

# Global markets, local implications: understanding the drivers and implications of the cassava boom and correction

Hanoi, Vietnam  
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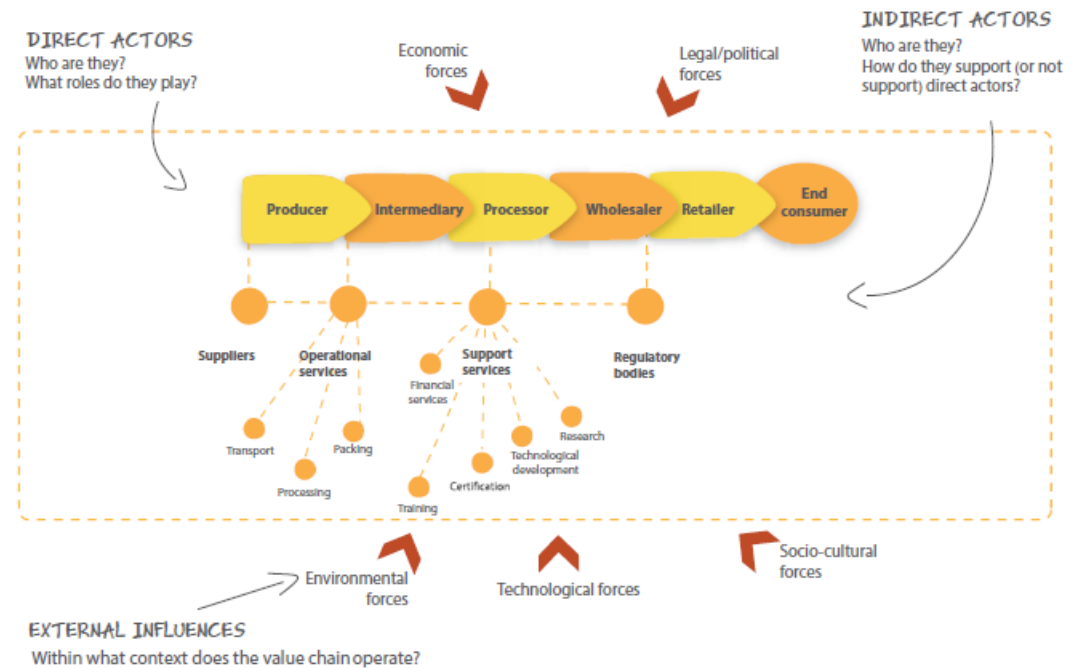
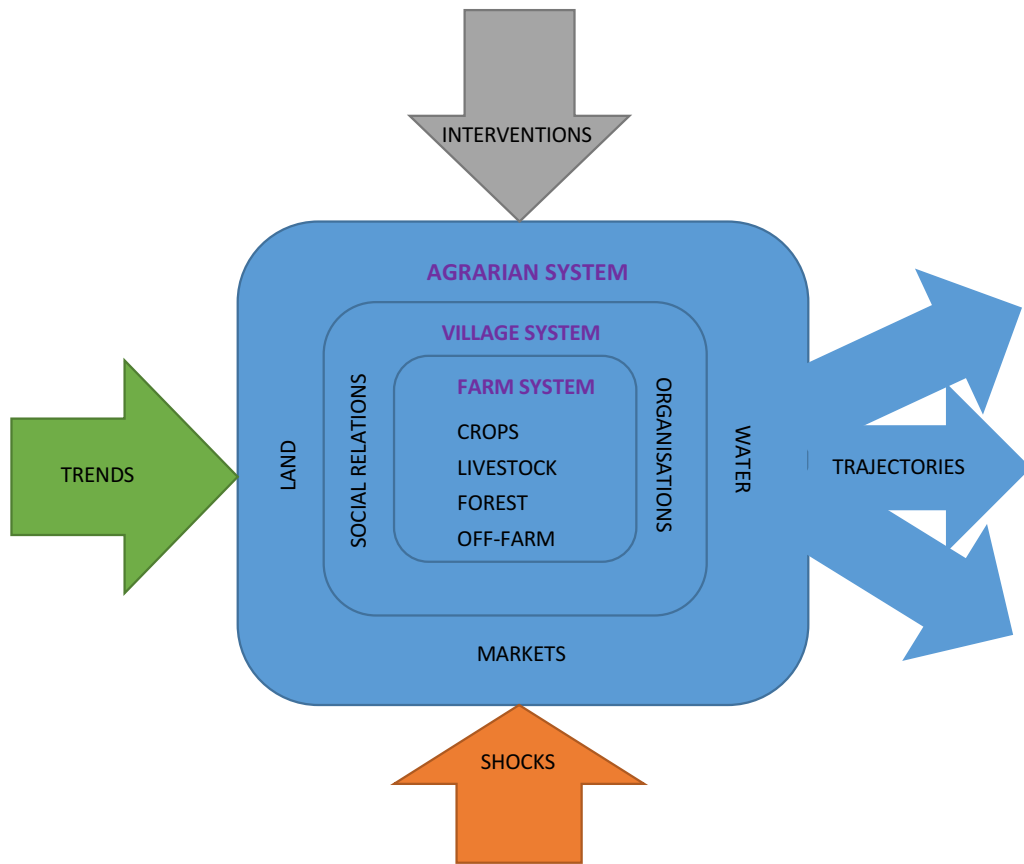
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# Trends, shocks, intervention and livelihood trajectories



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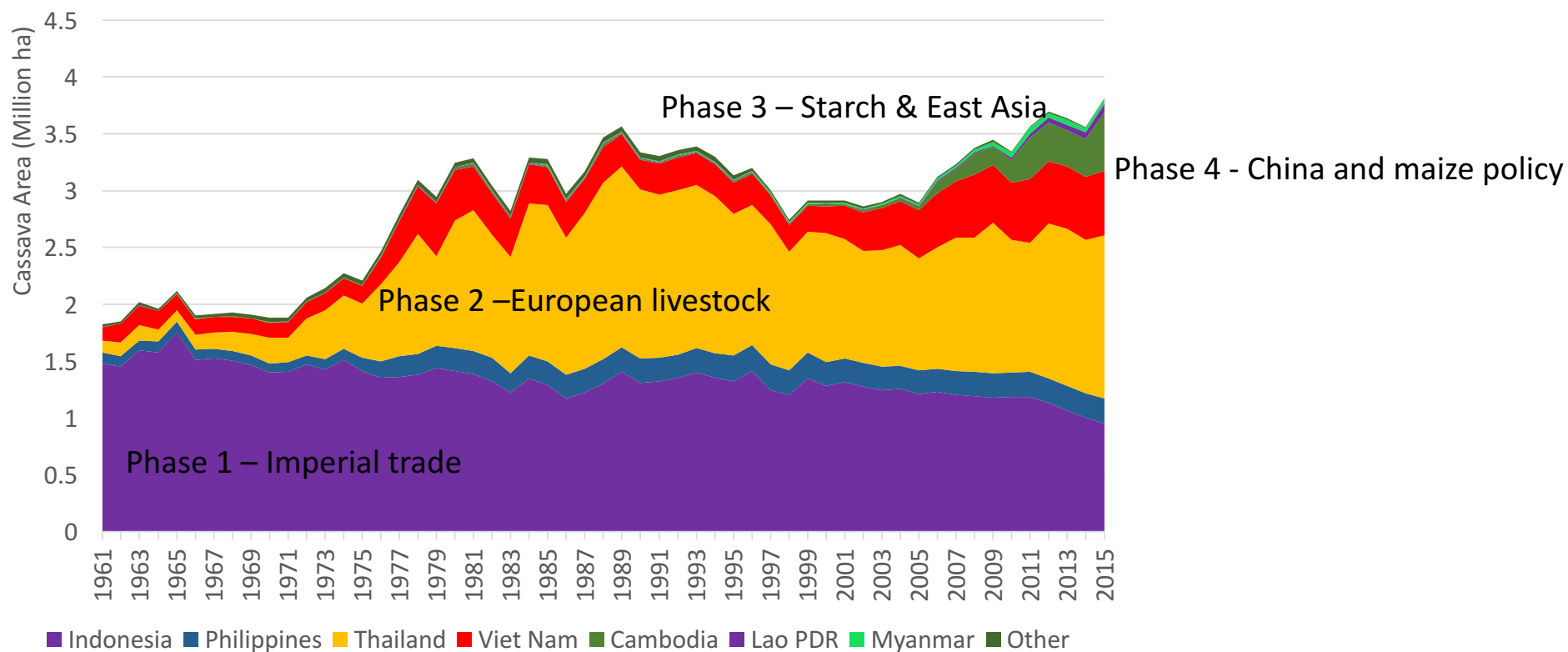


# Market outlook for cassava needs to be considered in the context of substitutes in different applications

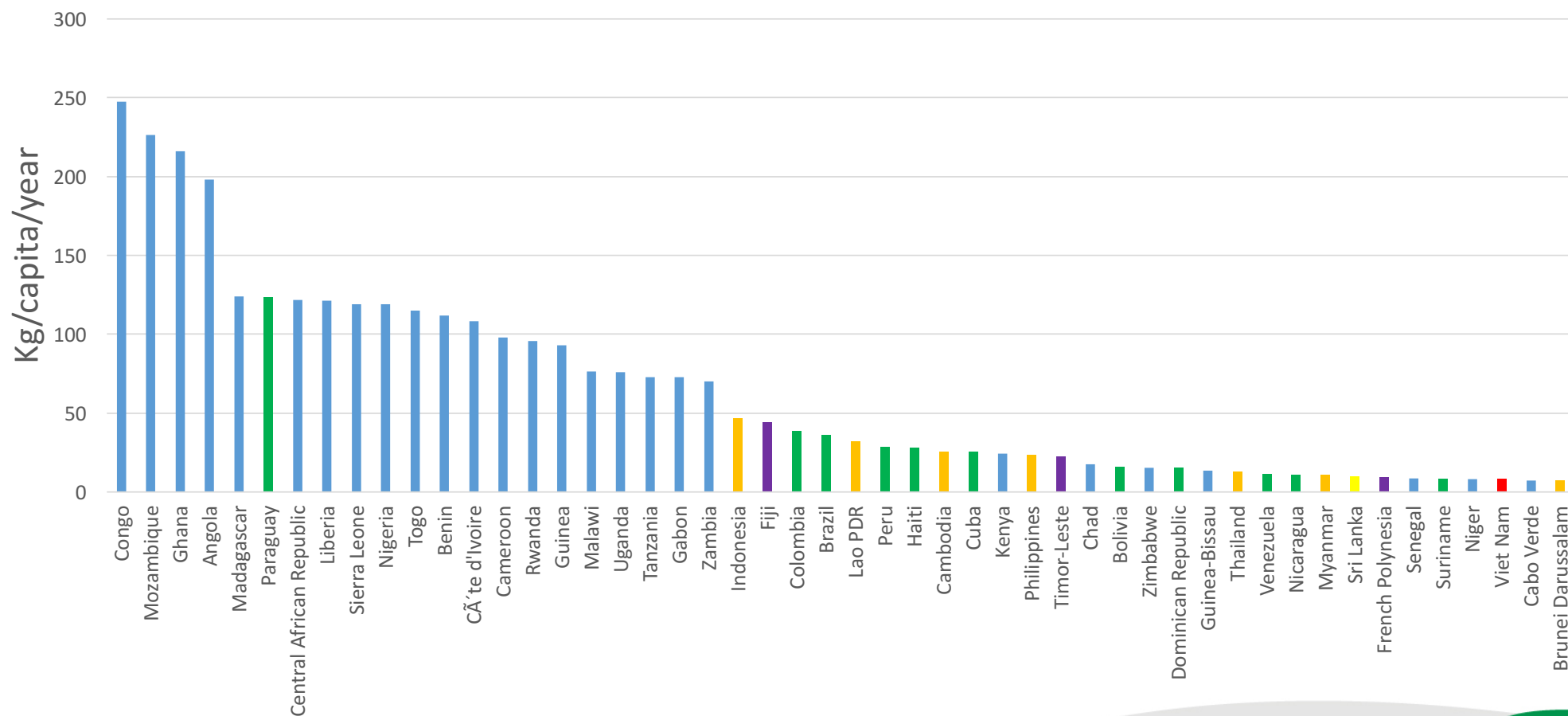
1. Cassava for direct consumption or sale into short value chains as fresh roots for food. Competition with other food such as **rice** based on price and consumer preferences.
2. Global markets where cassava chips compete with other forms of carbohydrate for processing animal feed or ethanol such as **maize, sorghum, wheat, molasses – oil, gas.**
3. Markets where cassava starch competes largely on price with substitutes such as **maize** and **potato** starch, **sugarcane.**
4. Markets where the functional properties of the starch are desired.



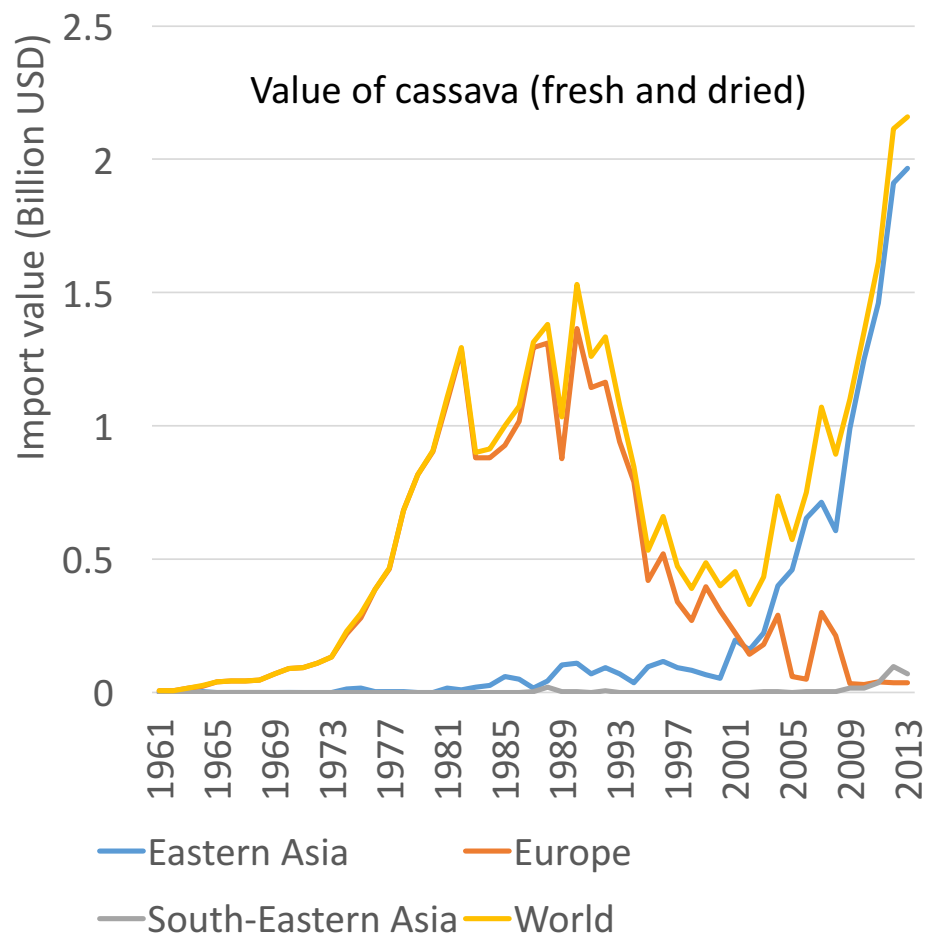
# Cultivation of cassava in Southeast Asia has long history of association with markets, trade and policy



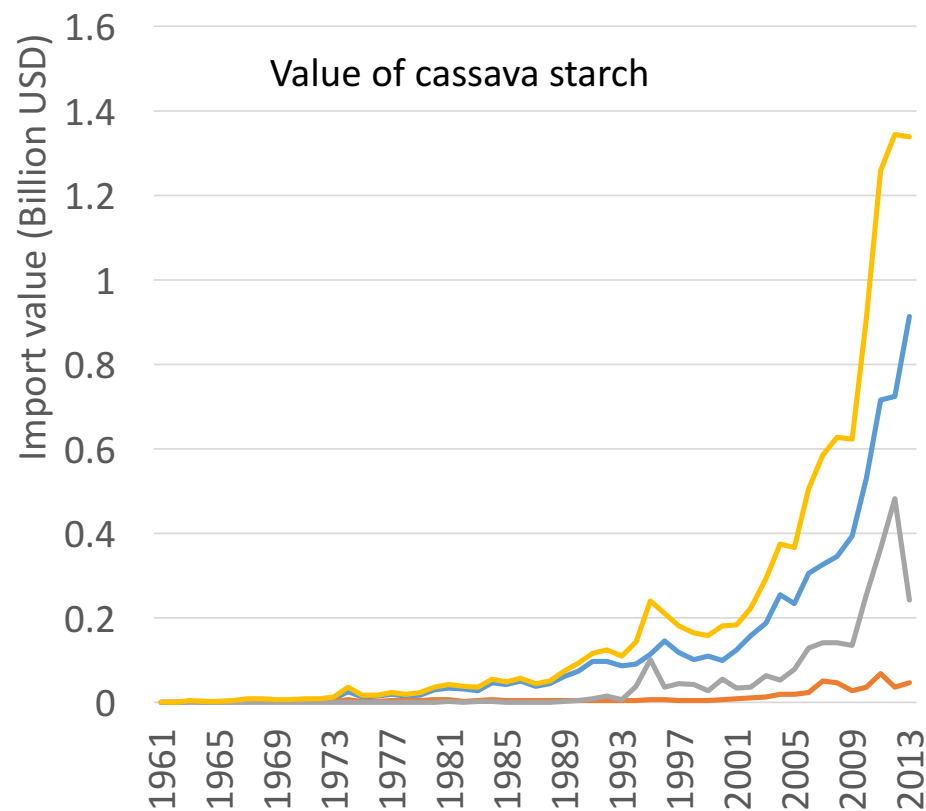
# At the national scale: cassava not an important food crop



# A re-orientation of cassava trade from Europe to Asia



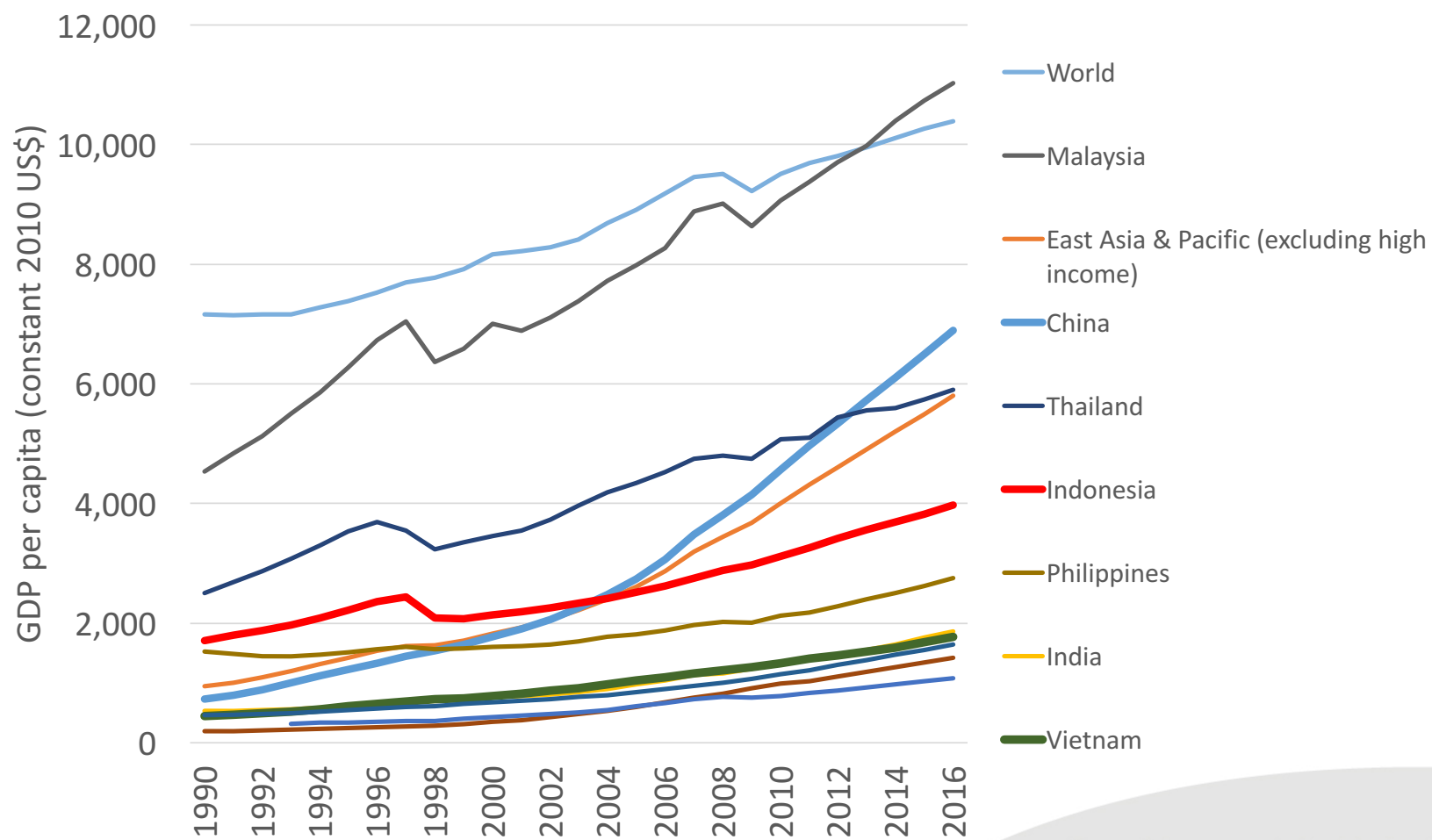
FAO Stats



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# Rising incomes in Asia: changing diets and consumption



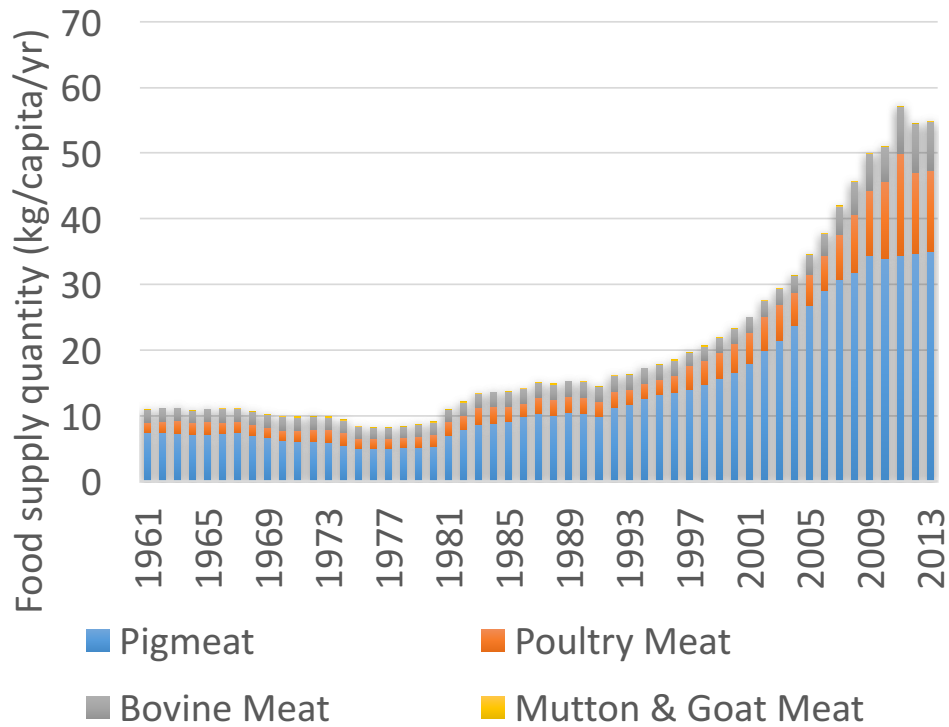
WorldBank Stats

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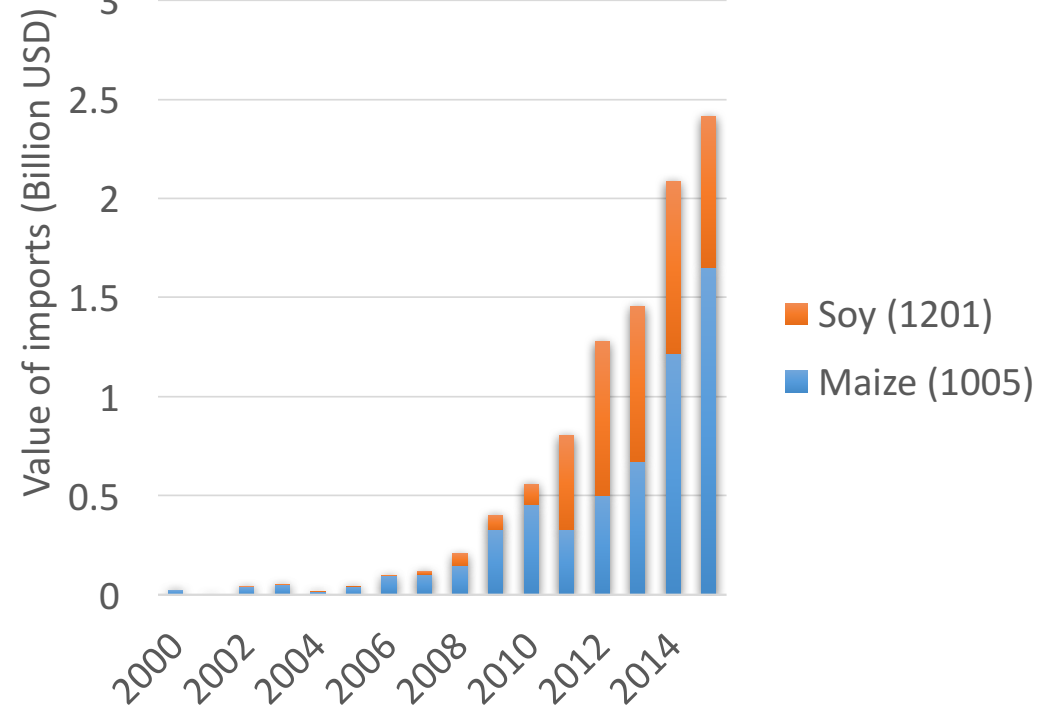


# Demand for animal feed in Vietnam

## Consumption of meat per capita

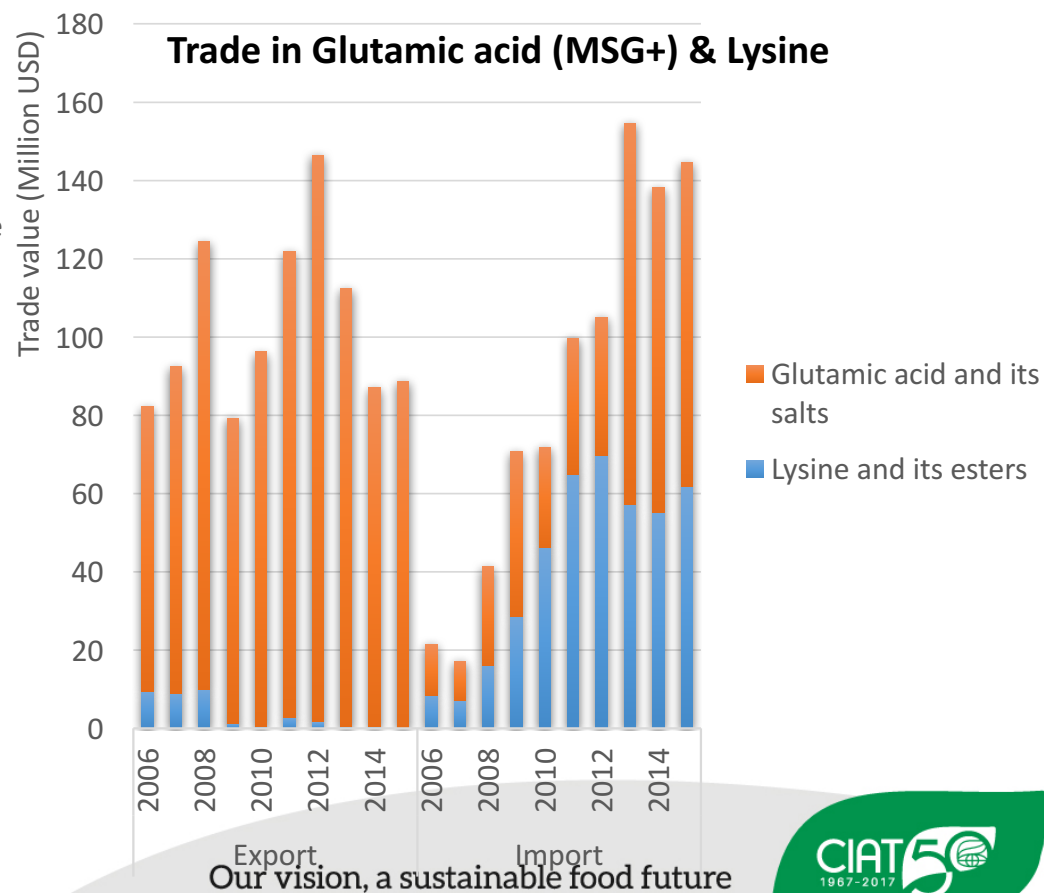
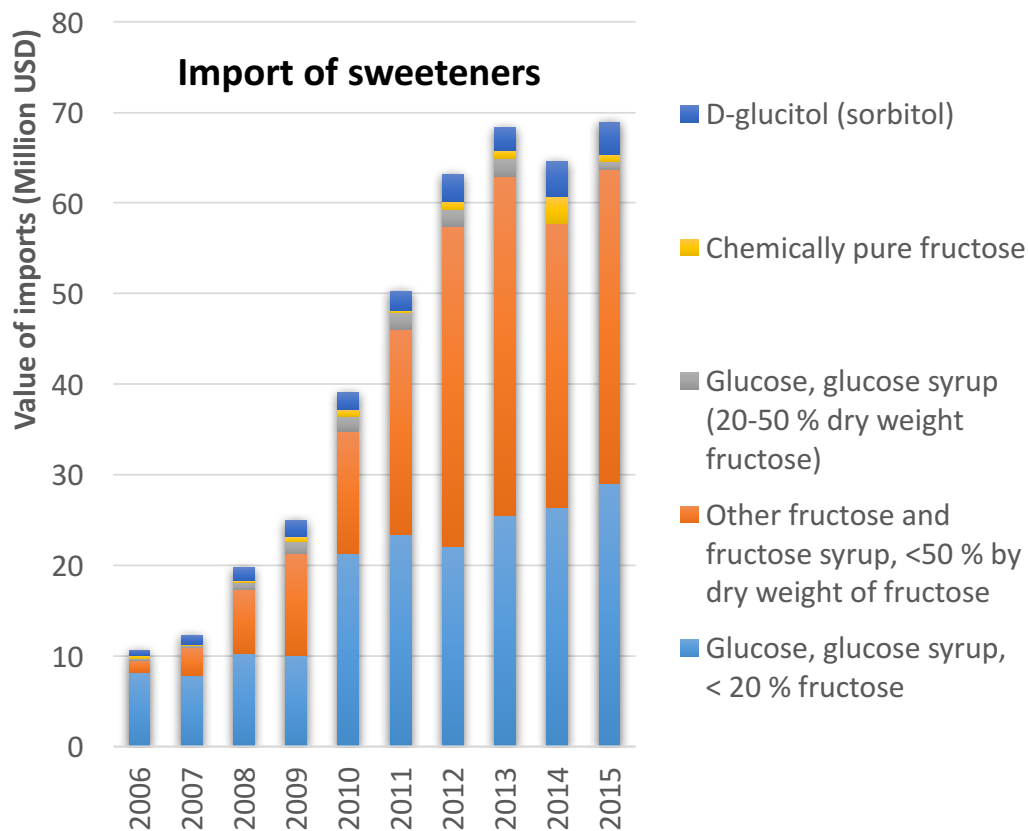


## Import of maize and soy

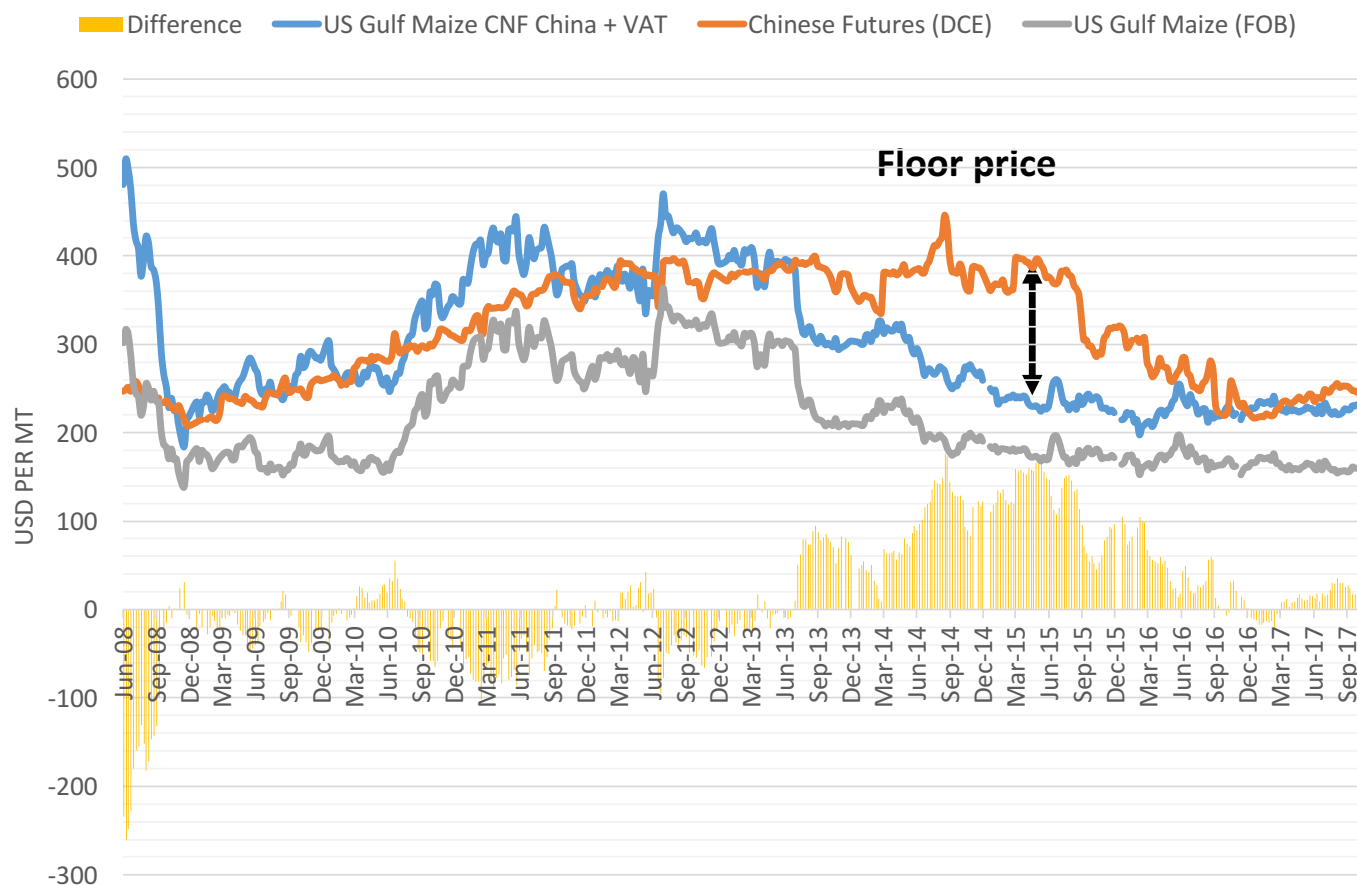




# Trade in syrups and sweeteners and fermentation products



# Market distortions, global commodities, local prices



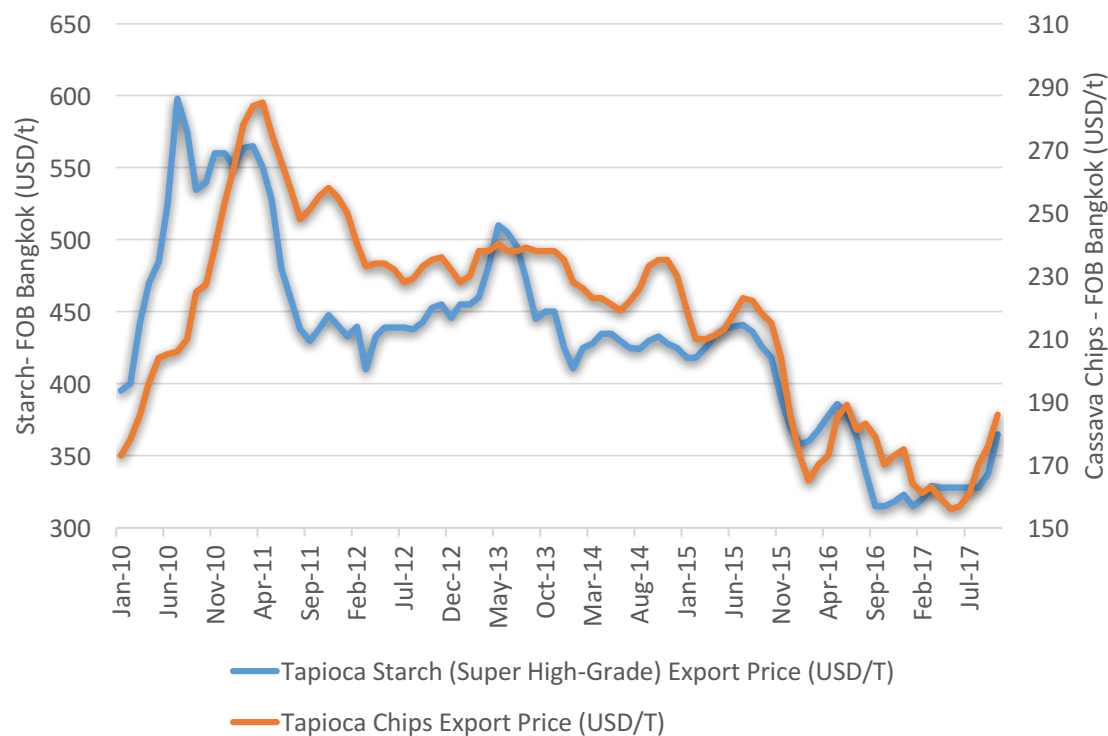
Rabobank estimated that there was **232 million tons** of Chinese maize stock in 2015/16



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# Cassava prices in Thailand respond to changing maize policy in China



## Thailand supports cassava farmers

VNA WEDNESDAY, NOVEMBER 15, 2017 - 19:31:00 [PRINT](#)



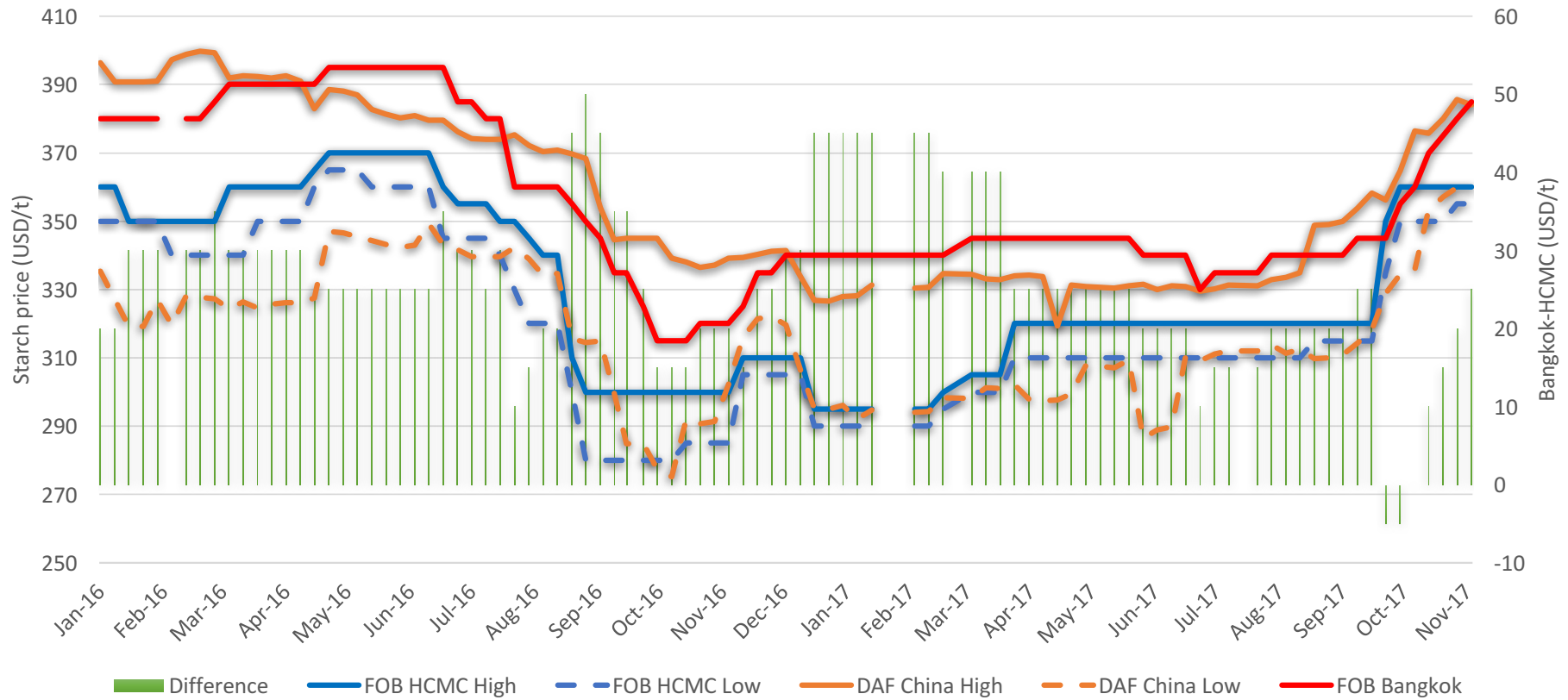
Illustrative image (Source: internet)

**Bangkok (VNA)** – The Commerce Ministry of Thailand plans to take measures to prevent cassava prices from falling sharply during the harvest season this year when millions of tonnes of cassava are expected to flood the market.

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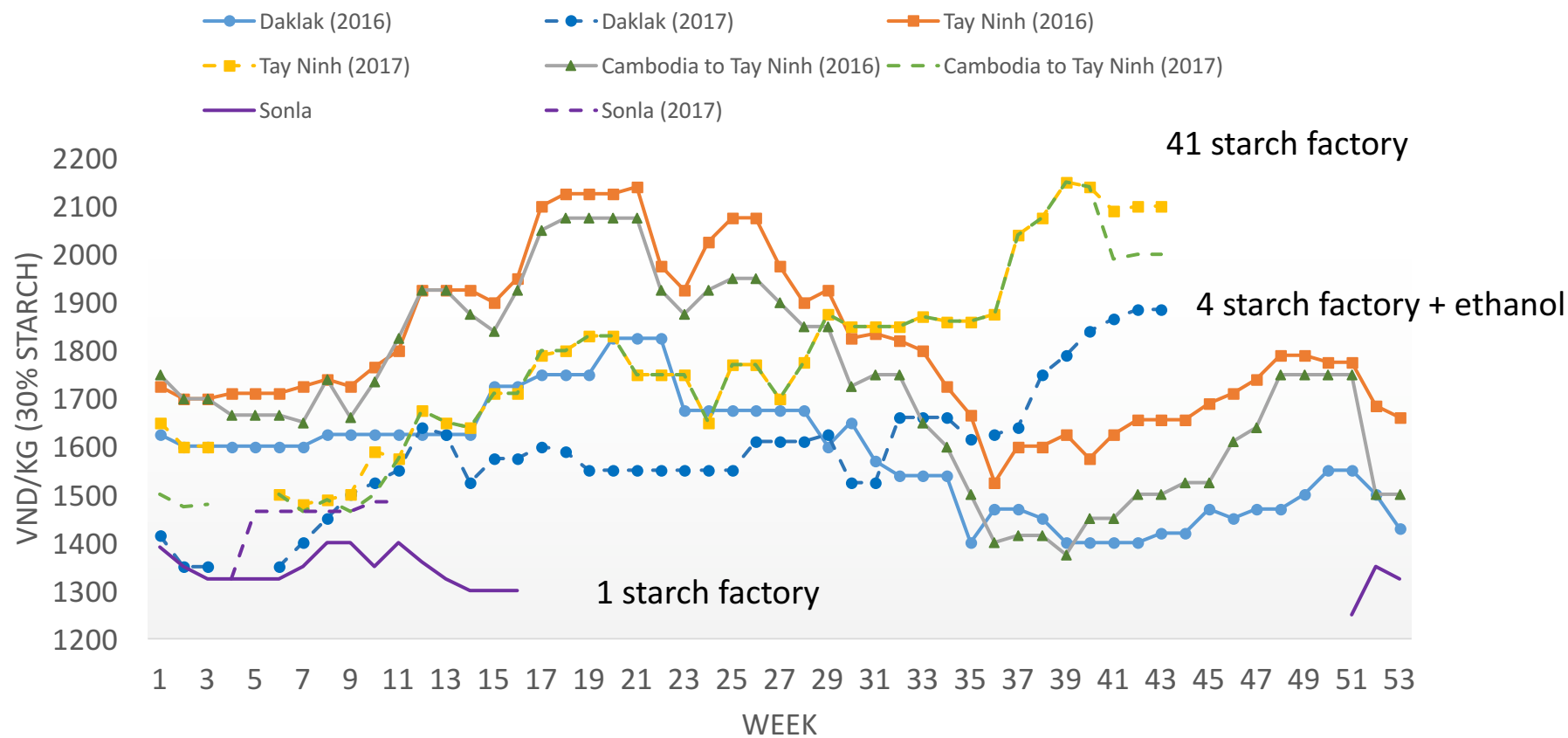
# Starch price in Vietnam



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# Fresh root price in Vietnam

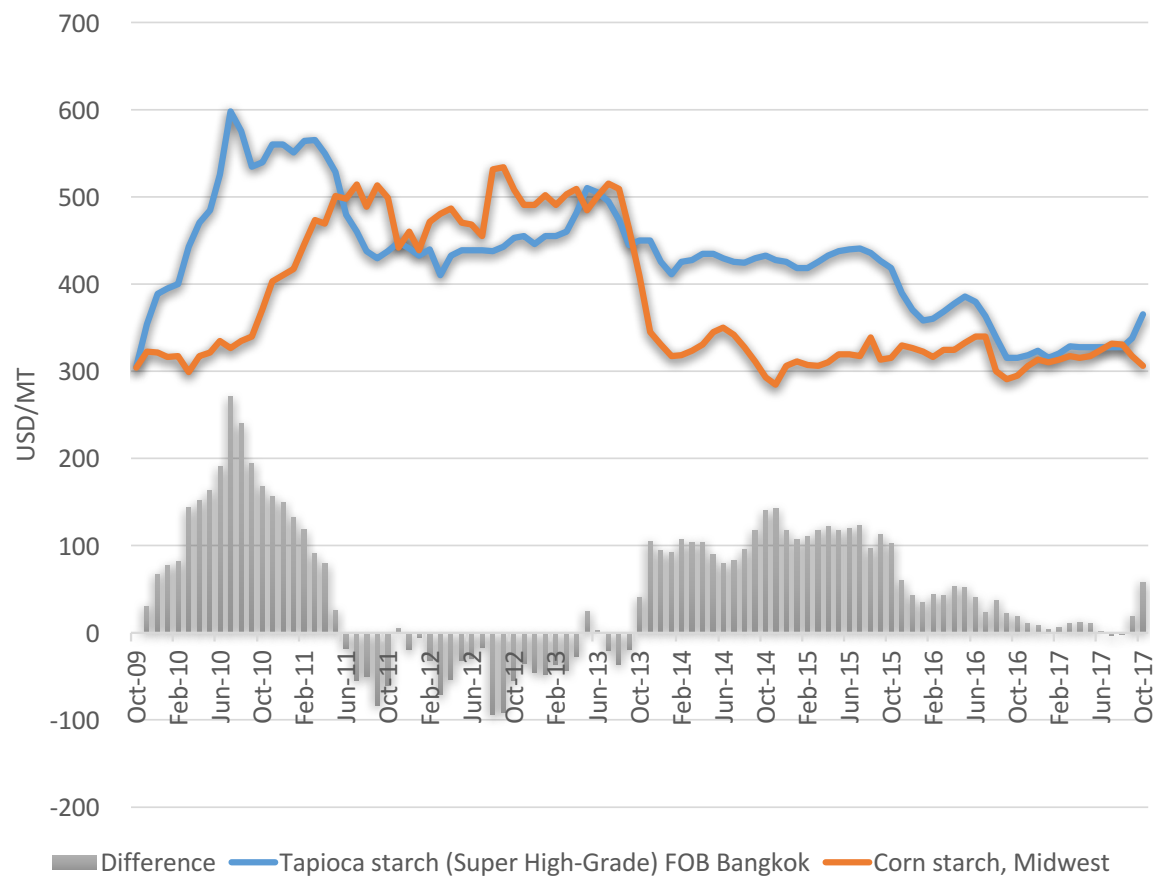


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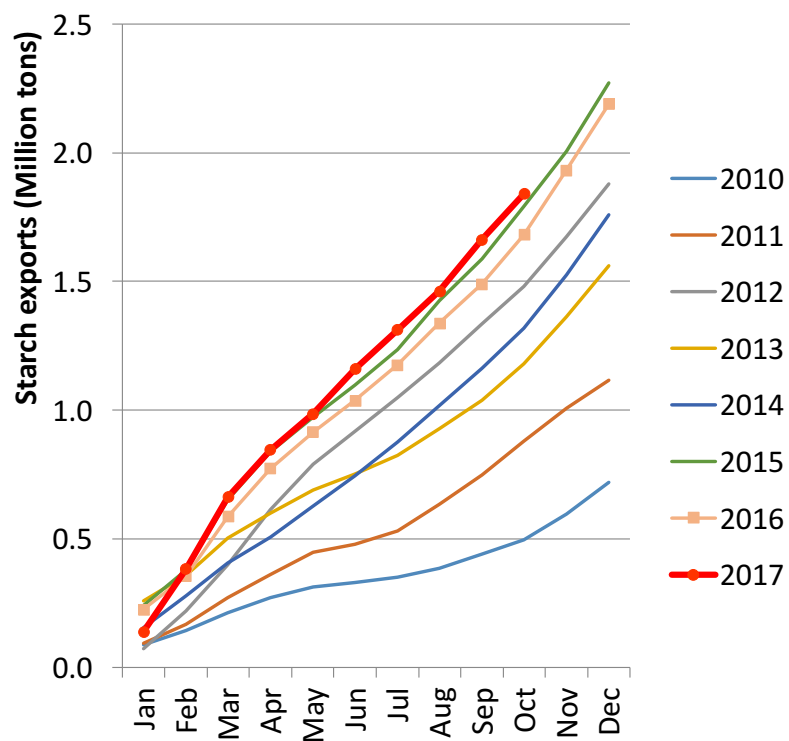
# Tapioca and maize starch prices



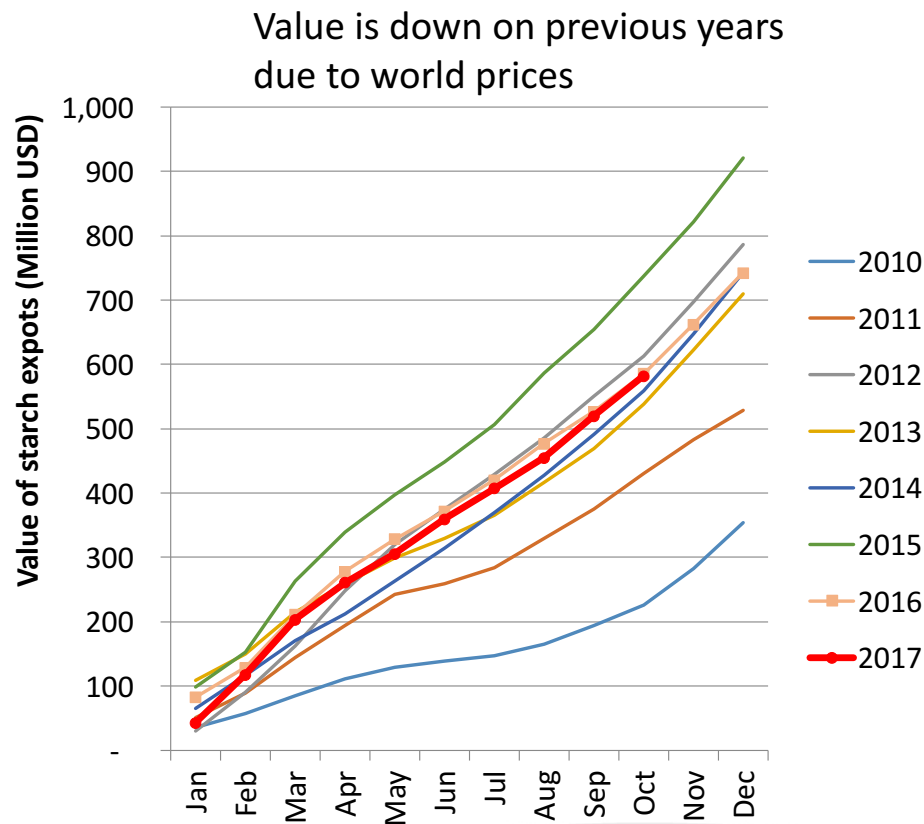
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# Vietnam export of cassava starch by volume and value (cumulative monthly)



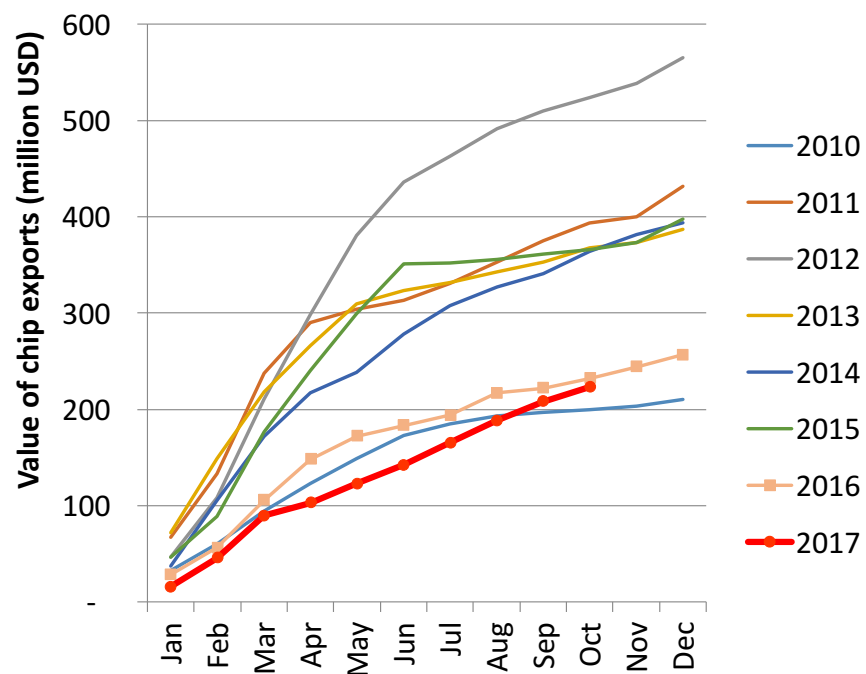
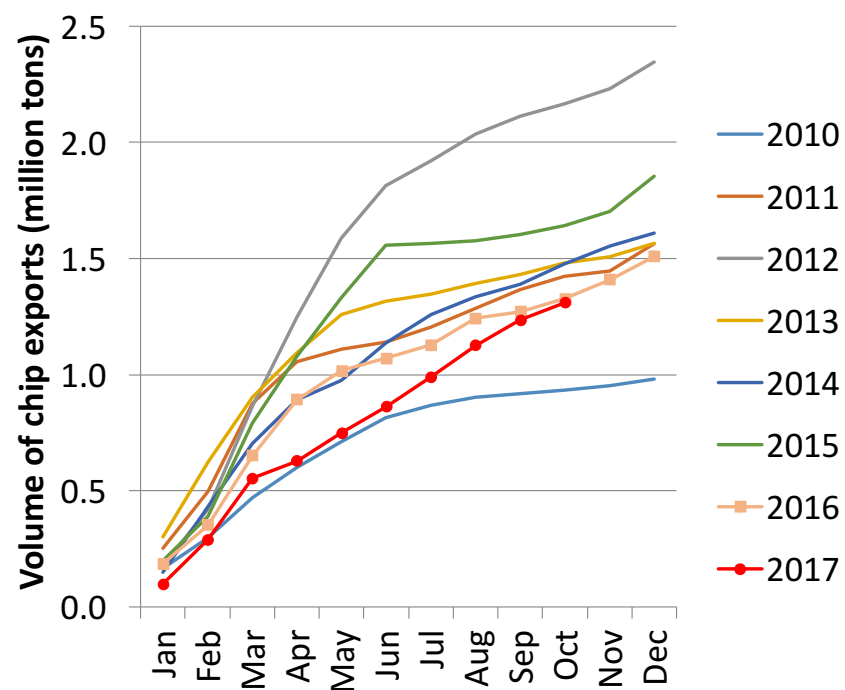
Largest amount of starch exported for this period in any previous year



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# Vietnam export of cassava chips by volume and value (cumulative monthly)

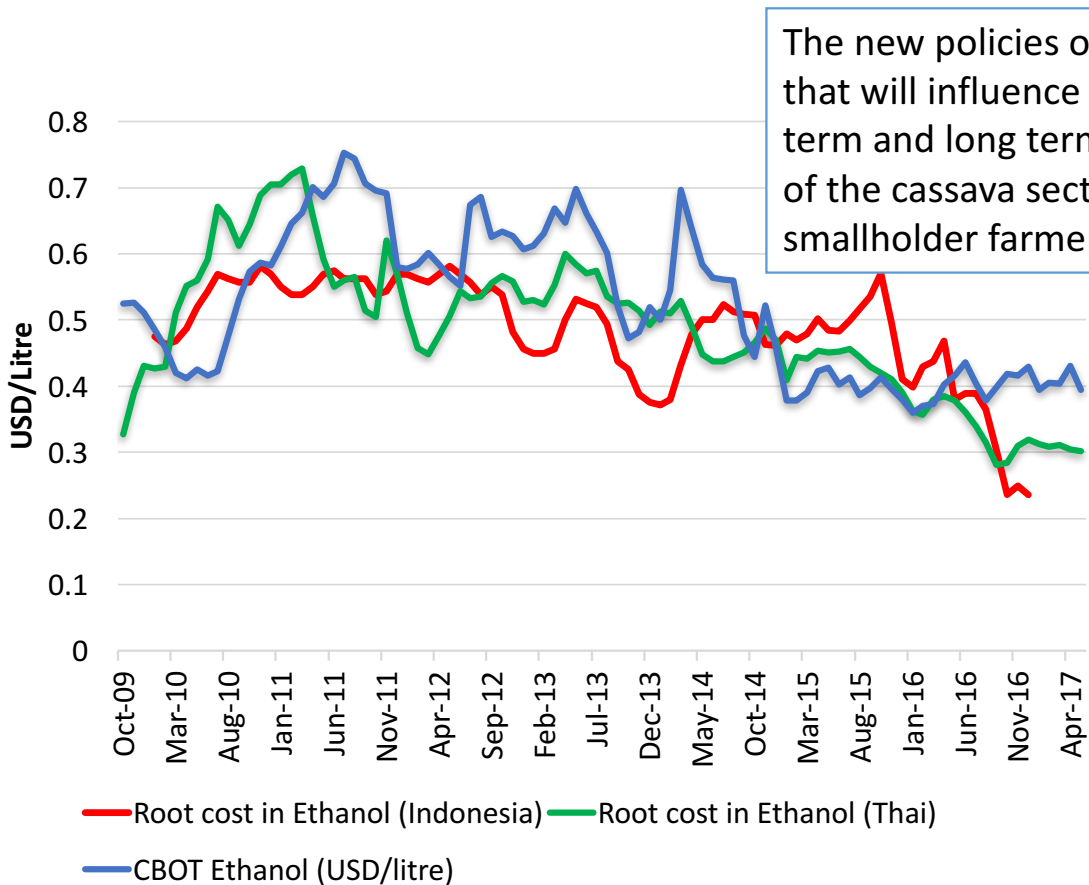


Export demand for VN chips declines & roots shift to starch

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# Biofuel prices and root equivalent price



The new policies on the horizon that will influence the short-term and long term trajectory of the cassava sector and smallholder farmers



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## Conclusion

- When deciding which crop to grow, farmers do not consider factors such as: the global price of oil, sugar, wheat, maize; changes in the demand for pork, or paper and cardboard; or whether a biofuel mandate is developed.
- Yet as a global commodity trade, understanding the connection between cassava and these markets is essential to understanding the outlook for the crop.
- An understanding of the global market context in which localised value chains (farmer-trader-processor) operate helps recognize the market risk that farmers and processors are exposed to.
- This can help develop informed scenarios regarding the potential for intensification and diversification strategies improve farmer livelihoods.

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# ACIAR Cassava Value Chain and Livelihood Program

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