

Executive Summary:

- In U.P, potato prices are hovering in the range of Rs 1000 to Rs 1100 / quintal. Farmers are actively releasing their stocks which can further put pressure on prices. The other reason for low prices is the availability of fresh potato in the market from Hassan (Karnataka) region.
- The Forward Market Commission's (FMC) strong vigilance on potato futures contracts and postponement of November-Tarkeshwar contracts kept speculators and traders away from the market.
- In Tarkeshwar (West Bengal), approximately 60-65% of stored potatoes have been released. According to trade sources, of the remaining potatoes in cold storages, 10%-15% will be used as seed. Prices are hovering in the range of Rs 900 to Rs 1000/quintal. Prices are expected to trade in the range of Rs. 800-900 in the coming month.
- As per trade sources, sowing of early Rabi crop in Punjab is expected to be delayed by 15 days due to low rainfall. Normal time for early Rabi is during the last week of September but this year Rabi sowing is expected to start only around mid-October.
- In retail market, stored potato is hovering in the range of Rs 1400/quintal to Rs 2400/quintal across the country. Fresh potatoes are trading in the range of Rs 1800 to 2800/quintal which are mainly arriving from H.P and Karnataka region.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

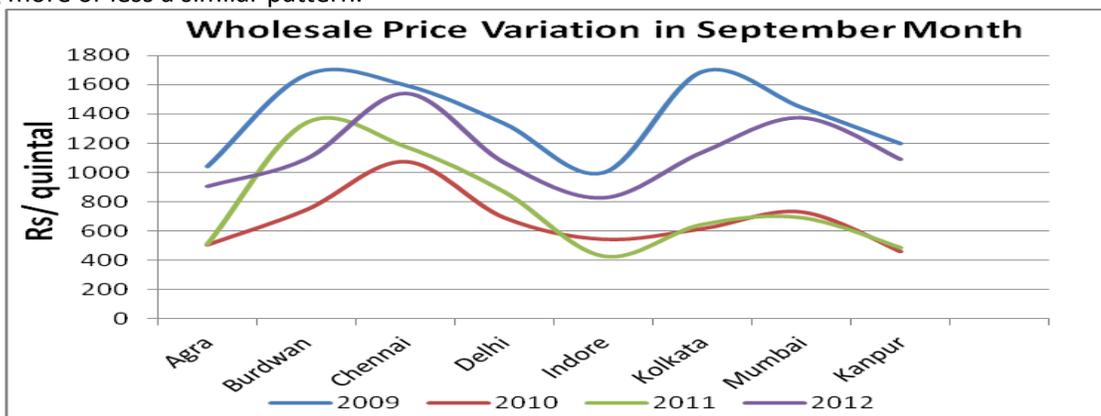
Market	State	September 2012 Avg. Wholesale Price (Rs/Qtl)	August 2012 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month
Delhi	Delhi	1068	1167	-99	-8.48
Agra	UP	1096	1287	-191	-14.84
Hathras	UP	1032	1209	-177	-14.64
Aligarh	UP	988	1093	-105	-9.61
Farrukhabad	UP	1106	1167	-61	-5.23
Kanpur	UP	1092	1194	-102	-8.54
Ludhiana	Punjab	775	897	-122	-13.60
Kolkata	W Bengal	1140	1172	-32	-2.73
Hyderabad	A.P	1505	1624	-119	-7.33
Guwahati	Assam	1700	1450	250	17.24
Jaipur	Rajasthan	998	1225	-227	-18.53
Mumbai	Maharashtra	1353	1514	-161	-10.63
Bangalore	Karnataka	1325	1592	-267	-16.17
Ahmedabad	Gujarat	1173	1211	-38	-3.14

(Source: AGRIWATCH)

As evident from the table, potato prices have declined in almost all the markets except in Guwahati. The reason for decline in prices is that major producing regions like West Bengal and U.P are actively releasing their stocks in fear of low prices in future as cold storages are filled with more potatoes than the consumption demand until the new crop arrives.

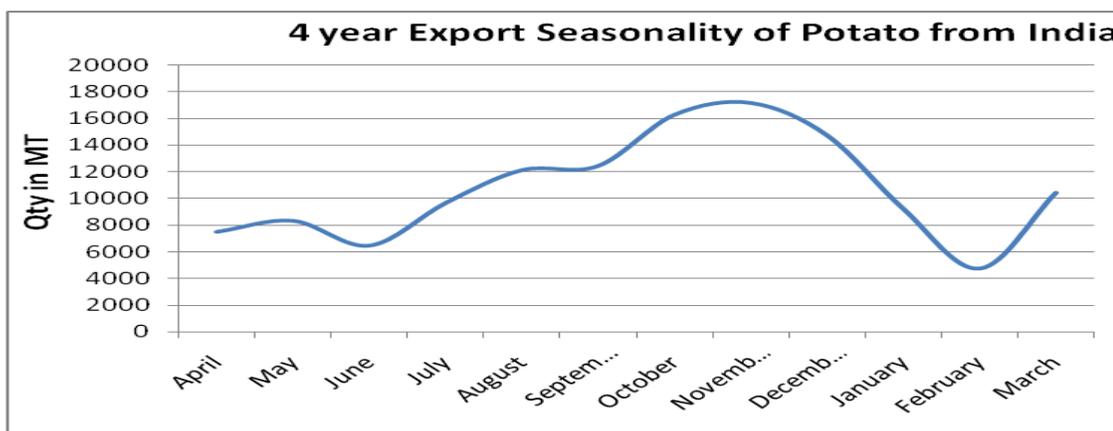
Price Pattern of Potato in September:

The graph below shows the average prices in September in eight centers of India – namely Agra, Burdwan, Chennai, Delhi, Indore, Kolkata, Mumbai and Kanpur. Prices in producing centers like Agra, Burdwan and Indore are lower as compared to other consuming centers. The year on year price movement in these centers is following more or less a similar pattern.



(Source: Agriwatch)

Potato Exports from India:



(Source: Agriwatch Research)

The above chart shows the average monthly export of potato from India. Potato export from India is very low and hardly affects the total demand & supply. It follows a unique pattern, export start rising from July onwards with release of stock from cold stores and reaches a peak during Oct-Nov and then starts falling as availability of good quality potato became less.

Annual potato export from India varies in the range of 1.5-2 Lakh Ton which is around 0.5% of total production in India. Export varieties should be developed and encouraged to earn foreign currency and provide support to prices during higher production.



Technical Analysis of Potato Spot Prices in Khandauli (Agra):



(Source: Agriwatch)

(Note: Each bar or “candle” in the chart shows the price movement in a particular month. 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.)

The above chart shows the monthly spot price movement of potato in the benchmark Khandauli (Agra) market of U.P. In September, modal prices touched a high of Rs. 1250/Qtl, but could not sustain the gains and fell back to a low of Rs 950/Qtl before recovering to Rs 1050 at the end of the month. As discussed in previous monthly report, prices have breached the strong support line of Rs. 1000. If prices trade below this level for a week, next support for prices would be Rs 800. On upper side, resistance could be found near Rs 1150 level. Overall we expect potato prices to continue to remain subdued in October.

Disclaimer

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