

Castor Seed & Oil Monthly Research Report

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Outlook and Review -Domestic Front:

Monthly average castor seed price traded firm in June with lower arrival as participants active took positions in modify with a firm trend at the physical market. Firm in castor seed prices was mostly attributed to on active buying by speculators amid a firm trend at the physical markets.

All India castor seed weekly prices were traded firm in in the month of June with lower arrival, all India arrival of castor seed reported were 386513 quintals which was lower by 282289 quintals than last month arrivals of 668802 quintals.

Lower arrival is mainly due to declining of arrival of castor seed which supports the price in the month of June.

This year preliminary Agriwatch estimate for 2017/18 shows 10. 67 lakh tonne production based on farmers feedback and initial field survey in Gujarat, Rajasthan and AP. Area in Gujarat is likely to decline by over 20 % from 6.20 to 4.96 lakh ha. Overall decline in Rajasthan may be 5% and area would decline from 2.30 to 1.84 lakh ha. In AP / Telangana it may decline by 20 percent to 1.06 lakh ha. As weather remains favorable Agriwatch expects normal yield this year. Based on normal yield seed production may decline to 10.67 lakh tonne given the normal weather condition. Agriwatch would revise preliminary estimate in November-2017.

Seed Supply & Demand:

Agriwatch Preliminary estimates regarding area and production shows around 16 percent lower acreage this year due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.21(normal) to 9.43 lakh ha this year. The estimate is based on initial ground level survey and feedback received from farmers. Agriwatch expects above normal rainfall this year and hopes normal yield too. Based on normal yield realization seed production would decline from 15.12 to 12.94 lakh tons this year.

This season started with 5.35 lakh tons as carryout and thus total availability for current MY - 2016-17 comes to 15.85 lakh tons it estimated production of 10.5 lakh tons for MY-2017-18 is included. Lower production would drag carryout down from 5.35 to 0.35 lakh tons. It would push seed price up in second and third quarter.

All units in lakh tons	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Carry in	5.8	6.84	6.04	5.54	5.91	5.35
Production	13.04	11.7	13	15.12	12.94	10.5
Imports	0	0	0	0	0	0
Total Availability	18.84	18.54	19.04	20.66	18.85	15.85
Consumption	12	12.5	13.5	14.75	13.5	15.5

Exports	0	0	0	0	0	0
Total Usage	12	12.5	13.5	14.75	13.5	15.5
Carry out	6.84	6.04	5.54	5.91	5.35	0.35
Av Monthly Consumption	1	1.04	1.13	1.23	1.13	1.29
Stock to Month Use	6.84	5.8	4.92	4.81	4.76	0.27
Stock to Consumption Ratio	0.57	0.483	0.41	0.4	0.4	0.02

Castor Oil Demand & Supply:

Season 2016-17 would start with 0.5 lakh tons oil as carrying stock. Agriwatch has estimated 7 lakh tons oil production from 2015-16 crops to be marketed in 2016-17 including derivatives use this brings total availability to 7.5 lakh tons .Export has been pegged at 5.5 lakh tons slightly higher than 2015-16 as supply is higher and price is lower. Carryout for next year would be at higher side (around 1lakh tons) despite higher export volume.

Castor Oil Supply & Demand Projection For 2016-17			
Unit in lakh tonne	2014-15	2015-16	2016-17
Carry in	0.15	0.25	0.5
Production	6	6.5	7
Imports	0	0	0
Total Availability	6.15	6.75	7.5
Consumption (domestic)	0.9	1	1
Exports	5	5.25	5.5
Total Usage	5.9	6.25	6.5
Carry out	0.25	0.5	1

Kharif Castor Seed Sowing Updates as on 06.07.2018 (in Lakh Hectare):

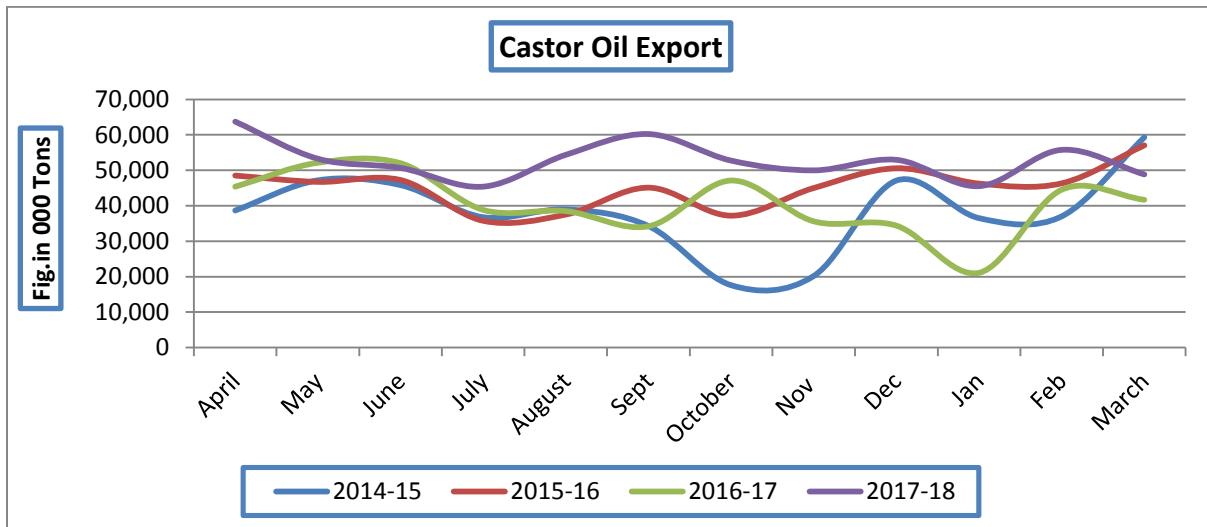
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.08	0.02	3.2	0.05	-0.03
Assam	0.01			0.0		0.00
Gujarat	6.70	0.03	0.00	0.0	0.02	-0.01
Haryana	0.01	0.00	0.00	40.0	0.00	0.00
Jharkhand	0.01		0.00		0.00	

Karnataka	0.11	0.04	0.03	28.3	0.03	0.00
Madhya Pradesh	0.05			0.0		0.00
Maharashtra	0.15	0.02	0.07	44.8	0.01	0.06
Odisha	0.11	0.01	0.00	3.6	0.01	0.00
Rajasthan	1.96	0.03	0.03	1.7	0.02	0.02
Tamil Nadu	0.06	0.00		0.0		0.00
Telangana	0.72	0.25	0.12	16.2	0.17	-0.05
West Bengal	0.00			0.0		0.00
Others		0.00	0.03		0.00	
All-India	10.51	0.47	0.31	2.9	0.30	0.01

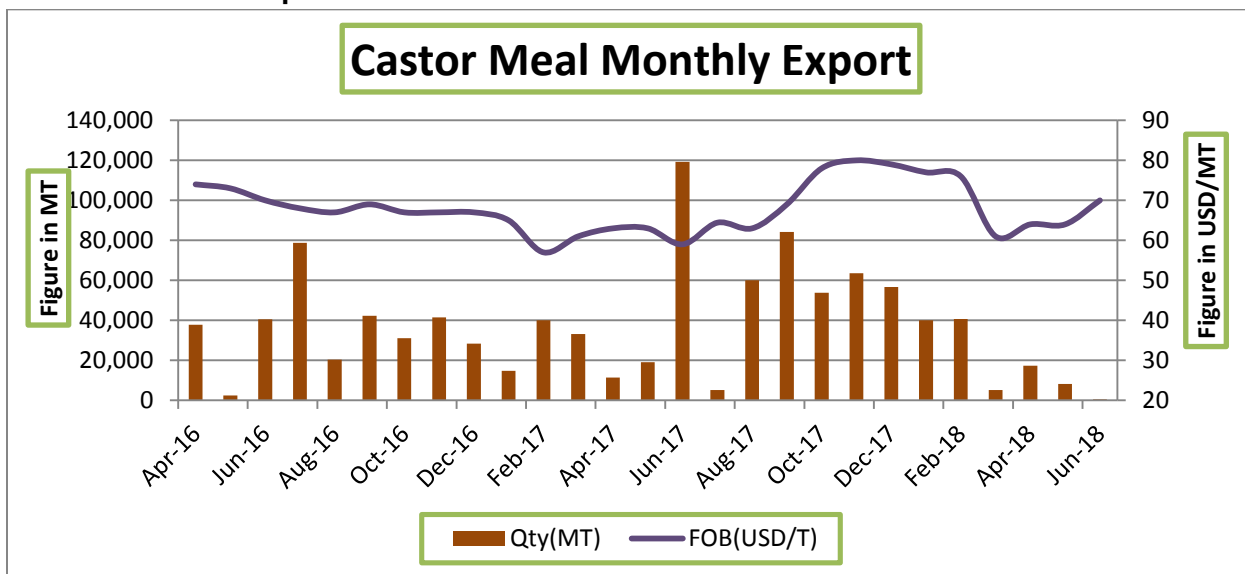
About 1.66 lakh hectare area coverage under oilseeds has been reported compared to normal of corresponding week (2.20 Lakh ha), thus 0.55 lakh hectares less area has been covered compared to normal of corresponding week. The area has mainly been reported from the states of Karnataka (0.89 lakh hectares under all oilseeds and under castor seed it is 0.02 lakh hectares).

Castor Oil Monthly Export Trend:

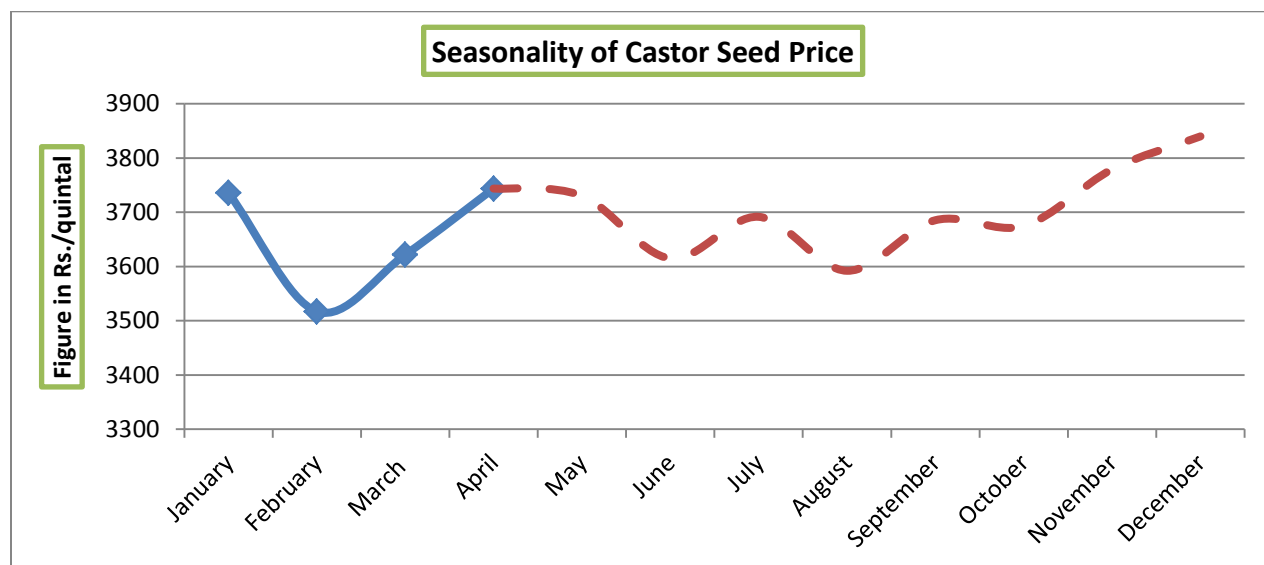
As per latest data released by SEA of India, Castor oil export in the month of May was 58725 thousand tons which is up by 29% from last month export of 45589 thousand tons and 10% up from corresponding period last year export of 53259 thousand tons. Higher demand from the international market due to lower prices of castor seed in domestic market led to higher exports. Meanwhile, in the first two month of FY-2018-19, total castor oil exported was around 1.04 lakh tons, which is up by 2% Y/Y on higher consumption demand from US, Netherland, Russia and Japan



Castor Oil Meal Export Trend:



Price Seasonality Trend:



Above chart is for Rajkot market which forecast the price trend for coming months. Chart indicates that castor seed market is likely to move volatile under normal situation (weather, rainfall etc.). Price is expected to move up from March onwards as stock is getting low and demand from China and other major importers is normal.

Variation in Production Estimates & Forecast for 2016-17 & 2017-18:

Comparable Production Estimates (Fig. In Lakh Tonne)						
Crop Year	Govt. Fig	Oil world	Private Trades	Agriwatch	Nelson/Area Govt	COOIT
2011-12	22.95	15.8	18.8	Not available	15.73	14.8
2012-13	19.64	11	13.2	Not available	13.8	11.43
2013-14	16.89	10.5	11.8	11.7	11.6	11.3
2014-15	18.70	15.06	11 to 13	12	12.78	12.95
2015-16*	16.60*	16.2	14.5	15.12	13.97	14
2016-17	-	-	-	12.69**	-	-

*4th Adv Estimate (Target-20.34 lakh tonne) released on 2nd Aug-2016 ** Agriwatch preliminary estimate for 2016-17

Agriwatch Preliminary Area & Production Forecast For Crop Year 2016-17

Gujarat	Area In '000'ha			Yield In kg/ha			Production In "000" Tonne	
	2015-16	5 years Ave	2016-17	2015-16	5 years ave	2016-17	2015-16	2016-17** Fore..
Banaskantha	142.40	140.28	113.92	1681	1695.4	1695.4	239.37	193.14
Sabarkantha	66.45	67.49	53.16	2010	2026	2026	133.57	107.71
Mehasana	82.27	73.65	65.82	1370.75	1375.55	1375.55	112.78	90.54

Patan	123.41	98.28	98.73	1572.75	1569.55	1569.55	194.10	154.96
Gandhi Nagar	27.42	28.14	21.94	2010.25	2011.05	2011.05	55.13	44.12
Kachchh	98.10	101.42	78.48	575.5	581.1	581.1	56.45	45.60
Surender Ngr	71.73	64.35	57.38	925.75	928.95	928.95	66.40	53.30
Jamnagar	8.44	13.49	6.75	1050.75	1098.75	1098.75	8.87	7.42
Rajkot	10.55	15.11	8.44	1334.75	1330.75	1330.75	14.08	11.23
Vadodara	28.48	41.90	22.78	1655	1665.4	1665.4	47.13	37.94
Kheda	13.71	24.94	10.97	1965	1957	1957	26.94	21.47
Ahmedabad	50.63	47.93	40.50	1925	1980.2	1980.2	97.46	80.21
Panchmahal	2.11	10.22	1.69	1760.75	1784.75	1784.75	3.71	3.01
Others	49.58	48.12	39.66	1485.5	1477.5	1477.5	73.64	58.60
Gujarat Total	775.28	775.32	620.22	1523.05	1534.425	1534.425	1180.79	951.68
Rajasthan	2015-16	5 years ave	2016-17	2015-16	5 years ave	2016-17	2015-16	2016-17**
Barmer	26	26	22.1	1150	1094.8	1094.8	29.9	24.20
Jalore	55.1	71.6	60.9	1275	1223.8	1223.8	70.25	74.50
Jodhpur	60.13	56.6	48.1	487.75	487.75	487.75	29.33	23.48
Pali	3	5	4.25	750.25	739.85	739.85	2.25	3.14
Sirohi	48.1	52.46	44.59	1100.5	1100.5	1100.5	52.93	49.07
Others	6	9.8	8.33	1031	1031	1031	6.19	8.59
Rajasthan Total	198.33	221.51	188.28	965.75	946.28	946.28	191.54	178.17
AP/Telangana	2015-16	5years average	2016-17	2015-16	5 yrs Ave	2016-17	2015-16	2016-17
Anantpur	12.13	7.40	6.66	725.00	731.40	731.40	8.79	4.87
Kurnool	39.19	39.20	35.28	562.50	573.70	573.70	22.04	20.24
Mehboob Ngr	77.25	78.41	70.57	675.25	669.65	669.65	52.16	47.26
Nalgonda	0.62	2.18	1.97	690.00	704.40	704.40	0.43	1.38
Rangareddy	1.62	2.66	2.40	510.00	498.80	498.80	0.82	1.20
Others	7.22	8.18	7.36	645.25	658.05	658.05	4.66	4.85
AP/Telangana Total	138.02	138.03	124.23	634.67	639.33	639.33	90.08	79.42

Agriwatch preliminary estimates on area and production are based on farmer's sowing intention and initial ground level survey in some pockets of Rajasthan and Gujarat.

Technical Analysis:

Castor – Technical Outlook							
<p>Technical Commentary:</p> <ul style="list-style-type: none"> Prices are likely to move steady to firm in coming week. Increase in prices with lower volume and OI indicates short build up. 							
<p>Strategy: Buy</p>							
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	July	3750	3800	4528	4250	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	July	Buy	4150	4200	4280	4130

Castor Oil Export Volume:

EXPORT OF CASTOR OIL								
DURING APRIL TO March 2017								
Month / Year	2016-17		2015-16		2014-15		2013-14	
	Qty MT. Bulk+	Value	Qty MT. Bulk+	Value	Qty MT. Bulk+	Value	Qty MT. Bulk+	Value
	Container	Rs. Cr.	Container	Rs. Cr.	Container	Rs. Cr.	Container	Rs. Cr.
April	45,378	281.90	48,511	353.43	38,661	319.10	39,422	299.15
May	52,133	347.95	46,731	349.60	47,176	381.96	59,900	438.50
June	51,994	346.10	47,257	371.39	45,824	375.22	38,868	298.15
July	38,836	252.31	35,756	288.22	36,766	307.53	57,214	431.94
August	38,497	255.41	37,517	309.07	38,960	333.88	39,196	313.10
September	34,208	250.22	45,105	369.88	34,285	297.57	43,139	337.20
October	47,112	361.31	37,205	301.15	17,600	150.92	31,228	232.15
November	35,608	284.76	45,002	377.39	20,189	174.98	21,307	158.10
December	34380	272.74	50,578	422.90	47,104	420.64	38,744	293.45
January	21090	169.44	46,250	385.74	36,501	337.60	28,490	244.70
February	44527	353.95	46,327	319.90	37,018	311.23	38,974	319.30

March	41682	338.63	57,035	349.52	59,294	458.71	35,773	292.50
Total	485,445	3514.72	543,274	4198.19	459,378	3869.34	472,255	3658.24

Source: SEA

Comparative Prices Of Castor Products Including Seed					
	22nd June'18	15th June'18	22nd May'18	22nd June'17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41150	40400	40450	43488	-5.68
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	71.00	70.00	65.00	59.00	16.90
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	4750	4350	3715	22.60
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1270	1260	1245	1449	-14.09
Local rates for oil in domestic market(Rs./M.T.) for comm.	86000	85500	84500	95068	-10.54

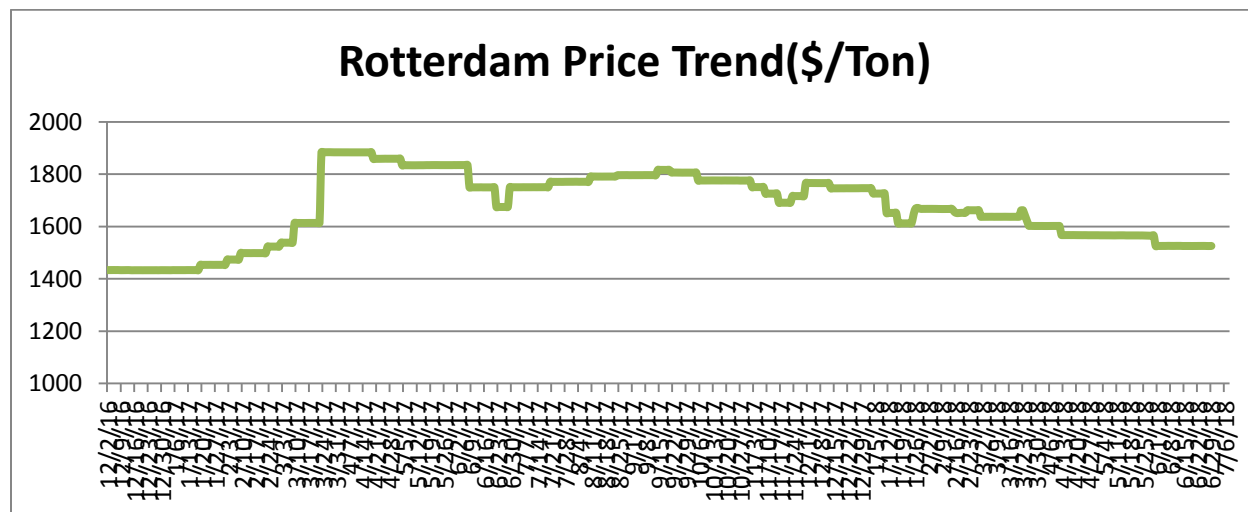
Cash Market (Deesa) Expected Price Range for July-2018:-

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4000-4100	4100-4250
Medium Term (30 days)	4150-4300	4200-4400

Outlook for July-2018:

Castor seed cash market is likely to trade weak tone as seed supply in domestic market is expected to be declined as stock is limited. Improved demand will push prices up in upcoming weeks. In June, market may trade in the range of Rs 3800-3900 per qtl.

Rotterdam Price:-



Castor Seed - Products Monthly Average Prices:

Commodity	Monthly Average Prices (Rs/ Quintal)			Change	
	Center	Market	June. 2018		May. 2018
Gujarat		Patan	3888	3836	52
		Harij	3925	3864	61
		Rajkot	3797	3739	58
		Gondal	3859	3824	36
		Deesa	3895	3873	22
		Bhabar	3876	3841	35
		Mehsana	3880	3836	43
		Kadi	3936	3874	62
		Sabarkatha	3923	3884	39
		Gandhi Nagar	3927	3878	49
		Ahmedabad (Sanand)	3828	3803	25
		Halvad	3810	3814	-5
		Junagadh	3808	3752	56
		Dhrol	3484	3523	-38
Rajasthan		Jodhpur	3679	3900	-221
		Sumerpur	3865	3794	72

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		June. 2018	May. 2018	
Gujarat	Patan	114750	227625	-112875
	Harij	24075	48600	-24525
	Rajkot	6195	12541	-6346
	Gondal	9613	11507	-1894
	Deesa	14555	29494	-14939
	Bhabar	93452	110320	-16868
	Mehsana	21713	29475	-7763
	Kadi	72797	114065	-41268
	Sabarkatha	4600	13920	-9320
	Gandhi Nagar	10725	22050	-11325
	Ahmedabad (Sanand)	385	809	-424
	Halvad	2580	7628	-5048
	Junagadh	1435	3420	-1985
	Dhrol	301	536	-235
Rajasthan	Jodhpur	1648	1665	-18
	Sumerpur	7690	36640	-28950
Total Arrivals/Above Markets		386513	668802	-282289

Note: We have incorporated traded quantity of seed in particular mandis. It does not signify the total arrivals

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