

Price Forecast of Coconut for February, March and April 2015

Increase with stability in prices expected for coconut

Coconut is a versatile crop grown all over the world. Indonesia, Philippines and India are the three leading producers of coconut. India is the third largest producer of coconut, copra and coconut oil in the world and accounts for 18 percent of the global coconut production. As per Coconut Development Board estimates, the total production of coconut in India was 20.5 billion nuts in Triennium Ending (TE) 2012-13. Kerala, Tamil Nadu, Karnataka and Andhra Pradesh together account for 91 per cent of the total production of coconut in India. The coconut production in the major growing states has not shown any significant increase in 2014-15 in comparison with the previous year. The production of coconut in Kerala was 5,921 million nuts in 2013-14 and the forecast for 2014-15 is 5,969 million nuts. While Kerala is accounting for about 37 per cent of the area and 28 per cent of the production in the country, Tamil Nadu accounts for about 22 per cent of the area and 32 per cent of the production respectively. Even though Kerala has the largest area under coconut cultivation, the productivity is less than half of Tamil Nadu with about 7500 nuts per hectare because of predominance of old and senile trees in homesteads, high incidence of diseases and mite attack and rain fed cultivation.

The peak harvesting period of coconut in Kerala is from January to June accounting for 60 per cent of the total production. About 45 percent of the production is used as mature nuts, 37 percent for milling copra, eight percent for ball copra and 10 percent is consumed in tender form. Even after the commencement of peak season in 2015, there was no sizeable increase in market arrivals. The lower production of raw nuts due to drought and less availability of coconut for ball copra production in Karnataka have caused the coconut prices to rise sharply. The demand for tender coconut is expected to increase in the summer months and hence there will be limited supply of coconut for copra making until May 2015. There is also a considerable increase in export of fresh coconut to GCC countries and dry coconut to Pakistan since December 2014. It is also expected that the restrictions on the entry of adulterated coconut oil into Kerala will be reflected in the prices of coconut oil which in turn could drive the coconut prices up in the upcoming months. Since the harvest of coconut is spread throughout the year, the Commission for Agricultural Costs and Prices (CACP) has suggested that the procurement period of coconut be extended from 90 to 150 days.

Traders opined that the market price was rising due to short supply of copra. The survey of coconut and copra traders highlighted that the price of coconut is ruling around

Price Forecast of Coconut for February, March and April 2015

₹ 25-30 per kg in Kerala. Minimum Support Prices of ₹ 5550 per Quintal and ₹ 5850 per Quintal were announced for milling and ball copra for the year 2014-15 by the Government of India. With the available coconut being sold as raw coconut for industries and increasing demand for coconut, copra and other coconut products in the domestic as well as export markets, the price of coconut is likely to increase and remain stable in the first quarter of 2015.

The “ICAR-Network Project on Market Intelligence” views that there will be increase in the price of coconut which is expected to remain stable during the first half of 2015. This prediction is based on the econometric analysis of monthly price data at Alappuzha market for partially dehusked coconut (for a period of 11 years from 2004) and traders’ survey. As this forecast will prevail only with the above market sentiments, the farmers are advised to take suitable selling decisions.

The ranges of prices predicted are as follows:

Months	Forecasted Price (₹ per 1000 nuts)
February 2015	11000-11500
March 2015	11500-12000
April 2015	11900-12400

Research Team

Dr. Jessy Thomas K., Dr. Anil Kuruvila, Dr. Chitra Parayil and Mr. Vinil Ravi
ICAR -Network Project on Market Intelligence
College of Horticulture, Vellanikkara,
Kerala Agricultural University, Thrissur