

Price Forecast of Coconut for May, June and July 2016

Coconut Prices likely to increase and then decline slightly

Coconut is predominantly cultivated in small and marginal holdings across the world. The production of coconut in India was 14,067 million nuts in 2014-15 from an area of 1.97 million hectares (Ministry of Agriculture, GoI). Kerala, Tamil Nadu, Karnataka and Andhra Pradesh together account for more than 90 per cent of the total production of coconut in India. In 2014-15, 4896.61 million nuts were produced in Kerala. Though it is reported that the coconut production in India is expected to fall by five per cent in 2015-16 over the previous year due to prevalent drought condition, the production in Kerala in 2015-16 is expected to increase by 8.37 per cent over the previous year (Department of Economics and Statistics, GoI).

The export of coconut and coconut products from India increased by 10.50 per cent to ₹1450.24 crore in 2015-2016. The increase in quantity exported of desiccated coconut, coconut oil and activated carbon when compared to previous year was 63, 23 and 13 per cent respectively. There are greater prospects for exports of coconut oil, virgin coconut oil and desiccated coconut from India in 2016-17 as the prevailing domestic price is less when compared to the international market.

The peak harvesting period of coconut in Kerala is almost nearing the end by June and the arrivals of coconut and coconut products are low in major markets. There are reports that the leading corporate and upcountry bulk buyers have reduced their purchase from the market or they keep away from markets. It is expected that this trend will not continue for long and hence with rising demand there is scope for increase in price of coconut.

The study on monthly prices in the past few years has shown that prices usually increase in May as compared to April and then slightly decrease during June and July. Minimum Support Prices of ₹5950 per Quintal and ₹6240 per Quintal were announced for milling and ball copra for the year 2015-16 by the Government of India. This in turn is expected to increase coconut prices in Kerala.

With increased use of coconut for value added products, which have a rising export demand, increased tapping of neera and rising domestic demand for tender coconut during summer months, the arrivals of fresh coconut in the market are expected to decline in the coming months. With the available coconut being sold as raw coconut for industries and increasing

demand for coconut, copra and other coconut products, the price of coconut is likely to increase from May 2016.

The “ICAR-Network Project on Market Intelligence” views that the price of coconut is likely to increase during May 2016 and then decline marginally in June and July 2016. This prediction is based on the econometric analysis of monthly price data at Alappuzha market for partially dehusked coconut (for a period of 12 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 forecasted prices are as follows:

Months	Forecasted Price (₹per 1000 nuts)
May 2016	9000-10000
June 2016	8500-9500
July 2016	8200-9200

Research Team

Dr.Jesy Thomas K., Dr.Anil Kuruvila, Dr.Chitra Parayil, Noushad A K and Ms.Rohini K

ICAR -Network Project on Market Intelligence

College of Horticulture, Vellanikkara, Kerala Agricultural University, Thrissur