

## **Price Forecast of Tapioca for May, June and July 2015**

### **Tapioca prices to remain stable**

Tapioca is the major source of calories in tropical countries after rice and maize. The world tapioca production in 2014 was estimated as 291 million tonnes, with a 4.6 percent increase from 2013. Nigeria is the major country growing tapioca in the world accounting for about 18 per cent of the area and 20 per cent production. The largest exporter of dried tapioca is Thailand while China is the major importer. India occupies the 10<sup>th</sup> 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 8.1 million tonnes in 2013-14. Tamil Nadu, Kerala and Andhra Pradesh account for 93 per cent of the area and 98 per cent of the production of tapioca in the country. Tamil Nadu stands first both in area and production followed by Kerala and these two states accounted for about 61 per cent and 31 per cent of the production in India in 2013-14. The area under tapioca in Kerala in 2013-14 was 67,589 hectares and the production was 24.8 lakh tonnes. Kollam and Thiruvananthapuram districts account for 24 per cent and 21 per cent of the area under the crop in the state. The forecasted area of tapioca in Kerala for 2014-15 is 71,074 hectares with a production of 25.8 lakh tonnes. India export several forms of tapioca including raw tapioca tuber, starch, sago and sago pith. In 2013-14, India exported tapioca worth ₹ 133.2 million while the value of export was ₹ 102.9 million during April to December, 2014.

Tapioca is extensively grown as a food crop in Kerala, whereas it is cultivated mainly for starch and sago industries in Tamil Nadu. Though tapioca is available in Tamil Nadu from July to April, the peak availability is during winter months from November to February when the starch content in tubers is at its peak. 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 Kilogram in 2014 to ₹ 10-15 per Kilogram in the first quarter of 2015. While the average price in Chalai market in Thiruvananthapuram decreased from ₹ 15 in January 2015 to ₹ 12 in April 2015, it remained stable at ₹ 20 per kg during these months in the Kozhikode market. The average price declined from ₹12 in January 2015 in the Ernakulam market to ₹ 8 in April 2015. The stable

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prices in Kozhikode market could be attributed to the lower production in the northern districts and reduced arrivals from outside.

The “ICAR Network Project on Market Intelligence” views that the prices are likely to remain at the present levels 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:

<b>Months</b>	<b>Forecasted Price ( ₹ per Kg)</b>		
	<b>Calicut</b>	<b>Ernakulam</b>	<b>Chalai, Thiruvananthapuram</b>
May 2015	19 – 21	9 – 11	11 – 13
June 2015	19 – 21	9 – 11	11 – 13
July 2015	19 – 21	9 – 11	11 – 13

### **Research Team**

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