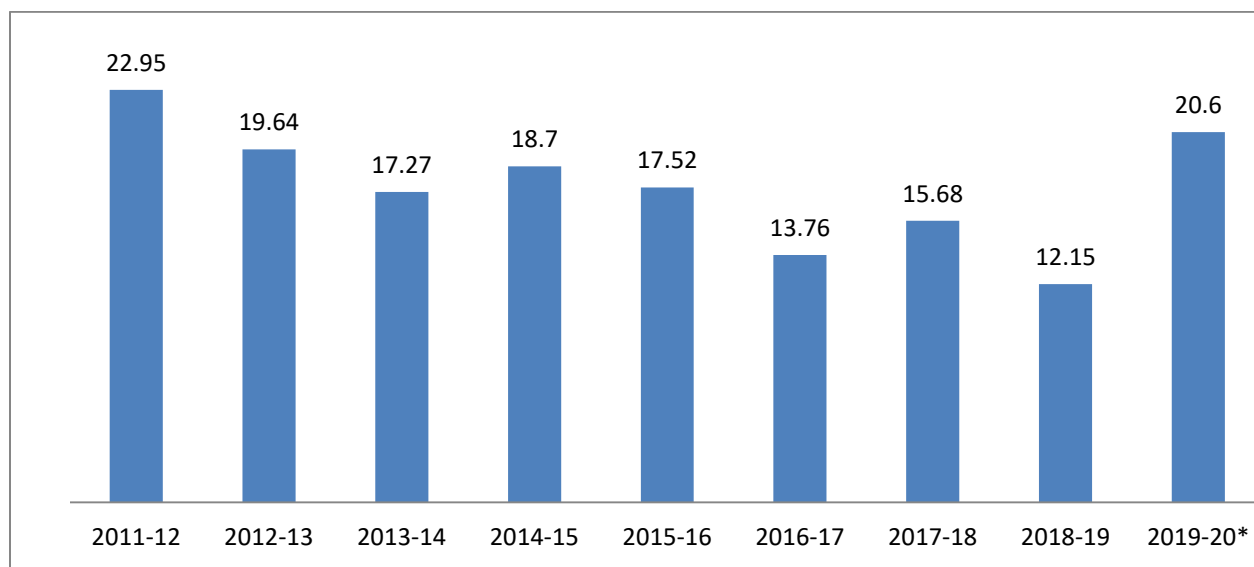


## Castor Outlook – July 2020

Castor is one of the oldest cultivated crops; however, it contributes to only 0.15% of the vegetable oil produced in the world. The oil produced from this crop is considered to be of importance to the global specialty chemical industry because it is the only commercial source of a hydroxylate fatty acid. Castor plant is grown in arid and semi-arid regions. In 2018-19, World major producing countries are India (11.97 lakh tonnes), Mozambique (0.85 lakh tonnes), China (0.27 lakh tonnes), Brazil (0.14 lakh tonnes) and Myanmar (0.12 lakh tonnes).

Area under castor reported during 2020-21 was 0.16 lakh ha (0.40 lakh acres) as against 0.13 lakh ha (0.32 lakh acres) during the same period in 2019-20. Among states, Telangana is leading with 0.08 lakh ha (0.20 lakh acres) under castor followed by Rajasthan 0.05 lakh ha (0.12 lakh acres), Gujarat 0.03 lakh ha (0.07 lakh acres) and Andhra Pradesh 0.02 lakh ha (0.05 lakh acres). According to Government 3<sup>rd</sup> advance estimates, all India castor production in 2019-20 is at 20.60 lakh tonnes.



Source: Directorate of Economics and Statistics (DES), \*3<sup>rd</sup> Advance Estimates

**Figure 1: Production of Castor in India (in lakh tonnes)**

**Table 1: Castor Domestic Supply & Demand (in lakh tonnes)**

	2017-18	2018-19	2019-20*
<b>Carry in</b>	4.29	6.72	4.87
<b>Production</b>	15.68	12.15	20.6
<b>Imports</b>	0	0	0
<b>Total Availability</b>	19.97	18.87	25.47
<b>Consumption (crushing)</b>	13.25	14	14.5
<b>Exports</b>	0	0	0
<b>Total Usage</b>	13.25	14	14.5
<b>Carry out</b>	6.72	4.87	10.97

Source: www.agriwatch.com \* Estimated

In Telangana state, Narayanpet 3,414 ha (8,435 acres), Mahabubnagar 2,941 ha (7,267 acres), Wanaparthy 1,436 ha (3,248 acres) and Gadwal 411 ha (1,015 acres) are major castor growing districts. According to Telangana State Government 3<sup>rd</sup> advance estimates, castor production in 2019-20 is at 0.42 lakh tonnes with productivity of 1505 Kg/ha (609 Kg/acre).

**Table 2: Prices and arrivals of Castor in Nagarkurnool market during June 2020**

Date	Arrivals (Quintals)	Maximum price (Rs/quintal)	Minimum price (Rs/quintal)	Modal price (Rs/quintal)
1	167	3664	3620	3648
3	29	3640	3613	3623
4	38	3656	3630	3640
5	43	3650	3190	3618
6	2	3611	3591	3601
8	15	3690	3670	3680
9	30	3716	3696	3706
10	5	3726	3706	3716
13	10	3750	3730	3740
15	6	3760	3740	3750
18	21	3788	3748	3778
19	60	3862	3833	3852
20	8	3866	3846	3856
22	8	3889	3869	3879
23	38	3925	3880	3915
24	14	3949	3929	3939
25	14	3940	3909	3930
26	17	3920	3868	3910
29	23	3870	3850	3860
30	16	3890	3870	3880

Source: www.tsmarketing.in

There is difficulty for Indian domestic castor oil industry after domestic & international demand for castor oil gone down drastically. Due to Covid-19, the manufacturing & trading activities have gone down resulting in slowdown of global economy. This lead to drastic decline in the international exports of castor oil.

Marketing year 2019-20 was started with carryout of 4.87 lakh tons. As production was higher, availability increased from 18.87 to 25.47 lakh tons. Higher availability in domestic market, lock-down situation started impacting prices. Lower price realization in previous season and normal monsoon this year is influencing farmer to opt for other crops like Cotton and Groundnut.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Castor is likely to trade in price range between Rs. 3700 - 3800 per quintal in the month of July 2020.