

Price Forecast of Tapioca for August, September and October 2014

Tapioca prices to remain stable

Tapioca is the most important starchy root crop grown in the tropics and is mainly cultivated in southern peninsular India. Introduced during seventeenth century by Portuguese, the crop played a significant role in overcoming food shortage among the low income group of people in Kerala. Nigeria is the major country growing tapioca in the world accounting for about 18 per cent of the area and 20 per cent production. In India, the states of Kerala, Tamil Nadu and Andhra Pradesh contribute about 93 per cent of area and 98 per cent of production in the country. Tamil Nadu stands first both in area and production followed by Kerala. While tapioca is widely grown as a food crop in Kerala, in Tamil Nadu it is cultivated mainly for industrial purposes. As per the second advanced estimates for the period 2012-13, the total area under tapioca in India is 216.66 thousand hectares and the production is about 7319.13 thousand metric tonnes. India export several forms of tapioca products like raw tapioca tuber, starch, sago and sago pith.

Unprecedented rise in prices of tapioca occurred during 2011, 2013 and first half of 2014 seasons, as a result of growing demand from other countries like China (representing more than 92 per cent of Asian imports of tapioca) which led to an expansion of area under cultivation in the major producing states of Kerala and Tamil Nadu in the subsequent crop seasons. A considerable amount of tapioca produced in Tamil Nadu is aimed at the starch and sago industry. As the sago industry is basically seasonal in nature, operating for only six months of the calendar year from September to February, the demand for the tubers from the sago industry is expected to peak during the next three months.

ICAR “Network project on market intelligence” views that the prices are likely to show a slight increase or remain stable over the coming months. The prediction is based on econometric analysis of monthly price data from three major markets of tapioca in Kerala. 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.

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The ranges of predicted prices are as follows:

Months	Forecasted Price (₹ per Kg)		
	Calicut	Ernakulam	Chalai, Thiruvananthapuram
Aug'14	19 - 21	15 - 16	20 - 21
Sep'14	19 - 21	15 - 17	20 - 21
Oct'14	19 - 21	15 - 17	20 - 21

Research Team

Dr.Jesy Thomas K., Dr.AnilKuruvila, Dr.ChithraParayil, Mrs.JayasreeK.andMrs.Hasna Hassan P.P
ICAR -Network Project on Market Intelligence
College of Horticulture, Vellanikkara,
Kerala Agricultural University, Thrissur