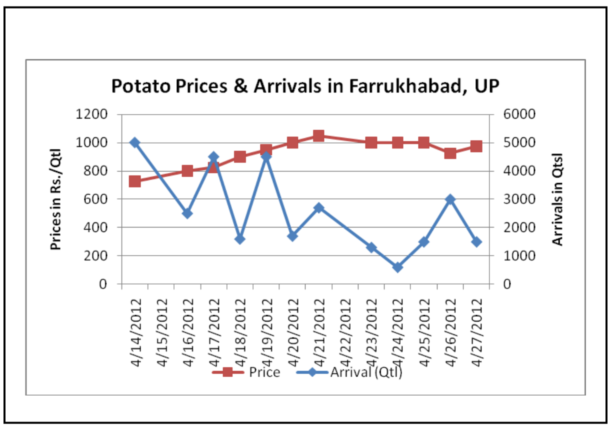
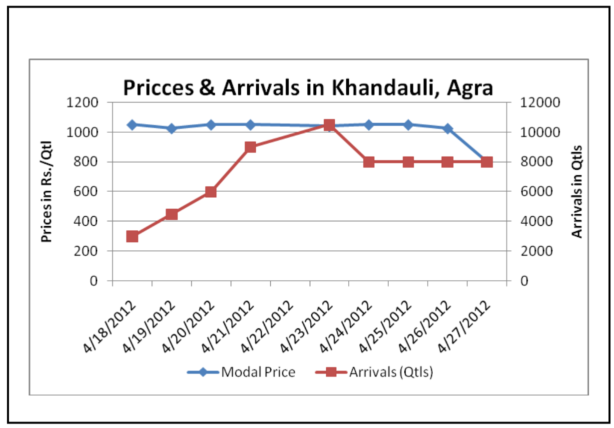
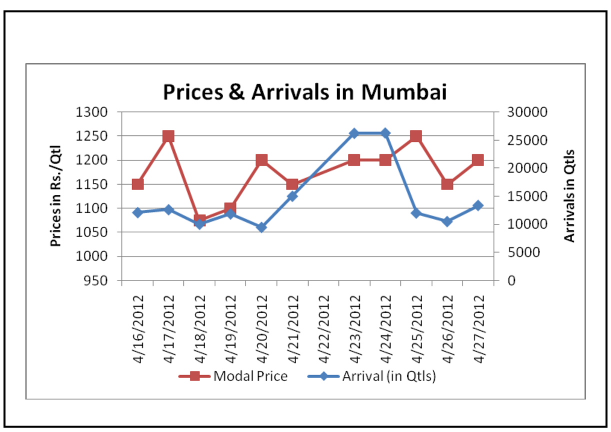
Executive Summary:

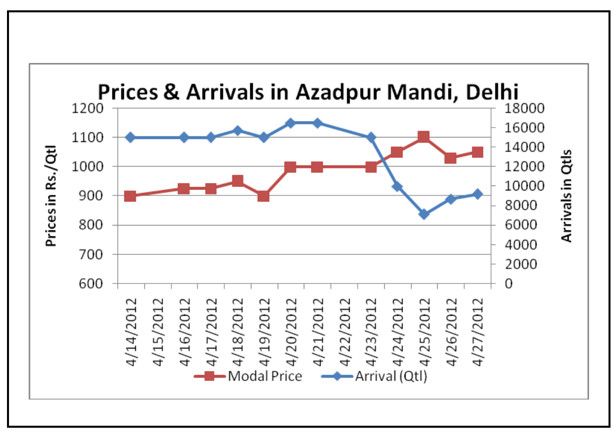
- Potato prices in Agra could not sustain above Rs. 1000/Qtl due to persistent supply from cold stores in Uttar Pradesh.
- Potato prices are on a rising trend in all states due to additional demand during marriage season.
- Cold stores in the Begusarai region of Bihar are expected to open from 1st May and traders are expecting opening prices at the cold storages to be around Rs. 1000/Qtl.
- Potato prices at Futures Exchanges have increased marginally with decrease in Open Interest indicating some short covering by speculators at lower levels.
- As per news reports, traders in Jammu & Kashmir are importing potatoes from Pakistan from the two Line of Control (LOC) trading posts of Srinagar and Poonch due to cheaper rates.
- Cold stores in UP have opened but farmers are waiting for further price increase before taking their stocks to the market. Cold stores in West Bengal will open by end of May.
- Higher prices of other vegetables are also lending support to potato prices and preventing it from falling lower.

Potato Prices & Arrivals trend in Producing and Consumption Centers









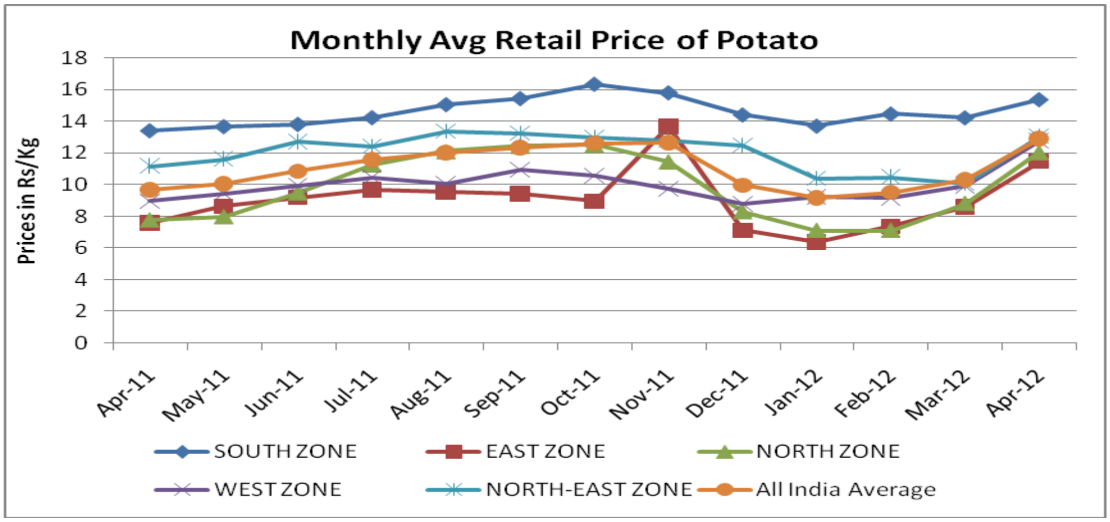
Outlook

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

Small Farmers' Agribusiness Consortium

AGRIWATCH

Monthly Average Retail Prices in India during 2011-12:



(Source: State Civil Supplies Dept)

The above chart shows the retail price movement in different zones during 2011-12. Potato prices in South Zone tend to remain above all other zones throughout the year due to its dependence on other states and the distance from producing regions. Potato prices generally start increasing from the month of May onwards due to dependence on cold store supply and prices peak during October. From November onwards, prices start declining due to harvesting season in Punjab and then Uttar Pradesh. This year however, prices have started increasing from mid-March and April onwards due to lower production estimates.

State wise weekly Wholesale Potato Price Analysis for Fourth Week of April 2012:

State	Prices 24-30 Apr 2012	Prices 16-23 Apr 2012	Prices 09-15 Apr 2012	Prices 24-30 Apr 2011	% Change (Over Prev Week)	% Change (Over Prev to Prev Week)	% Change (Over Prev Year)
Andhra Pradesh	1046.66	1032.4	992.58	865.38	1.38	5.45	20.95
Assam	990.1	911.81	881.62	784.9	8.59	12.3	26.14
Gujarat	992.59	998.95	960.89	646.73	-0.64	3.3	53.48
Haryana	772.49	744.73	718.36	383.87	3.73	7.54	101.24
Himachal Pradesh	977.97	962.13	889.41	450.35	1.65	9.96	117.16
J & K	1050	1050.11	949.12	452.28	-0.01	10.63	132.16
Jharkhand	821.31	835.54	795.79	564.65	-1.7	3.21	45.45
Karnataka	**1097.6**	**941.81**	**912.76**	**902.8**	**16.54**	**20.25**	**21.58**

Kerala	1658.04	1472.52	1468.53	1319.28	12.6	12.9	25.68
Madhya Pradesh	**715.4**	**633.59**	**609.47**	**599.92**	**12.91**	**17.38**	**19.25**
Maharashtra	1179.33	1096.53	1037.22	755.01	7.55	13.7	56.2
Meghalaya	1000	1086.36	868.12	1042.59	-7.95	15.19	-4.09
NCT of Delhi	998.22	951.67	869.54	443.72	4.89	14.8	124.97
Orissa	1163.31	1161.31	1096.7	685.18	0.17	6.07	69.78
Punjab	632.2	633.75	597.47	593.5	-0.24	5.81	6.52
Rajasthan	883.14	854.87	790.86	441.78	3.31	11.67	99.9
Uttar Pradesh	846.86	784.56	719.82	402.34	7.94	17.65	110.48
Uttarakhand	**615.23**	**465.37**	**453.86**	**316.75**	**32.2**	**35.56**	**94.23**
West Bengal	864.79	885.08	879.4	557.73	-2.29	-1.66	55.06

(Source: AGMARKNET)

As visible in the table above, potato prices have increased in almost all states on weekly and fortnightly basis. Uttarakhand has witnessed the largest price increase in the last week at 32% followed by Karnataka at 16.5% and Madhya Pradesh at almost 13%. However even though the increase in percentage terms is among the highest in Uttarakhand and Madhya Pradesh, the absolute prices in these states are among the lowest of all states. A trader in M.P said that the lower prices are due to poor quality arrivals whereas the good quality potatoes are quoting at Rs 1000-1100 at the cold stores.

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.)

Potato prices in Agra Mandi could not close above 1000/Qtl due to continuous supply from cold store owners and stockists at those price levels. Farmers appear to be comfortable selling at these price levels. As per trade sources, some farmers are waiting for level of Rs. 1200/Qtl where they could increase their selling volumes. Buying at these price levels is not advisable and one should rather off-load their stocks in small quantities at these levels.

Potato Futures Weekly Analysis: (Week Closing 28th April)

Exchange	Delivery Center	Expiry	Weekly Closing	Prev Week Close	Change		Open Interest	Prev Week OI
			Rs/Qtl	Rs/Qtl	Rs/Qtl	in %	(in MT)	(in MT)
MCX	Agra	15-May	1079	1070.2	8.8	0.82	20190	24780
MCX	Agra	15-Jun	1130.2	1125.9	4.3	0.38	23790	24240
MCX	Tarkeshwar	15-May	904.9	885.2	19.7	2.23	9540	12090
MCX	Tarkeshwar	15-Jun	955.8	936	19.8	2.12	13020	12600
NCDEX	Agra	18-May	987.2	991.4	-4.2	-0.42	7065	7770
NCDEX	Agra	20-Jun	1042.6	1038.9	3.7	0.36	4680	4980

(Source: NCDEX, MCX)

Short covering is seen in near month contracts of Agra and Tarkeshwar centre on the MCX platform as visible from rising prices and falling Open Interest. Last week short positions were built up but this week traders covered their positions. It seems traders / speculators are uncertain about further price movement and may be expecting price increase in short term.