

5 November, 2012

## Executive Summary:

- In West Bengal, potato sowing season usually begins by October end or early November but this year sowing is expected to begin in the middle of November due to delay in harvest of Kharif crop.
- In Khandauli (Agra), approximately 20-25% of Rabi sowing is completed and rest is expected to be complete by Diwali. According to trade sources, Rabi crop area is expected to be similar to last year's area.
- In Uttar Pradesh, approximately 20% potatoes are left in cold storages whereas in West Bengal approximately 24% of potatoes are left as compared to previous year's 18% at the same time. Delay in sowing in West Bengal could impact prices in coming months.
- In Orissa, approximately 20% of potatoes are left in cold storages which are expected to get over after Diwali. Prices of potatoes are hovering in the range of Rs 1150 to Rs1180/Qtl and prices of seeds are hovering in the range of Rs 900 to Rs 1000/Qtl.
- In Bangalore, potatoes are coming from local regions and U.P which are contributing approximately 30% and 70% respectively to the total arrival. Prices are hovering in the range of Rs 1400 to Rs 1600 per quintal and are expected to remain stable for the next few days.

## Weekly Wholesale Potato Prices Analysis for 22<sup>th</sup> Oct – 27<sup>th</sup> Oct 2012

Market	State	Avg. Prices 27th Oct-2 Nov 2012	Avg. Prices 22th Oct- 27th Oct 2012	Avg. Prices 8 <sup>th</sup> Oct- 13 <sup>th</sup> Oct 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	942	900	960	4.67	-1.88
Agra	UP	984	975	815	0.92	20.74
Kanpur	UP	946	920	913	2.83	3.61
Farrukhabad	UP	1034	930	850	11.18	21.65
Hathras	UP	1000	875	860	14.29	16.28
Burdwan	W. Bengal	1138	1075	1075	5.86	5.86
Tarkeshwar	W. Bengal	1154	1090	1090	5.87	5.87
Ludhiana	Punjab	635	612.5	640	3.67	-0.78
Indore	MP	815	750	730	8.67	11.64
Mumbai	Maharashtra	1150	1230	1088	-6.50	5.70
Bangalore	Karnataka	1440	1345	1270	7.06	13.39
Ahmedabad	Gujarat	1104	1040	1065	6.15	3.66
Hyderabad	AP	1570	1292	1327	21.52	18.31
Bhubaneswar	Orissa	1135	1111	1060	2.16	7.08

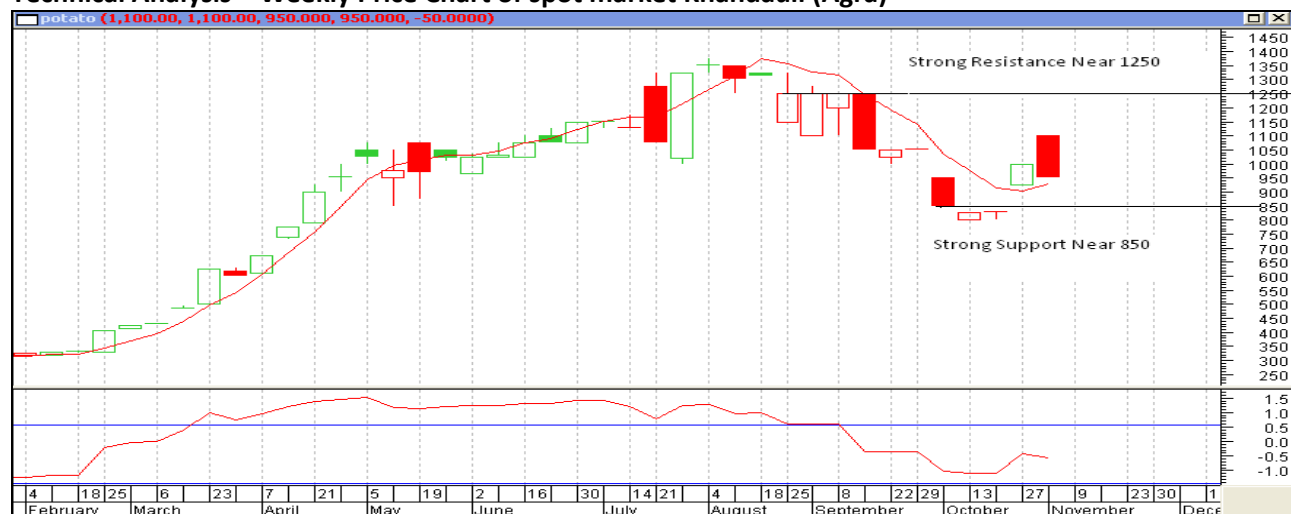
(Source: AGRIWATCH)

The above table shows price movement during last two weeks. Prices have increased in almost all cities due to decline in supply from Karnataka region which was supplying to southern India and Maharashtra region. Crop from Hassan is already approximately 80-85% harvested. The reason for increase in potato prices is

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the high demand of potatoes for seed purpose as the sowing season has started. Fresh crop from Punjab has started arriving in the market but in small quantity and is fetching Rs 800-900/ quintal.

## Technical Analysis – Weekly Price Chart of spot market Khandauli (Agra)



The above chart depicts the weekly price movement at Khandauli (Agra) spot market. Prices are trading in the range of 1000 to 1150 level, either side break out would decide further market direction. On higher side resistance could be seen at 1250 levels. Immediate support is seen at 900 levels and then Rs. 850.

## Potato Futures Weekly Analysis: (27<sup>th</sup> Oct 2012- 3 Nov 2012)

Symbol	Exchange	Expiry Date	Weekly Close Price	Previous Week Close Price	Net Change	Today's Open Interest	Previous Week Open Interest	Change
POTATO	MCX	15-Mar-13	730	727.9	2.1	13620	13680	-60
POTATO	MCX	15-Apr-13	698.6	700.1	-1.5	9900	9210	690
POTATO	MCX	15-May-12	730.8	729	1.8	2010	1380	630
				Total				1260

(Source: MCX)

In the futures market, some long build up is seen in the May contract with increase in price and open interest. In MCX March contract prices have increased compared to last week and open interest has fallen which suggest that short covering is taking place by market participants whereas in MCX April contract some short build up was seen. Broadly, markets are range bound and will remain range bound for some more weeks until sowing progress reports start coming in the market.

### Disclaimer

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