



Safflower markets in India

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India is the largest producer of safflower in the world with the production hovering around 0.2 million MT. The safflower crop is usually grown in India in rabi season – September/October sowing and Feb/March harvesting. It is generally grown as an intercrop with crops such as wheat, gram and jowar. The cost of production for safflower is low at around 8000 Rs./ Ha (210 AUD/Hectare). The safflower productivity in India is very low at around 850-1000 kg./Ha under rained conditions. The main reasons for lower productivity are poor quality seeds, lower land holding, poor crop management and lack of proper irrigation. Availability of hybrids alone has the potential to change the face of safflower cultivation in India. A large portion of safflower cultivation is still carried out manually without the use of machines. Labour shortage and thorny crop makes it unpopular among farmers.

Safflower seeds are primarily used for oil production for domestic consumption in India. A large portion of seeds produced is retained by the farmers themselves for their home consumption. These seeds are expeller pressed in wooden and rotary Ghanis present near villages. Safflower oil has been used at these places for generations and are considered to have good therapeutic properties. About 5-10% of seeds directly go for exports mainly into European countries. The farm to factory gate movement of oilseed contributes on an average 14% to the total cost. The inelastic portion of this cost – intermediary cost and transportation is about 6% which primarily determines the margins. This suggests the importance of plant location in a competitive industry where capacity utilization is extremely low (around 30%)

With the majority usage of seeds into edible oils, the pricing of seeds is largely dependent on prevailing edible oil prices. With the easy substitutability and high price elasticity amongst oils, safflower oil prices are directly linked with the world edible oil market prices.

The solvent extracted safflower meal in India is primarily used by cattle feed manufacturers whereas the expeller pressed meal are used directly by farmers for feeding cattle. Safflower meal has moderate protein content (21-22%) but has very high fiber (35-40%) which discounts its value relative to other oilseeds' meal. High fiber also prevents its usage in poultry industry.

India's strength lies in its low processing and handling costs. However it needs to tap into the full potential of safflower by maximizing its realization through commercial use of various by-products which are almost non-existent at this point in time. Private and public collaboration for mechanization of farming, in particular, the use of harvesters is essential. Last but not least, the availability of good quality seeds would be critical for improvement of safflower economics.