

**Overview of Castor Industry**  
**by**  
**Shri Shailesh Baldha, Chairman, SEA Castor Promotion Council**  
**at**  
**SEA Global Castor Conference 2024**  
**Friday, 22nd February 2024**  
**Hotel Taj Skyline, Ahmedabad**  
**Gujarat (India)**

I would like to welcome you all to this auspicious event of 22<sup>nd</sup> Global Castor Conference 2024 at Ahmedabad, Gujarat; the heart of Castor growing region globally. Finally, we could change the venue after continuing for almost 15 years at the previous venue. We are certainly missing our Chinese friends and a few from other regions who could not make it to remain present here with us due to issues related to visa issuance.

This event has proven to be the right platform for networking amongst various stakeholders and to provide the required information including the crop survey report, S&D, and to address various issues related to the industry.

The world has been passing through an abnormal phase of uncertainty; may it be caused by nature or by humans. The year of 2023-24 was also no exception to this, and we have seen disruptions due to Russia Ukraine war, Israel Hamas conflict followed by very recent ongoing red sea episode. The commodities prices including crude, veg oils etc were extremely volatile. Fortunately, castor was an exception. The price of castor remained relatively stable as compared to these commodities mainly due to the absence of some notorious players from outside the industry.

Despite a drop in price level of castor from a historic high level of USD 1800 PMT early 2023 to almost USD 1400 PMT, the sowing area this season remained unaffected due to favorable monsoon. A few spells of early rains in castor growing areas due to cyclone Biparjoy resulted in an early sowing in many areas. The final government numbers show an increase of around 85k hectares, around 9% over the previous year. We may hear more about the sowing and crop numbers from experts in the upcoming session from Agri watch today.

Castor oil consumption has been growing globally at a healthy rate of 5-6% on an annualized basis for the last 10-12 years. The year of 2022 was an exception where we have seen a decrease in castor oil exports from 689kt to 586kt, a drop of 15% which reflected a slight decrease in consumption of castor-based products due to the uncertain economic scenario coupled with excessive higher prices of castor. With corrected prices and stabilising global economic scenario, the year of 2023 has again shown an increase of 8.4% from 581kt to 630kt; majorly contributed by growth of consumption in China for certain applications. China has shown a sharp increase of 19% whereas other regions remained almost stagnant.

Castor oil is a very special oil with unique chemistry. Barring few applications, there is less possibility of a faster switching over to alternative products. However, if the price of castor remains higher for a longer period of a few years, the possibility of switching over to alternatives increases. So, it is in the interest of all the stakeholders of castor industry that the price of castor oil remains competitive and stable to tap huge growth potential of consumption of castor-based products. In addition, it should not drop much distracting farmers from opting for castor sowing.

The best way to increase production without making it uncompetitive is to increase productivity in castor farming and thereby making it more sustainable in the longer run. There is really a big scope for the same as the yield in India ranges from 600 kg/hectare to almost 6000 kg/hectares. Making the average yield from current 2000-2500 to around 4000 kg/hectares would make wonders with no doubts. This would also help to improve the processing margin in the longer run, which is under pressure recently due to excessive available processing capacity as compared to overall demand and supply.

I would like to take this opportunity to congratulate the SEA Yield Improvement Program team lead by SH. Haresh Vyas, Bhavin Chhatrala and Dr. B.V. Mehta for putting their efforts for almost 8 years and demonstrating a sizable increase in yield in model farms versus control farms. Thanks to all from India and abroad who has supported and contributed this program for last many years. The overall productivity

of castor plantation in India is also increasing steadily which may be partly contributed by such initiatives.

There is still big scope in fields like promotion of intercropping, introducing more researched varieties of sowing seeds by getting support from experts including agricultural universities, research & development on mechanized harvesting, supporting newer concepts like Eri silk farming together with castor, and many more to help in making castor production and application more sustainable. The world is also looking to greener products and policy makers are targeting to reduce carbon footprints within certain timeframes.

To take this mission forward, SEA, in support with various stakeholders of castor industry, is launching a sustainability initiative in castor by forming the World Castor Sustainability Forum today. You may hear more about this initiative from Mr. Haresh Vyas who is leading this project. In addition, we also seek support from the Government to recognize the efforts made by SEA for yield improvement program and the Sustainability initiatives related to Castor farming. Such initiatives can be associated with financial assistance which is currently extended by Govt. of Gujarat for adoption & certification of Organic Farming, certification for good agricultural Practices, and many more.

Castor for India is a cash cow as it is an export-oriented commodity contributing a foreign exchange of around USD 1.3 billion to the country. India contributes almost 95% of global castor seed production. Gujarat contributes around 80% of Castor production in India. There are efforts going on in some new geographies, including Africa to develop castor as a commercial crop but no sizable results so far.

During our last meeting with honorable Minister of Industry, Government of Gujarat, Shri Balvantsinh Rajput, we raised a request to consider possibility to declare Gujarat as Castor state and place castor seed processing industry under priority sector. Such declaration will help the government to formulate long-term policies to support efficient production and marketing of the focused product.

Castor meal is a green fertilizer with high NPK content. It's usage as fertilizer in India is very limited and the same is getting exported to Korea, Taiwan, Japan, and other countries for usage as fertilizer. There is a huge scope for usage in India as organic fertilizers. A major quantity of castor meal is also used as a fuel in replacement of coal due to its higher calorific value and green nature. This time we have added a separate session from Mr. Vikram Udeshi on castor meal as meal is very important part of castor industry and sizably affects the overall viability of industry.

With full support from all stakeholders including government, trade associations, exchanges, regulators research scientists, consumers, traders, processors, and farmers, I firmly believe that the castor industry has a very bright future.

Lastly, I would like to thank Dr. B.V. Mehta and the whole SEA team for taking all extra efforts to make this Global Castor Conference happen seamlessly for many years, including this one.

I wish good luck to all distinguished speakers and hope all participants shall benefit from the upcoming presentations and panel discussions.

Thank you all. Jai Hind

----X----