

Price Forecast of Coconut for November, December 2016 and January 2017

Coconut Prices likely to revive

The production of coconut in India from an area of 2.10 million ha was 14721 million nuts in 2015-16 (Ministry of Agriculture, GoI). Kerala, Tamil Nadu, Karnataka and Andhra Pradesh together account for more than 90 per cent of the total production in the country. In 2014-15, the production in Kerala was 4896.61 million nuts which was expected increase by about 8 per cent in 2015-16 (Department of Economics and Statistics, GoI).

India exported coconut and coconut products worth ₹1450.24 crore in 2015-16. Significant increase was recorded in the export of desiccated coconut, coconut oil and activated carbon when compared to the previous year. During the period from April to September 2016, the value of export of coconut products was about ₹950 crore. There are better prospects for exports of coconut oil, virgin coconut oil and desiccated coconut from India in 2016-17. As the prevailing domestic price is comparatively low when compared to the international market, the export competitiveness of India has improved considerably and there is only limited threat of import in the ensuing months.

A fall in production of coconut has occurred throughout the country and hence the prices are expected to increase towards the last quarter of the year. Presently, the arrivals of coconut and coconut products are low in the markets of Kerala. This supply crunch has lifted the prices, which is likely to continue until arrivals increase.

Government of India has increased the Minimum Support Prices of milling and ball copra for the year 2016-17 to ₹5950 and ₹6240 per Quintal, while that of dehusked coconut was increased to ₹1600 per Quintal.

The study on monthly prices in the past few years has shown that prices usually show a tendency to increase marginally from November. With increased use of coconut for value added products which has rising export demand and increased tapping of neera, the price of coconut is likely to increase marginally from November 2016.

The “ICAR-Network Project on Market Intelligence” views that the price of coconut is likely to increase marginally during the period from November 2016 to January 2017. This

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prediction is based on the econometric analysis of monthly prices in Nedumangadu market for partially dehusked coconut (for a period of 8 years from 2008) 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)
November 2016	8500-9000
December 2016	9000-9500
January 2016	9500-10000

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