

Price Forecast of Tapioca for February, March and April 2015

Tapioca prices to decrease and remain stable

Tapioca is a starchy root crop grown in the tropics and 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. The increase in area and hence the production were being driven by rising demand for food across Africa and increasing industrial applications of tapioca in East and South-East Asia, notably for ethanol and starch. Nigeria is the major country growing tapioca in the world accounting for about 18 per cent of the area and 20 per cent production, followed by Indonesia, Brazil and Thailand. The largest exporter of dried tapioca is Thailand while China is the major importer. 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 8.1 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. Farmers and traders of southern districts of Kerala have also reported that the reduced demand by bulk buyers from Tamil Nadu in the second half of 2014 and early 2015 was also a reason for the fall in

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prices. 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 during November and December of 2014 and early 2015. According to the price data provided by the Vegetable and Fruit Promotion Council Keralam (VFPCCK), the prices have fallen in Thrissur, Perumbavoor, Aluva and Alappuzha markets as the arrivals were considerably higher in these markets. While the average price decreased from ₹ 20 per Kilogram in November 2014 in the Chalai market in Thiruvananthapuram to ₹ 12 per Kilogram in December 2014 and then slightly increased to ₹ 15 in January 2015, it remained stable at ₹ 20 per kg during these months in the Kozhikode market. The average price declined from ₹14 in December 2014 to ₹12 in January 2015 in the Ernakulam market. Higher arrivals of tapioca from outside were also reported in Thrissur and Alappuzha markets which could have brought down the prices. The stable 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 show a slight decrease 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 (₹ per Kg)		
	Calicut	Ernakulam	Chalai, Thiruvananthapuram
February 2015	19 - 21	12 - 14	12 -15
March 2015	18 - 20	13 - 15	11 - 14
April 2015	16 - 18	13 - 15	10 - 13

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