

Store castor and sell after May, 2017

From last five years the castor price remained under pressure following a record break production of castor in India about 22.95 lakh tonnes in 2011-12. Hence, in current year of 2016-17 the area has been decreased to low about 8.35 lakh ha as against 10.37 lakh ha as in last year and production also likely to decrease to about 14.50 lakh tonnes, which was 17.52 lakh tonnes in 2015-16. The total market arrivals of the castor seeds in major producing states viz. Gujarat, Rajasthan and Andhra Pradesh reported about 16.75, 15.72 and 17.30 lakh tonnes during 2013-14, 2014-15 and 2015-16, respectively. This indicates that farmers have quite lower holding stock by the end of the current year.

In the current year 2016-17 in Gujarat, the area under castor is estimated to be about 5.65 lakh ha as against 7.14 lakh ha in 2015-16 and production is also likely to be lower about 11.50 lakh tonnes as against 14.13 lakh tonnes in last year. Except some water stress the crop condition is satisfactory, will result in normal to lower yield. In Rajasthan and Andhra Pradesh the area is also estimated low than the last year.

The export of castor oil increased from 4.59 lakh tonnes in 2014-15 to 5.43 lakh tonnes in 2015-16 due low prices in last year. Also in current year from April, 2016 to December, 2016 3.78 lakh tonnes castor oil has been exported and till March it might as last year. The domestic consumption and derivatives exports of castor oil are expected about 2 lakh tonnes. This requires crushing of about 16.40 lakh tonnes castor seeds. This indicates that, current year's production is seems to be less than the oil demand. Hence, the only cap to price rise is the carry over stock with the traders. The castor price which was ruling around Rs. 740 per 20 kg in December, 2015 in various markets of Gujarat has been decreased to about Rs. 610 per 20 kg in February, 2016 due to some trading problems in future contracts, report of higher production in 2015-16. The future contracts has been restored from January, 2017 hence, the price again recovered to around Rs. 760 per 20 kg and currently it is ruling Rs. 740 per 20 kg, in various markets of Gujarat likely to remain stable with slight ups and downs in harvesting season and then may go up in future.

Taking these all into consideration, the research team of Department of Agricultural Economics, Junagadh Agricultural University, Junagadh, analysed the historical monthly price data of castor collected from Patan APMC. Based on the econometric analysis, it is revealed that the prices of castor during **March to May, 2017 may remain in the range of Rs. 740 to 820 per 20 kg (3700 to 4100 Rs/qtl) during harvesting period.** This may be taken note by the farmers to take their own decision to store castor and sell after May, 2017 keeping the above situation in view. If export opportunities continue to remain better, there are some chances that price may go up in future.