

Executive Summary:

- Potato area in West Bengal is higher this year by 6-7% as farmers have shifted paddy to potato. Hybrid variety “Pukhraj” is started to come in the markets. As per trade estimate, hybrid variety’s share in total production is less this year as compared to previous two years.
- In Bihar, acreage under potato is estimated to be same as last year. As per state horticulture dept, production could be higher by 10-15% this year because of good weather condition.
- According to trade sources, Rabi crop area is expected to be lower by 5-7% in U.P. as compared to last year. However, expectations are that production may decline by 5-10% due to frost damage during end of January. The major impact of frost damage could be seen in last sown crop. Earlier we were expecting similar production of 135-140 Lakh ton as that of last year.
- Cold store in West Bengal and UP is expected to open from 3rd week of February. Cold store in MP is opened now. Cold store rent in UP have increased to Rs. 170/Qtl this year from Rs. 140/Qtl last year due to increase in electricity cost, diesel prices and labour charges.
- In Delhi, potatoes are arriving in market from U.P, Punjab and Haryana. Among the total arrivals U.P is contributing approximately 50% whereas rest is from Punjab and Haryana.
- Potato prices have dropped in the range of 10-20% in various markets as compared to previous month but still they are relatively much higher from last year at the same time. This is due to less hybrid potato this year and increased cost of production.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	State	January 2012 Avg. Wholesale Price (Rs/Qtl)	December 2012 Avg. Wholesale Price (Rs/Qtl)	January 2012 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	Delhi	624	713	380	-89.00	-12.48	64.21
Agra	UP	578	594	267	-16.00	-2.69	116.48
Farrukhabad	UP	473	574	255	-101.00	-17.60	85.49
Ludhiana	Punjab	500	512	450	-12.00	-2.34	11.11
Kolkata	W Bengal	802	900	428	-98.00	-10.89	87.38
Hyderabad	A.P	992	1301	604	-309.00	-23.75	64.24
Jaipur	Rajasthan	669	741	375	-72.00	-9.72	78.40
Mumbai	Maharashtra	1282	1160	634	122.00	10.52	102.21
Bangalore	Karnataka	1481	1402	907	79.00	5.63	63.29

(Source: AGRIWATCH, NHB)

In the above table it is clearly visible that prices of potato have dropped in all the major markets except Mumbai and Bangalore. The reason for decline in prices is increase of arrivals from producing regions. Maximum prices have fallen in Hyderabad by 24% compared to month of December. Further, it is expected that prices will come down further as fresh potato arrivals increase.

Monthly Retail Price Trend in different Consuming Centers:

Market	State	Average Retail Price- Jan 2013	Average Retail Price- Dec 2012	Previous year Avg. Retail Price- Jan 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2154	2027	1520	6.27	41.71
Chennai	Tamil Nadu	3752	2447	1597	53.33	134.94
Delhi	Delhi	1208	1335	781	-9.51	54.67
Guwahati	Assam	1138	1571	780	-27.56	45.90
Hyderabad	Andhra Pradesh	1865	1757	1267	6.15	47.20
Mumbai	Maharashtra	2000	2000	1030	0.00	94.17
Ranchi	Bihar	1056	1460	800	-27.67	32.00

(Source: NHB)

In the above table mixed variation of retail prices is seen. Retail prices have fallen in Guwahati, Delhi and Ranchi whereas it has increased in Bangalore, Chennai and Hyderabad. It is expected that once arrivals start increasing, retail prices will come down further. Generally, whenever fresh potato arrivals start, it is high in demand and command high prices but gradually it decreases.

Technical Analysis of MCX- Potato Futures (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.)

The above chart shows the weekly price movement of MCX-Potato March contract for Agra delivery. Prices are trading near Rs 830/QtL, above its 9-week and 18-week exponential moving average. But prices closed just on its 4-day moving average. The candlestick pattern suggests if prices close below 828 level, it is expected to come down further up to Rs. 800. The Relative Strength Index (RSI) indicator is also in

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overbought zone and started downward sloping which suggest weakness in market ahead. On the higher side, prices could found resistance at a level of 875. On the downside prices may find support at a level of Rs 810.

Monthly Potato Futures (Agra Delivery) Analysis:

Symbol	Exchange	Expiry Date	Closing price on 31st Jan 2012	Previous month Closing Price- Dec 2012	% Change in Price over previous month	Open Interest as on 31st Jan	Open Interest as on 30th Dec	Change
POTATO	MCX	15-Mar-13	841.6	767.5	9.65	17160	19110	-1950
POTATO	MCX	15-Apr-13	831.6	724.6	14.77	10050	10740	-690
POTATO	MCX	15-May-12	832.2	724.5	14.87	20340	21390	-1050
				Total			51240	-3690

(Source: MCX, Agriwatch research)

In monthly analysis of futures data, it indicates short covering in all the contracts as it is visible from rising prices and falling open interest.

Disclaimer

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