

Castor price likely to remain firm, store and sell after April, 2022

From the last three years in India, the monsoon in the castor growing regions remained normal to good. But during the current year of 2021-22 the acreage under castor has been estimated to decline around 8.06 lakh ha as against 8.42 lakh ha in 2020-21 due to lower price than expected in last year. Also higher production of about 18.42 lakh tonnes in 2019-20 kept the price low. In current year in India, castor production is estimated decline to around 15.08 lakh tonnes (2nd Advance Estimate dt. 16-2-2022) over 16.47 lakh tonnes in 2020-21.

Hence, the castor price, which was prevailing around Rs. 800 per 20 kg in September, 2020 in various markets of Gujarat, increased to around Rs. 920 per 20 kg in March, 2021 and further to Rs. 1280 in November, 2021. Then after slight declined, but again it increased all time high around Rs. 1400 per 20 kg in February, 2022 following increase in export and estimation of lower acreage and production in current year. At harvest, it is expected to remain firm and upside at this level.

In the current year 2021-22 in Gujarat, the area under castor is estimated to about 6.52 lakh ha same as last year and production is estimated slight lower about 13.03 lakh tonnes as against 13.45 lakh tonnes in 2020-21. The crop condition is normal, will result in normal yield. In Rajasthan and Andhra Pradesh the area is estimated low than the last year, but crop condition is normal in Rajasthan too.

The export of castor oil increased from 5.94 lakh tonnes in 2019-20 to 6.87 lakh tonnes in 2020-21. Moreover, in current year from April, 2021 to January, 2022 about 5.60 lakh tonnes castor oil has been exported and till March, 2022 it might be same as last year. 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 quite less than the castor oil demand. The carry over stock of past years with the traders and farmers might be negligible.

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, 2022 may remain in the range of Rs. 1360 to 1500 per 20 kg (6800 to 7500 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, 2022 keeping the above situation in view. If price falls below this range, in case of very high arrivals in the markets in the state, farmers who are not afforded to store may wait for few days for corrections.

If export opportunities continue to remain better, there are chances that castor price may go up in future.