

KHARIF 2017-18 PRE-SOWING PRICE FORECAST OF CASTOR

**Castor Price per Quintal will be around Rs. 3600 - 4000 at the Time of Harvesting
(October to November 2017)**

India is the single largest producer of castor seed in the world. Gujarat, Rajasthan, Andhra Pradesh and Telangana are the major castor growing states in India. Castor crop has occupied 8.39 lakh hectares in the year 2016-17 which was 24 percent less than the previous year.

According to preliminary estimates castor seed supply during the year 2016-17 is expected to be around 13.5 lakh tonnes but it is restricted to 10.62 lakh tonnes. The higher castor seed production in 2015-16 followed by price fall to Rs.3000 per quintal has led to farmers restricting the acreage under castor cultivation during the year 2016-17. The castor seed carry-in stocks from the previous season is expected to be around 5.03 lakh metric tonnes. The carry-forward stocks have remained in the range of 5.00 to 6.5 lakh metric tonnes in the past 3 years. But in 2017, it is believed that if the castor oil demand remains steady to high, the ending stocks may reduce to 1.35 lakh metric tonnes, which could be the lowest in 5 years.

In Telangana state castor crop has occupied 0.47 lakh hectares in the year 2016-17 which was 8.51% less than the previous year. Accordingly castor seed production in the state is estimated as 0.38 lakh tones during the year 2016-17 which is 18.46% less than the previous year. Gadwal, Siddipet, Medak, Mahabubnagar, Nagarkurnool, Karimnagar and Nizamabad are the major castor growing districts in the state.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Professor Jayashankar Telangana State Agricultural University Rajendranagar, Hyderabad with the financial support of Agricultural Marketing Department, Telangana State has assessed pre-sowing price of castor for kharif 2017-18. Under expected normal rainfall and crop area coverage, it is predicted that the castor price per quintal will be around **Rs. 3600 – 4000** at the time of harvesting (October to November). This price forecast is based on the monthly modal price of castor obtained for 16 years from Gadwal regulated market using econometric models like ARIMA, SARIMA, ARCH, GARCH and ANN and also the market survey.

Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.