

Report

Castor Oil Market 2026

The outlook for India's castor oil crop in 2026 has shifted from initial optimism to a tighter supply situation.

Initial production estimates were around 1.761 million metric tons of seeds, thanks to favorable monsoon conditions.

However, revised estimates have lowered the harvest to about 1.710 million metric tons, and although the reduction is not huge in terms of volume, it has shifted market sentiment from expectations of a surplus to expectations of a tighter balance.

The main factor influencing the 2026 market is the sharp decline in opening stocks, which fell from about 392 thousand metric tons in 2025 to about 100 thousand metric tons in 2026; in practice, even though the harvest is larger this year, the market has less total supply available. Demand, meanwhile, remains relatively stable.

Export volumes are expected to remain around 675,000 metric tons, while domestic and derived demand is projected to stay around 200,000 metric tons.

China continues to be the main buyer of exports and remains a significant source of short-term market volatility.

As arrivals slow down over the course of the year, the supply shortage is expected to become more pronounced.

With carryover stocks virtually nonexistent, even minor disruptions or stronger demand could trigger significant price volatility.