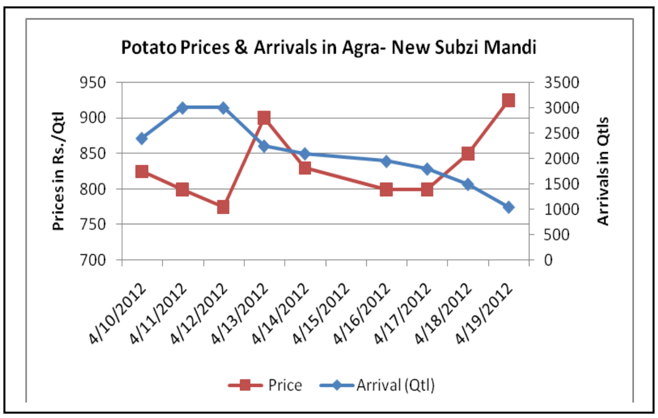
Market Intelligence System

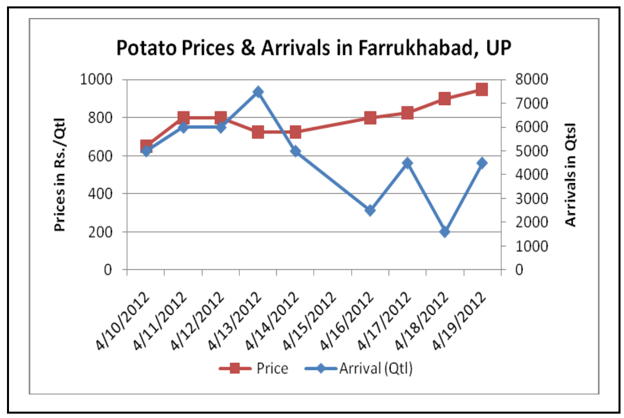
Weekly Potato Report
23 April, 2012

Executive Summary:

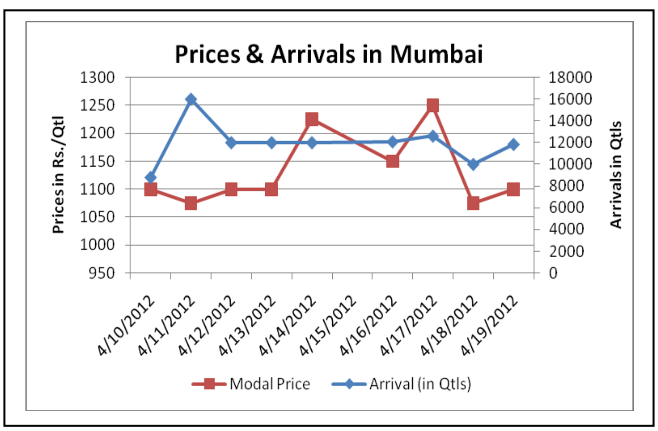
- Potato prices in producing regions like Agra, Farrukhabad have reached close to psychological level of Rs. 1000/Qtl. Farmer's and stockists could off-load some of their stocks at this level.
- Potato prices at Futures Exchanges are retracing from their highs touched two week ago with decrease in Open Interest in near month contracts indicating long liquidation/profit booking.
- In West Bengal, potato cold storages have reached 80-85% capacity utilization, of the total capacity of approx 65 Lakh tons. Similarly cold storage in UP have filled up to their 85-90% capacities.
- Cold stores in UP have opened but farmers are waiting for further price increase before taking their stocks to the market. Cold stores in W. Bengal will open by end of May.
- Potato prices in some states like Rajasthan, Delhi, J&K and Himachal Pradesh have increased by more than 100% as same time last year.
- This could be due to increase in prices of other vegetables and lower supply from producing regions due to lower production in West Bengal, UP and Punjab.

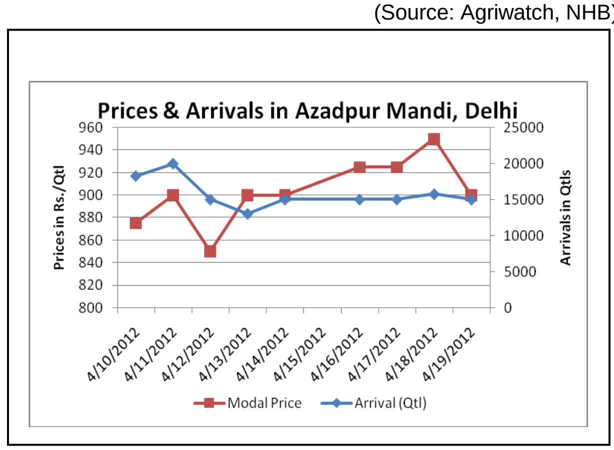
Potato Prices & Arrivals in Consumption and Producing Regions





(Source: Agriwatch, NHB)





Outlook

Potato prices are likely to be stable with upward bias due to on-going seasonal demand and restricted supply from cold storages in UP. We expect farmers will continue to sell their stocks in small quantities from cold storages unless there is major fall in prices.

Weekly Potato Arrivals (in MT) comparison in major growing regions of UP & W Bengal

Market	Average Arrivals 16-23 Apr 2012 (Days Reported)	Average Arrivals 09-15 Apr 2012 (Days Reported)	Average Arrivals 16-23 Apr 2011(Days Reported)	% Change (Over Previous Week)	% Change (Over Previous Month)	% Change (Over Previous Year)
Uttar Pradesh						
Agra	780 (4)	792.5 (4)	1160 (4)	-1.58	3.72	-32.76
Aligarh	257.14 (7)	303.33 (6)	178.57 (7)	-15.23	-14.69	44
Farukhabad	191.67 (6)	421.25 (4)	320 (5)	-54.5	-76.21	-40.1
Muradabad	85.88 (8)	115 (7)	166.25 (8)	-25.32	-61.83	-48.34
Varanasi (Grain)	305 (2)	298.33 (6)	438.57 (7)	2.24	0.71	-30.46
West Bengal						
Dhupguri	480 (5)	382.86 (7)	126.25 (8)	25.37	-71.34	280.2
Howrah	33.75 (8)	32.14 (7)	27.14 (7)	5.01	6.74	24.36
Memari	128.4 (5)	130.83 (6)	109.57 (7)	-1.86	-96.92	17.19
Midnapur (E)	62.5 (4)	65 (4)	80 (6)	-3.85	16.28	-21.88
Purulia	53.29 (7)	51 (6)	49.43 (7)	4.49	2.76	7.81

(Source: AGMARKNET)

Potato arrivals have increased in West Bengal compared to previous week. But arrivals decreased in UP as farmers expecting further increase in prices and selling their potatoes in small quantities.

Weekly Potato Prices comparison in different States:

State	Prices 16-23 Apr 2012	Prices 09-15 Apr 2012	Prices 01-08 Apr 2012	Prices 16-23 Apr 2011	% Change (Over Prev Week)	% Change (Over Prev to Pre Week)	% Change (Over Prev Year)
Andhra Pradesh	1022.15	965.61	1017.19	735.82	5.86	0.49	38.91
Assam	905.64	881.62	816.42	736.59	2.72	10.93	22.95
Gujarat	999.67	960.89	806.95	620.15	4.04	23.88	61.2
Haryana	736.88	720.98	663.06	377.49	2.21	11.13	95.21
Himachal Pradesh	949.94	889.41	758.05	457.48	6.81	25.31	107.65
J & K	1050.13	949.12	857.41	461.14	10.64	22.48	127.72
Jharkhand	830.68	791.68	747.39	587.11	4.93	11.14	41.49

Karnataka	933.15	912.76	812.68	866.81	2.23	14.82	7.65
Kerala	1461.42	1468.38	1373.97	1286.94	-0.47	6.36	13.56
Madhya Pradesh	610.98	609.47	621.03	556.24	0.25	-1.62	9.84
Maharashtra	1091.53	1037.22	957.82	693.49	5.24	13.96	57.4
Meghalaya	950	868.12	860	1023.08	9.43	10.47	-7.14
NCT of Delhi	961.17	912.05	815.03	448.54	5.39	17.93	114.29
Orissa	1156.8	1093.56	1062.09	640.83	5.78	8.92	80.52
Punjab	625.96	597.22	544.24	382.7	4.81	15.02	63.56
Rajasthan	841.89	790.86	736.63	412.88	6.45	14.29	103.91
Uttar Pradesh	778.13	714.77	672.23	396.42	8.86	15.75	96.29
Uttrakhand	422.36	445.64	509.71	335.01	-5.22	-17.14	26.07
West Bengal	862.78	867.6	894.79	524.21	-0.56	-3.58	64.59

(Source: AGMARKNET)

As visible in the table above, potato prices are increasing continuously in almost all states on weekly and fortnightly basis.

Technical Analysis of Candlestick Price Chart - Potato- Agra Centre (Weekly Chart)

(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.)

As discussed in the previous weekly report, potato prices in Agra Mandi have crossed the prices levels of Rs. 900/Qtl and have sustained above it from last two days. However, at Rs 1000 level some increased supply is seen which restricted it from closing above Rs 1000/qtl. Supply pressure could be possible if it is not able to breach the 1000 mark this week. Buying at these levels is not advisable rather one should off-load their stocks in small quantities at these levels.

Potato Futures Weekly Analysis:

Exchange	Delivery Center	Expiry	Weekly Closing on 21 April	Prev Week Close	Change		Open Interest	Prev week OI
			Rs/Qtl	Rs/Qtl	Rs/Qtl	in %	(in MT)	(in MT)
MCX	Agra	15-May	1070.2	1117.2	-47	-4.21	24780	34830
MCX	Agra	15-Jun	1125.9	1221.7	-95.8	-7.84	24240	23700
MCX	Tarkeshwar	15-May	885.2	944.1	-58.9	-6.24	12090	11250
MCX	Tarkeshwar	15-Jun	936	1006	-70	-6.96	12600	12420
NCDEX	Agra	18-May	987.2	1022.4	-35.2	-3.44	7770	5265
NCDEX	Agra	20-Jun	1042.6	1081.2	-38.6	-3.57	4980	4215

(Source: NCDEX, MCX)

Long liquidation is seen in near month contracts and short build-up is seen in far month contracts which suggest that market participants are not interested in holding their buy positions at these levels. It seems traders/ speculators are creating short positions in June contracts which is visible from rising OI and fall in prices.