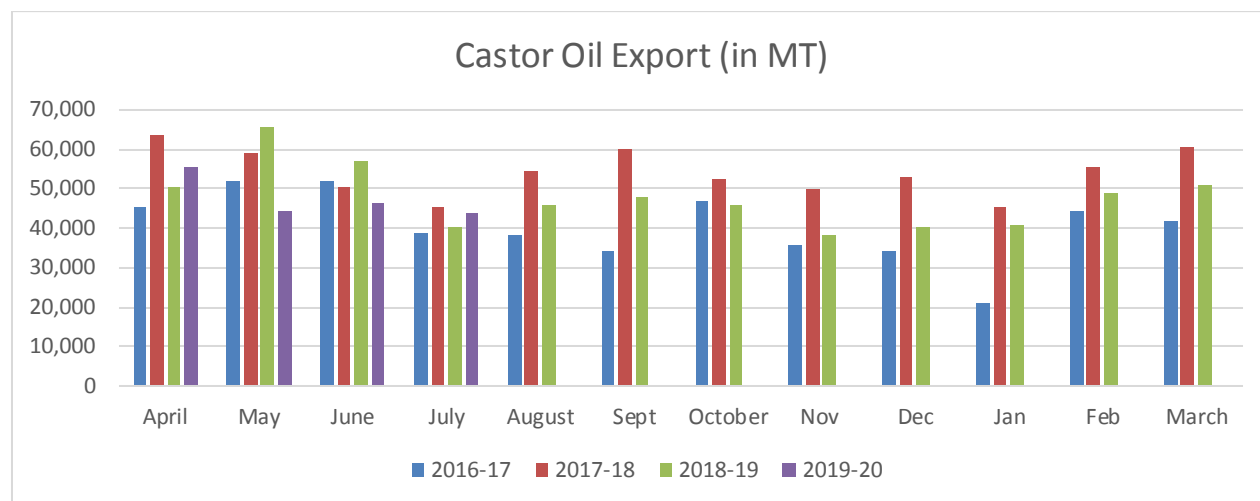
Castor Meal Monthly Export:



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 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
Odisha			3500	---	---
Rajasthan	3612.47	3545.46	5168.64	1.89	-30.11
Tamil Nadu		3500	4767.2	---	---

Castor Seed & Oil Weekly Report

Date – 06th July 2020

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: <ul style="list-style-type: none"> 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	3950	4250	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jul	Buy	3950	4000	4100	3925

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

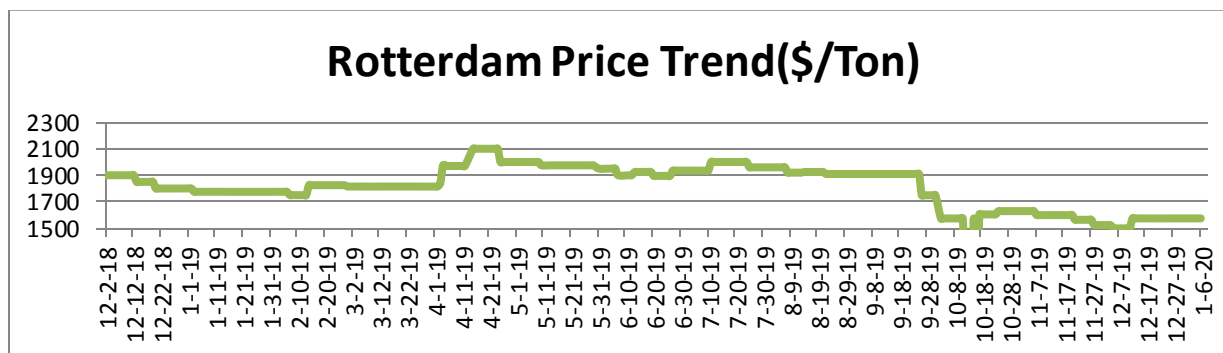
All units in lakh tonnes	2017-18	2018-19	2019-20*
Carry in	4.29	5.04	2.30
Production	14.00	11.25	19.6
Imports	0.00	0.00	0
Total Availability	18.29	16.29	21.90
Consumption (crushing)	13.25	14.00	14.5
Exports	0.00	0.00	0
Total Usage	13.25	14.00	14.50
Carry out	5.04	2.30	7.40
Av Monthly Consumption	1.10	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	Market	Price (Rs/ Quintal)		Change
		29 Jun to 04 Jul 2020	22 Jun to 28 Jun 2020	
Gujarat	Patan	3974	3925	49
	Harij	3960	3867	93
	Rajkot	3838	3806	32
	Gondal	3874	3859	15
	Deesa	3930	3893	37
	Bhabar	3929	3921	8
	Mehsana	3813	3868	-55
	Kadi	3909	3916	-7
	Sabarkatha	3967	3929	38
	Gandhi Nagar	3963	3935	28
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	3675	3663	13
	Junagadh	2544	0	2544

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	Dhrol	1808	3633	-1824
Rajasthan	Jodhpur	3748	3657	91
	Sumerpur	3827	3733	93

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	29 Jun to 04 Jul 2020	22 Jun to 28 Jun 2020	Change
Gujarat	Patan	22432	20412	2020
	Harij	8625	7125	1500
	Rajkot	2890	4690	-1800
	Gondal	2117	2138	-21
	Deesa	3131	4280	-1150
	Bhabar	28080	29880	-1800
	Mehsana	2025	5925	-3900
	Kadi	25680	23720	1960
	Sabarkatha	2440	2240	200
	Gandhi Nagar	3750	3600	150
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	8925	6825	2100
	Junagadh	250	0	250
	Dhrol	20	13	7
Rajasthan	Jodhpur	239	219	20
	Sumerpur	5200	6400	-1200
Total Arrivals/Above Markets		115804	117467	-1664

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		07-Jul-20	30-Jun-20	06-Jun-20	08-Jul-19
Gujarat	Patan	4050	3895	NR	5450
	Harij	4050	3900	3600	5500
	Rajkot	3910	3815	3560	5350
	Gondal	4005	3825	3555	5105
	Deesa	4000	3860	3600	5410
	Bhabar	4015	3825	3625	5450
	Mehsana	3975	3800	3575	5475
	Kadi	4015	3825	3600	5500
	Sabarkatha	4050	3950	3600	5500

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	Gandhi Nagar	4000	3950	3625	5450
	Ahmedabad (Sanand)	NA	0	0	5350
	Halvad	3675	3675	Closed	5500
	Junagadh	3900	0	0	5255
	Dhrol	0	3735	0	4800
Rajasthan	Jodhpur	3750	3750	3350	5300
	Sumerpur	3900	3800	3525	5325

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