

Castor price likely to remain firm, store and sell after April, 2021

The monsoon in the castor growing regions in India in the current year of 2020-21 remained very good, which created better prospects for a higher yield. But the crop acreage was estimated to decline around 8.42 lakh ha as against 10.47 lakh ha in 2019-20 due to lower prices, as export of castor oil was slowdown owing to lockdown. Also higher production of about 18.42 lakh tonnes in 2019-20 kept the prices on lower side. The castor price, which was prevailing around Rs. 1100 per 20 kg in September, 2019 in various markets in Gujarat dropped to around Rs. 740 per 20 kg in March, 2020 and further to Rs. 700 in May, 2020. But again it revived to around Rs. 900 per 20 kg in November, 2020 following increase in export and estimation of lower acreage and production (17.76 lakh tonnes, as per 2nd Advanced Estimate dt. 24-2-2021). Currently, in February, 2021 castor price is ruling around Rs. 870 per 20 kg, is expected to remain stable at this level with slight ups and downs at harvesting time.

In the current year 2020-21 in Gujarat, the area under castor is estimated to be about 6.38 lakh ha as against 7.37 lakh ha in 2019-20 and production is estimated slight higher about 14.69 lakh tonnes (2nd Advanced Estimate dt. 8-1-2021) as against 14.32 lakh tonnes in last year. The crop condition is good, will result in higher yield. In Rajasthan and Andhra Pradesh the area is estimated low than the last year, but crop condition is good in Rajasthan too.

The export of castor oil decreased from 6.19 lakh tonnes in 2018-19 to 5.49 lakh tonnes in 2019-20 due to lockdown in China during January-April, 2020 owing to COVID-19 pandemic. However in current year from April to December, 2020 about 5.06 lakh tonnes castor oil has been exported and till March, 2021 it might be about 6.75 lakh tonnes. The domestic consumption and derivatives exports of castor oil are expected about 1.5 lakh tonnes. This requires crushing of about 19 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 and farmers; might be around 2.5 lakh tonnes.

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 April, 2021 may remain in the range of Rs. 860 to 940 per 20 kg (4300 to 4700 Rs/qtl) during harvesting period.** This may be taken note by the farmers to take their own decision to store castor and sell after April, 2021 keeping the above situation in view. If export opportunities continue to remain better, there are some chances that castor price may slightly go up in future.