

## Guar Market Report July-Aug, 2018

Agri markets trade with high volatility with profit booking at the higher levels, falling Monsoon activities in most parts of India – especially North-West and Central India may well support prices in coming days. Guar Gum is trading on higher level and there are expectations of some more recovery in price from these levels INR 9800/per 100kgs with monsoon activities slowing down in Rajasthan.

Good export demand from overseas are likely to support Guar Gum price in long term. Lower rains in Rajasthan are providing support to prices as that reportedly has adverse impact on sowing. This year Rajasthan government has set a sowing target for Guar is 3500k hectare and as on Aug -10<sup>th</sup> around 81.1% sowing has been completed against the set target by government. In the coming days, sowing will be done in remaining areas with the rains. Here is the Crop wise area sowing by Rajasthan Government:-

**CROPWISE AREA SOWN DURING KHARIF 2018 AS ON 10/08/18**  
(Area in '000 Ha.)

Crops	5 yr. Avg. Area Ending 2015-16	Kharif 2017 Area sown BOR	Area sown by this period Last year 10.08.2017	Kharif 2018		% Ach.
				Target	Area Sown	
1	2	3	4	5	6	7
<b>(a) CEREALS:-</b>						
Paddy	164	191	168.9	180	165.3	91.8
Jowar	626	516	516.0	630	565.7	89.8
Bajra	4154	4236	4236.0	4400	3725.8	84.7
Maize	923	856	856.0	950	868.7	91.4
S.Millets	11	8	8.0	12	6.7	55.8
<b>TOTAL (a)</b>	<b>5879</b>	<b>5807</b>	<b>5784.9</b>	<b>6172</b>	<b>5332.2</b>	<b>86.4</b>
<b>(b) PULSEES:-</b>						
Moong	1238	2250	1556.3	1600	1872.9	117.1
Moth	1027	1043	1043.0	1200	979.0	81.6
Urad	278	839	540.4	400	471.8	118.0
Chaula	68	94	89.5	80	79.9	99.9
Others	3	1	1.2	2	0.2	10.0
<b>Kh. Pulses</b>	<b>2615</b>	<b>4228</b>	<b>3230.4</b>	<b>3282</b>	<b>3403.8</b>	<b>103.7</b>
Arhar	15	12	12.1	18	13.0	71.5
<b>TOTAL (b)</b>	<b>2630</b>	<b>4240</b>	<b>3242.5</b>	<b>3300</b>	<b>3416.8</b>	<b>103.5</b>
<b>TOT. F.GRAINS(a+b)</b>	<b>8508</b>	<b>10047</b>	<b>9027.4</b>	<b>9472</b>	<b>8749.0</b>	<b>92.4</b>
<b>(c) OILSEEDS:-</b>						
Sesamum	348	252	252.0	400	279.5	69.9
Groundnut	490	641	562.8	550	607.9	110.5
Soyabean	1080	886	886.0	1100	1045.5	95.0
Caster	196	115	72.5	180.0	85.7	47.6
<b>TOT. OILSEEDS (c)</b>	<b>2114</b>	<b>1894</b>	<b>1773.3</b>	<b>2230</b>	<b>2018.6</b>	<b>90.5</b>
<b>(d) OTHERS:-</b>						
Sugarcane	6	5	5.0	6	4.5	73.8
Cotton	464	584	503.7	480	504.9	105.2
Guar	4510	3432	2826.5	3500	2838.5	81.1
Others (fodd.+veg+sa)	427	481	481.0	450	399.8	88.8
<b>TOT. OTHERS:- (d)</b>	<b>5407</b>	<b>4503</b>	<b>3816</b>	<b>4436</b>	<b>3748</b>	<b>84.5</b>
<b>Total Cropped Area(a+b+c+d)</b>	<b>16030</b>	<b>16444</b>	<b>14616.9</b>	<b>16138</b>	<b>14515.2</b>	<b>89.9</b>

Monsoon rains has covered entire country and cumulative rainfall during monsoon 2018 up to 08 August, 2018 was below LPA by 10%. Here is the IMD latest forecast link- [http://www.imd.gov.in/pages/press\\_release\\_view.php?ff=20180809\\_pr\\_305](http://www.imd.gov.in/pages/press_release_view.php?ff=20180809_pr_305)

However traders are expecting that the present rates of Indian Guar Gum INR 9,800/100kgs is on safer side in terms of investment and they are assuming that price can be sustains and cross the mark of INR 10500/100kgs soon.

We are facing very limited arrival of Guar seed in local mandis and because of this most of the Guar Gum manufacturer unit has stops his production. As you know this year Guar seed production was lower than the previous year around 70, 00,000-80, 00,000 bags (100 kgs). Now export of Guar gum has been higher than the previous year therefore the gap between demand and supply will increase versus last year and therefore we can remain bullish in guar complex from long term perspective.

The government of India has announced MSP of kharif crops to be at least 1.5 times of production cost. This will lead to higher sowing area of Kharif pulses and as a result, the cultivation area of Guar Seed is expected to reduce further—another bullish factor.

Guar is also getting support from Crude oil prices. Recovery in crude oil prices could brighten the export prospects keeping long term trend bullish. Oil prices are soaring and many experts now see **\$100 oil** as a distinct possibility. As per US data, the US oil and gas rig count has reached to 1057 mark for August 10, 2018

As per global organizations, USA will lead in oil production in the year 2018 hence usage of guar gum might remain higher this year. It may be noted that Guar gum is used as drilling chemical and gelling agent in the fracturing process. Strength in crude oil will keep export demand of guar gum quite stable. Consumption of drilling chemicals is increasing with rising crude oil prices.

## **Nectar Lifesciences Releases New-Grade 45-50 Guar Gum for Shale Gas Hydraulic Fracturing**

Used as a stabilizing, thickening and suspending agent in drilling fluids today, Guar Gum helps to balance the viscosity levels of the drilling mud. It therefore helps the drilling fluids to move the drill waste from the deepest holes while providing a streamlined operation with reduced friction.

Until now, oil and shale fracking companies have been relying on 35-40 or 40-45 viscosity Guar Gum. Our new product is a very fast and reliable hydration Guar that will be specially used in the stimulation of oil and gas wells with aqueous systems. Its top notch grade guarantees it will deliver the proponents more efficiently into the formations.

Nectar is known for its proprietary homogenous process for washing of Guar spilt, automating the process for hydration of the spilt today. Relying on optimized equipment that controls speed in order to acquire the desired quality, Nectar employs innovative technologies that reduce energy consumption along the way.

Additionally, the Nectar guar facility is food grade GMP certified and approved from the likes of INTEREK, BSI, and ALCUMUS, earning them a spot in India's top 300 organizations today.

We're proud to be a top choice for quality, conscious consumers looking for BRC and USFDA certification. For more information, visit: <http://www.nectargar.com>

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### **About Nectar:**

Nectar Lifesciences is an Indian integrated pharmaceutical organisation with leadership in cephalosporin antibiotics Active pharmaceutical ingredients, finished dosage forms, diagnostic products, empty hard gelatine capsules and agricultural products such as menthol derivatives and Guar Gum.

**Nectar started its operations in 1997 and now its annual revenue exceeds 300 million USD.**

### **About Nectar:-**

- India's top 300 organization with revenue over 300 million USD
- Dun & Bradstreet D-U-N-S' 86-237-2356
- 13 Manufacturing facilities spread over 400,000 sq m
- Exports to over 50 countries
- Certified Star Trading House by Government of India

Website: [www.nectargar.com](http://www.nectargar.com)

Contact [guar@neclife.com](mailto:guar@neclife.com)