OBJECTIVE
To research the cassava production chain in Araguaia Valley Region (Goias state, Brazil) from the perspective of the Transaction Costs Economics.

METHODOLOGY
The Araguaia Valley includes the municipalities of Aruana, Britania, Buriti de Goias, Corrego do Ouro, Fazenda Nova, Itapurapua, Jussara, Matrincha, Montes Claros de Goias, Novo Brasil and Santa Fe de Goias. The region has an area of 18,451 skm and 72,000 inhabitants (26% is rural). Data collection through field survey with 2 questionnaires: (1) farmers; and (2) other regional agents of the cassava production chain. Database: 101 questionnaires (73 farmers, 14 local retailers (sellers of cassava and its derivate), 13 cassava processors and 01 wholesaler).

RESULTS AND DISCUSSION
The cassava production chain has strong social and economic importance in the Araguaia Valley Region. Almost all small farmers of the study region cultivate cassava. Cassava is produced for self-consumption and marketing of surplus production. Most of transactions are done on spot market, mostly without contracts:
- 82.2% of farmers;
- 92.3% of processors;
- 42.9% of retailers (57.1% use contractual resources in their transactions cite contracts with municipal governments, PNAE and business clients);
- The wholesaler does not trade via contracts.

The main transaction costs are mainly related to high asset specificity, bringing up hierarchical or hybrid governance structures of transactions. 90% of transactions are done in informal spot market transactions, which leads to inefficient management of transaction costs. Agent reputation arises as a mechanism to diminish transaction costs, since transactions occur with high frequency. Uncertainty is mainly related to climatic conditions as well as lack of information on new potential marketing partners.

CONCLUSIONS AND OUTLOOK
➢ The main transaction costs are mainly related to high asset specificity, bringing up hierarchical or hybrid governance structures of transactions.
➢ 90% of transactions are done in informal spot market transactions, which leads to inefficient management of transaction costs.
➢ Agent reputation arises as a mechanism to diminish transaction costs, since transactions occur with high frequency.
➢ Uncertainty is mainly related to climatic conditions as well as lack of information on new potential marketing partners.

REFERENCE
Please check full paper for full list of references (Abstract ID 91).

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