

Executive Summary:

- Harvesting of Rabi crop is almost complete in producing regions. As per trade estimates, potato production this year would be around 36-38 million tonnes against previous year's production figure of 42.35 million tonnes.
- Potato prices are ruling near their previous highs which were reached during June-July of 2010 and 2011. This year prices have reached to those peaks in early April itself due to low production estimates from Punjab and Uttar Pradesh. The stockists and speculators are also active in this scenario.
- Potato yield came down in producing regions due to late blight disease and untimely rain during Dec-Jan and farmer's reluctance to invest more in Potato crop as they suffered heavy losses last year.
- Potato prices in major supplying mandis like Agra, Farrukhabad, Punjab, Burdwan and Tarkeshwar have increased 20-25% in last one month due to lower arrivals amid estimates of less production this year.
- As per trade estimates, cold storages in UP, West Bengal and Punjab could be filled up to 80-85 % of their capacities in this season. As per December 2009 data, in India there is 17-18 million tonnes of storage capacity for potato vs. 32-35 million tonnes of domestic production. This is further creating bullish sentiment as cold storages will be main source of supply of potato till next harvest.
- As per news reports, the militant outfit United Revolutionary Front (URF) is trying to obstruct the import of Potatoes and Onions into Manipur from other states which may create supply problems in the state.

Consuming Centers – Comparison of Monthly Price (Rs/ Qtl) and Arrivals (in MT):

Center Name	March 2012 Avg. Wholesale Price	Previous Year March Avg. Wholesale Price	March 2012 Avg. Retail Price	Previous Year March Avg Retail Price	March 2012 Total Arrival	Previous Year March Total Arrival
BANGALORE	780	794	1361	1408	11061	15768
BHUBANESHWAR	638	564	826	777	13250	13300
CHENNAI	994	924	1600	1648	6220	7370
DELHI	596	456	923	856	33534	32566
HYDERABAD	955	639	1475	1073	3098	9077
KOLKATA	657*	474*	848*	667*	43366*	11476*
MUMBAI	824*	816*	1150*	1282*	84727*	26593*

*For these figures we have asked for clarifications from NHB

(Source: NHB)

Potato prices in major consuming centers have increased when compared to same month last year mainly due to falling arrivals with exceptions in Kolkata and Mumbai. Prices in Mumbai and Kolkata have increased despite higher arrivals. This could be due to increase in retail demand or hoarding activities by local traders.

Arrivals in Major UP Mandis:

As visible in the table below, arrivals have reduced on a month-on-month and year-on-year basis in major mandis of UP except Aligarh. This is due to lower production in UP potato-growing regions. Farmers and traders preferred to keep potato in cold storages for better price realization during lean season.

Market	Average Arrivals March, 2012(Days Reported)	Average Arrivals Febraury, 2012 (Days Reported)	Average Arrivals March, 2011 (Days Reported)	% Change (Over Previous Month)	% Change (Over Previous Year)
Uttar Pradesh					
Agra	846.19 (21)	1151.79 (14)	949.2 (25)	-26.53	-10.85
Aligarh	270.48 (21)	203.18 (22)	262.08 (24)	33.12	3.21
Farukhabad	802.61 (23)	1073.57 (21)	1744.38 (16)	-25.24	-53.99
Kanpur(Grain)	1158.7 (23)	1841.67 (24)	2860.87 (23)	-37.08	-59.5
Mainpuri	177.92 (24)	381.36 (22)	461 (25)	-53.35	-61.41
Muradabad	270.93 (27)	286.03 (29)	396.55 (29)	-5.28	-31.68

(Source: AGMARKNET)

Technical Analysis of Potato Agra Spot Price Chart

The weekly candlestick chart below shows that potato prices in Agra Mandi have surpassed the highs it reached in the previous two year high (as shown in ovals). If prices sustain above the 640 level for the upcoming 2 weeks, the break-out above Rs 640 will be confirmed and prices may move up further to the Rs. 700/Qtl level. However, the RSI (relative strength index) oscillator is in over-bought zone so a short- term fall in prices could be possible. However, the Rs 600 level is likely to be a solid support level for the short to medium term.



(Note: Each bar or "candle" in the chart shows the price movement in a particular week. The green "candle" signifies prices increased and red candle signifies prices decreased in that week. The length of the "candle" shows the upper and lower end of the price range for the week. "Technical Analysis" is a chart analysis technique used extensively in studying price behavior of equity, commodity and forex markets and projecting possible future prices)