

## **Price Forecast of Tapioca for November 2015, December 2015 and January 2016**

### **Tapioca prices to exhibit mixed pattern of stability with downward trend**

Tapioca is extensively cultivated in tropical and subtropical regions for its edible starchy tuberous root. Adaptability to poor soils, ability to establish in high as well as low rainfall areas, and relative resistance to pests and diseases are few of the factors that helped to spread tapioca in India. Traditionally tapioca is grown as a food crop in Kerala and it has integrated well with the traditions and culture of the people of Kerala.

The world tapioca production in 2014 was estimated as 291 million tonnes, with a 4.6 per cent increase from 2013. Nigeria is having the largest area (18 per cent) among all tapioca growing countries and contributes 20 per cent of the total cassava production in the world. The other major producers are Indonesia, Thailand and Brazil. India occupies the 10th position in global tapioca production and is third largest producer in Asia. Tapioca was cultivated in an area of 2.28 lakh hectares in India, with a total production of 8.5 million tonnes during 2014-15. Although tapioca is cultivated in about 13 states of India, the southern states of Tamil Nadu, Kerala and Andhra Pradesh account for almost 93 per cent of the area and 98 per cent of production of tapioca in the country. In 2013-14, Tamil Nadu and Kerala accounted for 61 per cent and 31 per cent of the production respectively. The area under tapioca in Kerala in 2013-14 was 67,589 hectares and the production was 24.8 lakh tonnes. The forecasted area of tapioca in Kerala for 2014-15 is 71,074 hectares with a production of 25.8 lakh tonnes.

The very high prices that were prevalent for tapioca in Kerala during 2014, led to an increase in acreage under the crop and the consequent addition to production in the current year is estimated to be more than one lakh tonnes. The higher production and unseasonal rains have forced farmers to distress sale of tapioca. Tapioca prices have dropped this season and at the retail level, the prices have fallen from ₹ 20-25 per kg in 2014 to ₹ 10-15 per kg in the first quarter of 2015. While the average price in Chalai market in Thiruvananthapuram remained stable at ₹ 15 per kg from July to September 2015, it increased to ₹20 per kg in October 2015. In Calicut market, the average price decreased from ₹15 per kg in July to ₹14 per kg in October 2015. In the Ernakulum market, the average price increased from ₹8 in July to ₹10 in October

2015. In general, the tapioca prices in these markets showed a mixed trend towards stability with a slightly decreasing trend.

The “ICAR Network Project on Market Intelligence” views that the prices are likely to remain stable for Ernakulam and Chalai markets while a slight downward trend for Kozhikode in the coming months. The prediction is based on econometric analysis of monthly price data from 2009 for three major markets of tapioca in Kerala and traders survey. As this forecast will prevail only with the above market sentiments and could vary with changes in the market situation, the farmers are advised to take suitable selling decisions.

The ranges of predicted prices are as follows:

Months	Forecasted Price (₹/kg)		
	Calicut	Ernakulam	Chalai, Thiruvananthapuram
November 2015	12-15	9-10	15-16
December 2015	11-15	9-10	15-16
January 2016	11-15	8-9	15-16

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