

Summary:

Potato prices at major trading centres softened from their highs during the week under consideration but they are still trading higher as compared to last week. Prices decreased due to increased arrivals in the mandis in the fear of rising temperatures. Demand from Mumbai, Delhi and Chennai markets was seen stable which supported potato prices from falling further. With lower potato production expectation in UP and West Bengal, farmers and stockists are holding stocks at cold stores resulting in lower supply. With harvesting season coming to end, cold store supply from next month will play a crucial role in driving the prices.

Outlook:

Potato prices are likely to trade on the higher side as storing activity is continuing and harvest season is coming to an end.

Fundamentals:

Harvest is almost 85% complete in Agra region while it is almost 95% complete in the Farrukhabad region of UP. Farmers are temporarily keeping potatoes in the field itself and supplying in mandis in small quantities. At present, nearly 80% of the fresh potatoes in Farrukhabad region are going into cold storages and only 20% are arriving into mandis for direct consumption.

As per some trade sources, this year cold storages could be filled only up to 80% of their capacities due to lower availability of potatoes and new storage capacities coming up in Agra & Hathras belt. Cold store owners and traders are buying good quality potatoes from farmers from their field itself to meet demand of other trading centres.

Average yield of potato from Agra region as reported by the growers was seen at 20 quintal/bigha as compared to 25 quintal/bigha last year. The production could be down by 20-25% in UP when compared to last year.

Fag end of harvest and growers willingness to stock in cold storage resulted in a marked decline in arrivals when compared to the previous month. Though arrivals improved marginally during the week under consideration, it is still down by nearly 30% in Agra mandi when compared to same period previous month as shown in the following table:

Potato Arrivals comparison in major growing regions of Uttar Pradesh:
(Arrivals in Tons)

Market	Per Day Average Arrivals (16-23 Mar 2012)	Per Day Average Arrivals 09-15 Mar 2012	Average Arrivals 16-23 Mar 2011	% Change (Over Previous Week)	% Change (Over Previous Month)	% Change (Over Previous Year)
Agra	810	807.5	956.67	0.31	-30.59	-15.33
Aligarh	301.43	205	285	47.04	39.12	5.76
Allahabad	114.29	203.33	496	-43.79	2.04	-76.96
Bareilly	108.88	169.5	176.8	-35.76	-26.37	-38.42
Farukhabad	805.71	390	970	106.59	-5.54	-16.94
Gorakhpur	318	352.5	331.67	-9.79	18.09	-4.12
Haathras	70	146.67	900	-52.27	-66.44	-92.22
Hapur	82.5	78.75	91.67	4.76	-20.16	-10
Jaunpur	78.57	72	714.29	9.12	-39.56	-89
Jhansi	146.67	61.67	80.83	137.83	35.09	81.45
Mainpuri	166.67	202	383	-17.49	-58.85	-56.48
Muradabad	225	284.29	435.71	-20.86	-29.96	-48.36

(Source: APMC)

Meanwhile, arrivals in major regions of West Bengal improved during the week as growers opted to bring their produce to the markets.

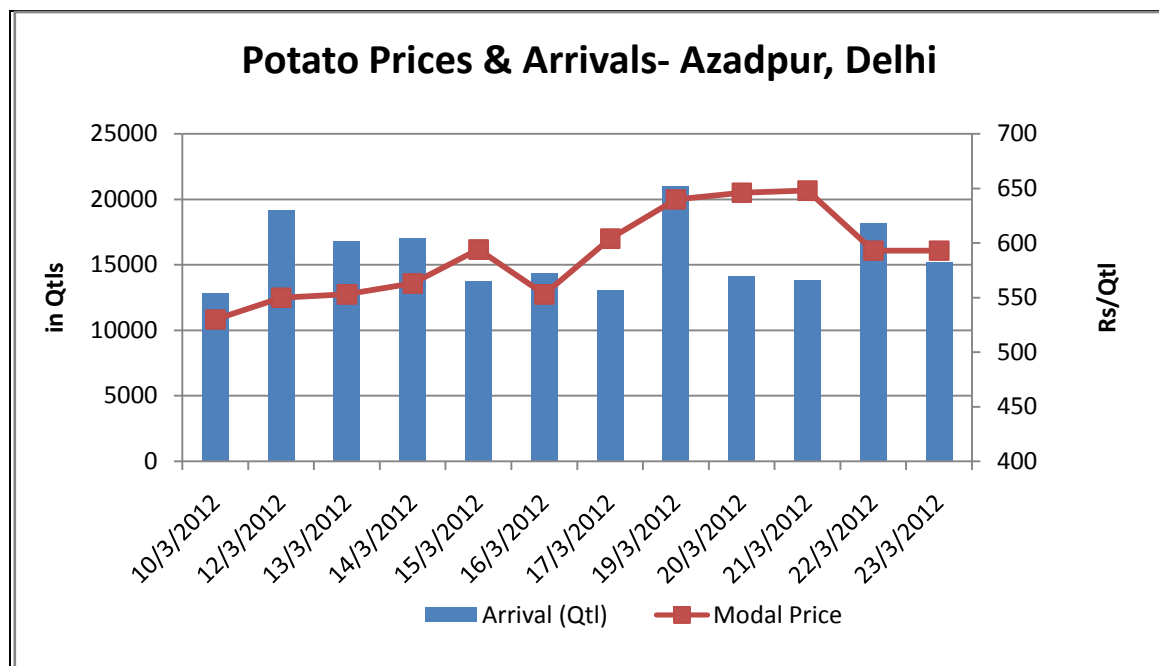
Potato Arrivals comparison in major growing regions of West Bengal:

(Arrivals in Tons)

Market	Per Day Average Arrivals (16-23 Mar 2012)	Per Day Average Arrivals 09-15 Mar 2012	Average Arrivals 16-23 Mar 2011	% Change(Over Previous Week)	% Change(Over Previous Year)
Bishnupur	306.25	314.29	41.25	-2.56	642.42
Burdwan	521.88	92.29	130.38	465.48	300.28
Champadanga	311	293.14	425.62	6.09	-26.93
Coochbehar	23.1	25.71	34.38	-10.15	-32.81
Dhupguri	1675	172.14	182.5	873.05	817.81
Falakata	233.33	200	56	16.67	316.66
Howrah	31.67	35.29	23.67	-10.26	33.8
Memari	4616.33	5782.67	3062.86	-20.17	50.72
Purulia	51.86	50.33	51.62	3.04	0.46

(Source: APMC)

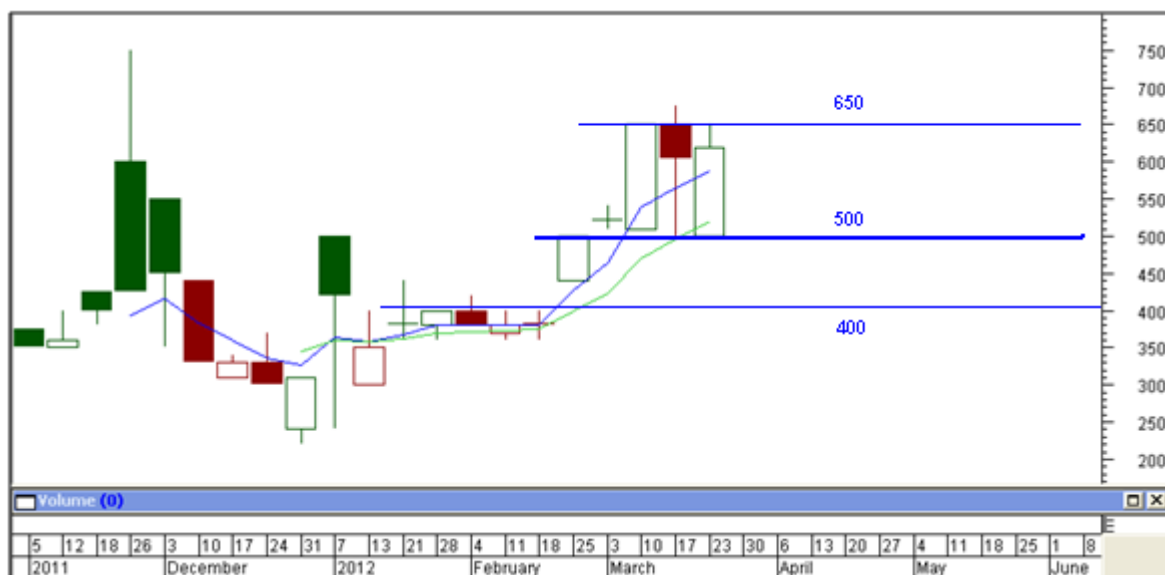
Potato prices in Azadpur Mandi traded slightly higher this week amid normal arrivals and stable demand which is depicted in below chart.



(Source: NHRDF)

Technical Analysis: Spot Prices- Agra

The weekly candlestick chart (next page) shows that prices have been trading between Rs. 500-675/Qtl during the past 4 weeks though prices could not close above 650 during any of these weeks. Rs 650 is therefore near-term resistance for this week in the Agra cash markets. Similarly prices never fell below 500 during these 4 weeks though it was tested thrice. Rs 500 is likely to offer solid support to prices. The bias remains upwards as evident from rising moving average curves. Based on the technical chart, a fall below Rs 500 seems very unlikely, but if it does, the next support zone lies



(Source: Agriwatch)

at around Rs 400. Similarly, if prices break above the Rs. 650 resistance level, it could attract further buying and take prices to the Rs 700-750 levels.

Technical Analysis: NCDEX - April Contract



- Candlestick pattern on the weekly chart indicates potato prices retraced back from its high indicating profit booking at higher levels and strong short selling at Rs 1100 levels which is evident from rising open interest in the last 2 weeks.
- On the lower side this week, profit booking by short sellers was seen at Rs 900 levels which pulled the prices further up.

Supports and Resistance Levels for Next Week

April Contract	Support 2	Support 1	Resistance 1	Resistance 2
Potato NCDEX	850	910	980	1060

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